59th Annual Report
2020 - 2021

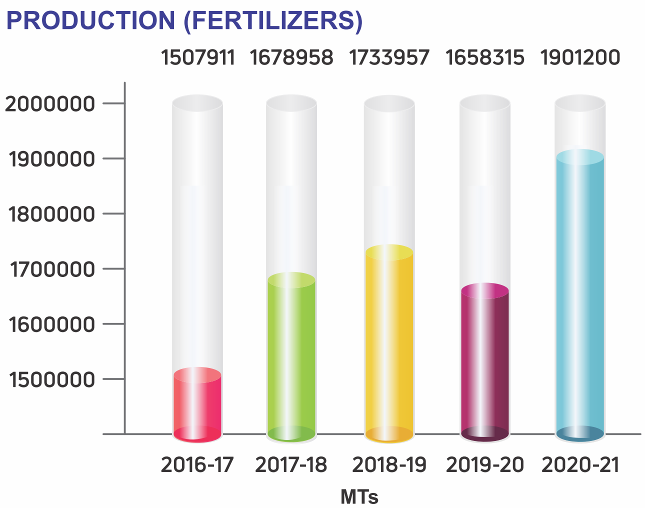
Strong Fundamentals
Stellar Performance

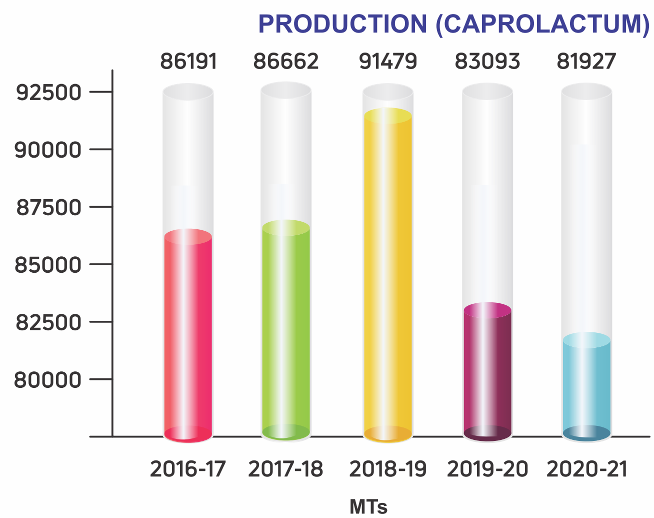
GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

