

Gandhinagar, August 5, 2024

Gujarat State Fertilizers & Chemicals Limited (GSFC) is a Fortune 500 company promoted by the Government of Gujarat, having an integrated Fertilizers and Industrial Products complex. The company announced its Q1 24-25 result today, highlights were as under.

HIGHLIGHTS:

- **Second Highest Revenue (Rs. 2144 Cr.) in last 15 Q1s**
- **Second Highest Fertilizer sales (Rs. 1594 Cr.) in last 15 Q1s**

Particulars	Rs. Crores	
	FY 24-25	FY 23-24
	Q1	Q1
Operating Revenue (excluding subsidy)	1,292	1,185
Subsidy Income	852	846
Revenue from Operations	2,144	2,031
Other Income	49	49
Total Income	2,193	2,080
Operating EBIDTA @	118	138
PBT	118	140
PAT	93	106
EPS (Rs./ Share)	2.32	2.67

@ Excludes Other income.

Compared to Q1 23–24, performance in Q1 24–25 was muted. Operating profitability got squeezed even though Revenues from Operations increased by 6%. In terms of value, fertilizer sales climbed by Rs. 101 Crores (7%) and in terms of volume, by 102058 MT (30%). There was drastic reduction in P&K subsidy rates YoY, whereas raw material rates did not taper in the same proportion. Industrial Products segment faced external headwinds including reduction of Capro-Benzene spread in Q1'24–25 (\$ 582 per MT compared to \$730 per MT in Q1'23–24).

Capex led Growth Plan:

Ongoing Projects	FY 24-25	FY 25-26	FY 26-27	FY 27-28
HX Crystal Project	6.6 KTPA			
15 MW Solar Power Project at Charanka	15 MW(AC)			
Urea-II Revamping Project	Energy Reduction			
Sulphuric Acid (SA-V) Project	198 KTPA			
Participation in GIPCL'S 75 MW Solar Power Project	37.5 MW(AC)			
10 MW Electrolyser based Green Hydrogen Project	Phase-I			
Phosphoric Acid (PA) and Sulphuric Acid (SA) Project at Sikka	198 KTPA PA & 594 KTPA SA			

Outlook:

As of July 24, 2024, the nation has experienced favorable rainfall, which has facilitated the acceleration of Kharif sowing. Improved seasonal prospects will likely to continue supporting healthy demand for fertilizers during Q2-24/25. Globally, DAP prices are expected to remain elevated in the forthcoming quarter, which will complicate the import process and restrict the availability of PA supplies for Indian manufacturers. The market anticipates a significant increase in the NBS subsidy rates in order to accumulate sufficient inventory of DAP for the forthcoming Rabi season. It is probable that the MRP of critical fertilizers will remain consistent throughout the second quarter. The company plans to follow production with mix of DAP and Non – DAP products to optimize costs and maximize sales.



On the Industrial Products front, the domestic prices are expected to be challenged by the influx of surplus Chinese Caprolactam, Melamine, and Basic Nylon crystals at low prices. Capro-Benzene spread could remain under strain. Demand from some downstream sectors like Laminates, plywood, textiles, paints is likely to stay muted. However, the demand from automotive, electrical & electronics sectors is anticipated to increase due to the upcoming festive season. Overall industrial products turnover is likely to grow as compared to the current quarter.

About GSFC:

GSFC is a joint sector company promoted by Government of Gujarat. Incorporated in 1962, the company is producer of bulk and non-bulk fertilizers and chemicals. Its product portfolio is a result of plant integration developed over a period of time. Most products are import substitutes and contribute to saving valuable foreign exchange. It pioneered the manufacturing of DAP complex fertilizer in India, is the sole producer of Melamine HX Sulphate Crystal and amongst the major producers of Caprolactam, Nylon 6 and Methanol in the country.

Disclaimer:

The statements in outlook describing the company's objectives, expectations or projections, may be forward looking and it is not unlikely that the actual outcome may differ materially from that expressed, influenced by wide variety of factors affecting the business environment and the company's operations. The company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.
