

### Gandhinagar, February 10, 2024

Gujarat State Fertilizers & Chemicals Limited (GSFC) announced its Q3/9M 24-25 result today, highlights were as under.

Particulars	Rs. Crores				
	FY 24-25		FY 23-24	FY 24-25	FY 23-24
	Q3	Q2	Q3	9M	9M
Operating Revenue	1,626	1,556	1,221	4,474	4,183
Subsidy Income	1,129	1,067	722	3,048	2,810
Other Income	56	152	81	257	324
Total Income	2,811	2,775	2,024	7,779	7,317
Operating EBIDTA @	149	289	104	555	458
PBT	153	391	138	663	641
PAT	119	303	112	515	503
EPS (Rs./ Share)	3.00	7.60	2.82	12.92	12.63

@ Excludes Other income

The company achieved robust earnings and revenue during the reporting period. The external environment and input costs presented a mixed package. The cost of essential inputs, including sulphur, sulphuric acid, and P2O5, increased in Q3 and 9M YoY. The Capro-Benzene spread decreased from \$674 per MT in Q3 23-24 to \$588 per MT in Q3 24-25. On the other hand, the cost of natural gas decreased by 10% year over year in the third quarter and maintained its level for nine months. Increased capacity utilisation and product mix optimisation towards more profitable Fertilisers and Industrial Products contributed to the company's success.

In Q3, the top line increased by 42% year over year, primarily due to an increase in DAP trading revenues. Fertiliser output increased by 23% (+0.77 lakhs MT) in Q3 YoY, while sales volume increased by 25% (+1.24 lakhs MT). Operating efficiency improved marginally from 8.52% to 9.16% and operating profit increased by 43% from Rs. 104 Cr. to Rs. 149 Cr.

During the nine months spanning April to December, turnover increased by 8% YoY despite substantial decrease in subsidy rates for P&K fertilizers. Fertilizer output increased by 18% (+1.98 lakh MT) and sales volume increased by 5% (+0.75 lakh MT). Operating efficiency increased from 10.95% to 12.41%, while operating profit increased by 21%, from Rs. 458 Cr. to Rs. 555 Cr in 9M YoY.

**Capex led Growth Plan:**

Ongoing Projects	FY 24-25	FY 25-26 H1	FY 25-26 H2	FY 26-27	FY 27-28
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)				
Phosphoric Acid (PA) and Sulphuric Acid(SA) Project at Sikka	198 KTPA PA & 594 KTPA SA				

**Outlook:**

With favorable conditions reported for Rabi crops across major states, the country is poised for another strong harvest season. However, the fertilizer industry faces challenges due to price constraints, global supply conditions and subsidy structures impacting production and imports. Additionally, the depreciation of INR poses cost pressures on imports. While demand for fertilizers, including Urea, has largely been met, limited requirements for crops like Sugarcane and summer-sown varieties are expected in small pockets during February-March. The company's focus will be on optimizing sales opportunities and ensuring strategic stock placements for the upcoming Kharif season. A stable pricing environment for phosphatic fertilizers, along with potential policy interventions, will play a key role in shaping procurement strategies. Considering the market dynamics and planned annual shutdown of key fertilizers plants such as APS and energy revamp exercise in case of Urea, we have a target to book sales in the range of 3.0 to 3.25 LMT in Q4 24-25.

On the industrial products front, Caprolactam market is expected to remain under pressure due to rising Benzene prices and capacity expansions in China. Additionally, demand from key downstream sectors, particularly Nylon Tyre Cord, may remain soft due to rising inventories and

an anticipated increase in imports from China. Melamine demand from Laminates, MDF, and Plywood sectors is likely to remain stable. For molding and compounding grades steady demand from the automobile, electrical, and electronics sectors should support sales. Pricing for major Industrial products is likely to be affected by cheap Chinese imports. Overall, the company expects stable demand and turnover in the Industrial Products segment in Q4 FY24-25.

**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.*

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