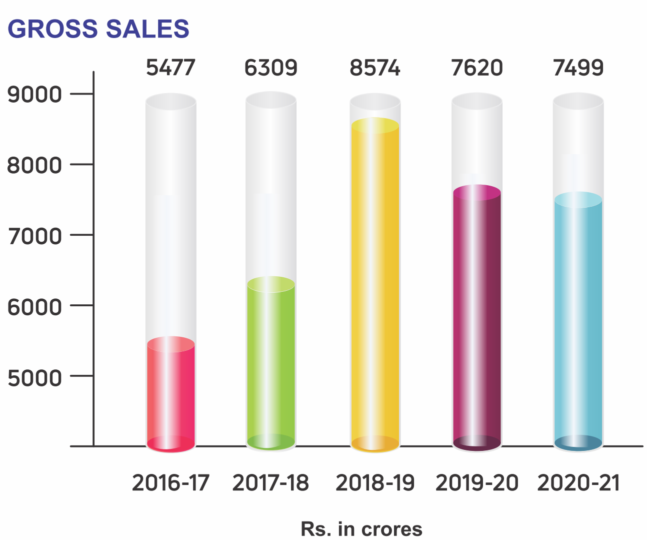
First for India
AatmaNirbhar Bharat

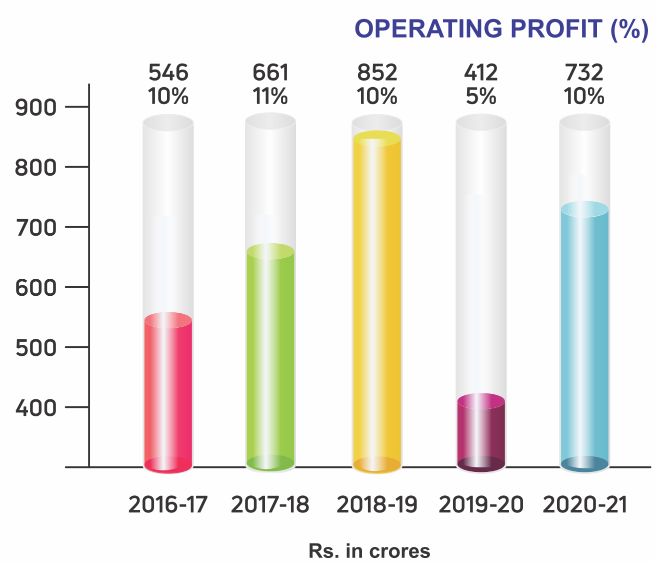
Gujarat State Fertilizers & Chemicals Limited has proudly launched four new indigenously manufactured fertilizers namely, Calcium Nitrate, Liquid Boronated Calcium Nitrate (BCN), Ammonium Sulphate & Nutri+. Calcium Nitrate is a 100% imported water-soluble fertilizer. The launch of these indigenous fertilizers by GSFC is a unique initiative to implement the "Self-reliant India" vision of **Shri Narendra Modi,** Hon'ble Prime Minister. Under this initiative, GSFC has planned to manufacture 21 such products which are predominantly imported. GSFC, an industry pioneer is a company of firsts delivering market-focused solutions through a well-nurtured and innovative R&D centre. The company reiterates its pledge towards building a Self-reliant India.

