

November 21, 2016

## GNFC

Gujarat Narmada Valley Fertilizers & Chemicals Limited (GNFC) is engaged in operating businesses in the industrial chemicals, fertilizers and information technology (IT) products space. GNFC is engaged in manufacturing and selling fertilisers such as urea and ammonium nitro-phosphate under the Narmada brand. The outlook for fertilizer business is positive following good monsoon. On the chemical sector, the current low per capita consumption in the domestic market and strong growth outlook for end usage are the key growth drivers for this industry. GNFC is planning to set up a lime purification project for which a joint venture company with Santosh Agrochem LLP was set up to purify by-product lime, to make it more marketable. This will resolve the environmental issues and at the same time add value to the product. GNFC is partnering Belgian firm Ecophos SA to set up a di-calcium phosphate plant at Dahej in Gujarat at an estimated cost of ₹526crore. The company has initiated actions for setting up 2,00,000 mtpa di-calcium phosphate (DCP) project. With the implementation of this project, entire hydrochloric acid (HCl) generated as byproduct from the toluene di-isocyanate (TDI) plant at Dahej will be utilised for production of DCP, resulting into improvement in the profitability of TDI business. The company is exploring opportunities in countries where there is availability of raw materials like natural gas, rock phosphate and other petroleum products at economic prices. **Hence Buy.**

## BUY

CMP ₹200

Stock Info	
Sector	Agrichemical
Market Cap (₹ cr)	3,104
Beta	1.0
52 Week High / Low	292/66
Avg. Daily Volume	213,355
Face Value (₹)	10
BSE Sensex	26,150
Nifty	8,074
Reuters Code	GNFC.BO
Bloomberg Code	GNFC@IN

Shareholding Pattern (%)	
Promoters	41.2
MF / Banks / Indian FIs	18.6
FII / NRIs / OCBs	14.7
Indian Public / Others	25.5

Abs. (%)	3m	1yr	3yr
Sensex	(7.0)	2.5	25.4
P&G Hygiene	27.4	157.5	208.9

**Vaibhav Agrawal**

022 – 3935 7800 Ext: 6808

[vaibhav.agrawal@angelbroking.com](mailto:vaibhav.agrawal@angelbroking.com)

Research Team Tel: 022 - 39357800

 E-mail: [research@angelbroking.com](mailto:research@angelbroking.com)

 Website: [www.angelbroking.com](http://www.angelbroking.com)

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<b>Disclosure of Interest Statement</b>	<b>G N F C</b>
1. Financial interest of research analyst or Angel or his Associate or his relative	No
2. Ownership of 1% or more of the stock by research analyst or Angel or associates or relatives	No
3. Served as an officer, director or employee of the company covered under Research	No
4. Broking relationship with company covered under Research	No

<b>Ratings (Based on expected returns)</b>	<b>Buy (&gt; 15%)</b>	<b>Accumulate (5% to 15%)</b>	<b>Neutral (-5 to 5%)</b>
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