Performance Highlights

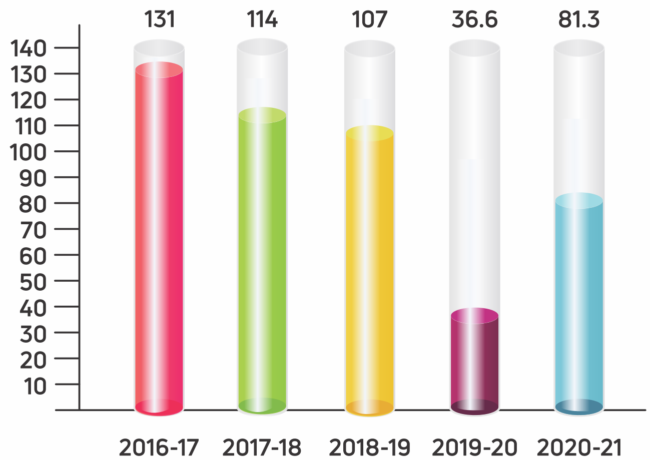






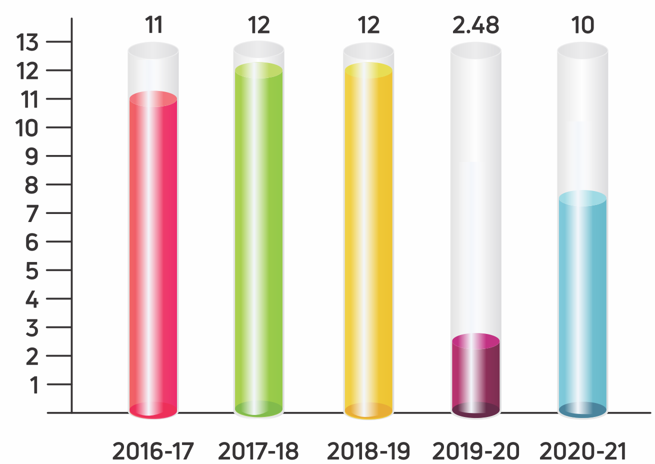


MARKET PRICE PER SHARE



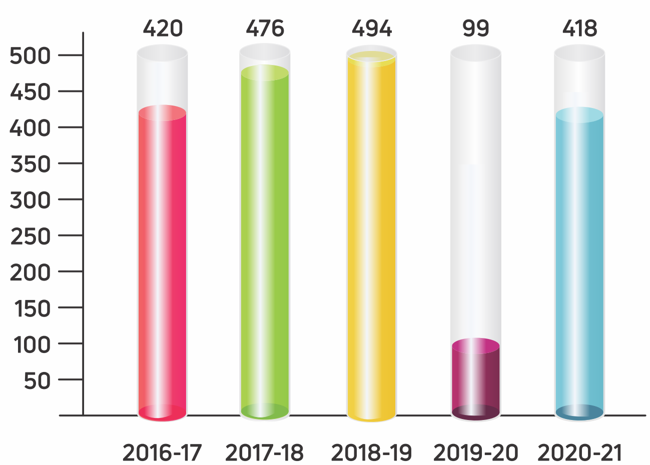
Face Value Rs.2/- per share

EARNING PER SHARE



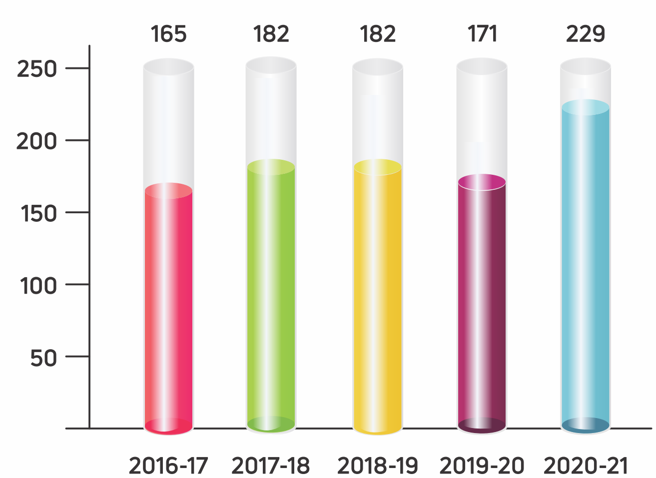
Face Value Rs.2/- each

PROFIT AFTER TAX



Rs. in crores

BOOK VALUE PER SHARE



Amt in Rs. (Face value of Rs. 2/- each)

GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

[Corporate Identity Number (CIN) : L99999GJ1962PLC001121]

59TH ANNUAL GENERAL MEETING

Date : 27th September, 2021
Day : Monday
Time : 03.30 p.m.
Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

CONTENTS — **Page No.**

Notice 02
Directors' Report 15
Business Responsibility Report 34
Management Discussion and Analysis Report 42
Corporate Governance Report 50
Financial Highlights 70
Auditors' Report 71
Balance Sheet 80
Statement of Profit & Loss 82
Cash Flow Statement 83
Statement of Changes in Equity (SOCIE) 84
Notes to the Financial Statements 85
Consolidated Financial Statements 132

REGISTRARS & SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.
B-102 & 103, Shangrila Complex, First Floor,
Opp. HDFC Bank, Near Radhakrishna Char Rasta,
Akota, Vadodara - 390 020.
Phone : (0265) 2356573
Fax : (0265) 2356791
Email : vadodara@linkintime.co.in

REGISTERED OFFICE

Fertilizernagar - 391 750
District Vadodara, Gujarat, India
Phone : (0265) 2242451/651/751
Fax : (0265) 2240966/2240119
Email : ho@gsfcltd.com
Website : www.gsfclimited.com

BOARD OF DIRECTORS *(As on 11-08-2021)*

SHRI ANIL MUKIM — *Chairman*
PROF. RAVINDRA DHOLAKIA
SHRI TAPAN RAY
SMT. GAURI KUMAR
DR. SUDHIR KUMAR JAIN
SMT. JAYABEN THAKKAR
SHRI PANKAJ JOSHI
SMT. MAMTA VERMA
SHRI MUKESH PURI — *Managing Director*

EXECUTIVE DIRECTOR (FINANCE) & CFO

SHRI V D NANAVATY

EXECUTIVE DIRECTORS

SHRI S P YADAV
SHRI B B BHAYANI
SHRI D B SHAH

SR. VICE PRESIDENTS

SHRI A K JAUHARI
SHRI D V PATHAKJEE
SHRI S H PUROHIT
SHRI MAYUR GARG
SHRI S V VARMA

COMPANY SECRETARY & SR. VICE PRESIDENT (LEGAL)

CS V V VACHHRAJANI

VICE PRESIDENT / CHIEF

SHRI H D MEHTA
SHRI J P MANDAVIA
DR. P B VAISHNAV

BANKERS

Bank of Baroda
Central Bank of India
Bank of India
Indian Bank
Yes Bank Ltd.
State Bank of India
Indian Overseas Bank
Axis Bank Ltd.
The Hongkong and Shanghai Banking Corporation Ltd.

LEGAL ADVISORS AND ADVOCATES

Shardul Amarchand Mangaldas & Co., Mumbai
Nanavati Associates, Advocates, Ahmedabad
Kunan Naik Associates, Advocates, Ahmedabad
Jaideep B. Verma, Advocate, Vadodara

STATUTORY AUDITORS

M/s T R Chadha & Co., LLP, Ahmedabad

COST AUDITORS

M/s Diwanji & Company, Vadodara

SECRETARIAL AUDITORS

Niraj Trivedi, Vadodara

NOTICE

NOTICE is hereby given that the **Fifty-Ninth Annual General Meeting** of the Members of the Gujarat State Fertilizers & Chemicals Limited will be held at 15:30 hours Indian Standard Time (IST) on **Monday, the 27th September, 2021** through Video conference ("VC) / Other Audio Visual Means ("OAVAM") to transact the following business:

Ordinary Business

1. To receive, consider and adopt:

   a) the Audited Financial Statements of the Company for the financial year ended March 31, 2021, the reports of the Board of Directors and Auditors thereon; and

   b) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 and report of the Auditors thereon.

2. To declare Dividend on Equity Shares for the financial year ended 31st March, 2021.

3. To appoint a Director in place of Shri Pankaj Joshi, IAS (DIN 01532892), who retires by rotation and being eligible offers himself for re-appointment.

Special Business

4. To approve the remuneration of the Cost Auditors for the Financial Year ending 31st March, 2022 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   RESOLVED that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), the remuneration payable to M/s Diwanji & Company, Cost Accountants, Ahmedabad (Firm Registration No. 000339), appointed by the Board of Directors of the Company as cost auditors to conduct the audit of the cost records of the Company, as applicable for the financial year ending March 31, 2022, amounting to Rs. 4,40,000/- plus applicable taxes and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified.

5. To appoint Smt. Jayaben Thakkar (DIN 02110569) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution with or without modification(s), as an Ordinary Resolution:

   RESOLVED that pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Smt. Jayaben Thakkar (DIN 02110569), who is appointed as an Additional Director of the Company in the category of Independent Director and whose appointment is recommended by the Nomination and Remuneration committee and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office, for the first term of five consecutive years effective from 01st October 2020 to 30th September 2025.

6. To appoint Shri Mukesh Puri (DIN 03582870), as Managing Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution with or without modification(s), as an Ordinary Resolution:

   RESOLVED that subject to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013, the Company hereby accords its consent and approval to the appointment of Shri Mukesh Puri (DIN 03582870), as Managing Director of the Company.

   FURTHER RESOLVED that the Board of Directors are hereby authorized to approve the remuneration, perquisites or terms & conditions as per the communication that may be received from the Government from time to time during the continuity of his appointment.

FURTHER RESOLVED that so long as Shri Mukesh Puri, functions as Managing Director of the Company, he shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

By Order of the Board
For Gujarat State Fertilizers & Chemicals Limited
Sd/-
CS V. V. Vachhrajani
Company Secretary &
Sr. Vice President (Legal)

Place : Fertilizernagar
Date : 11/08/2021

EXPLANATORY STATEMENT

PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 04

The Board, on recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2022 at a fee of Rs. 4,40,000/- plus applicable taxes and reasonable out of pocket and traveling expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, approval of the members is sought for passing an ordinary resolution as set out at item no. 4 of the notice for ratification of the remuneration payable to the cost auditors for the financial year ending March 31, 2022.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of the notice.

ITEM NO 05

As recommended by the Nomination-cum-Remuneration Committee vide circular resolution dtd. 01st October 2020, the Board of Directors have appointed Smt. Jayaben Thakkar as Woman Independent Directors of the Company for a first term of five years not liable to retire by rotation and subject to the approval of the Members of the Company. Pursuant to Sections 149, 150, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder, it is proposed to seek approval of the Members for appointment of Smt. Jayaben Thakkar as Woman Independent Directors of the Company for a term of five years. She shall not be liable to retire by rotation. Pursuant to the provisions of Section 161 of the Act, being Additional Director (in the Category of an Independent Director), she will hold office up to the date of the ensuing Annual General Meeting (AGM) and is eligible for appointment as Woman Independent Directors of the Company. The Company has received notice in writing under Section 160 of the Act from a Member proposing her candidature to hold the office of Director. The Company has received from her (i) Consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act, (iii) A declaration to the effect that she meets the criteria of independence as provided in Section 149 (6) of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations). Brief profile along with other details as required pursuant to Regulations 26 (4) & 36 (3) of SEBI Listing Regulations and Secretarial Standards, as applicable, of Smt. Jayaben Thakkar is given in the Annexure-I forming part of this Notice. It is recommended to appoint her as Independent Directors of the Company. In the opinion of the Board, She fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder and they are independent of management. The association of Smt. Jayaben Thakkar would be of immense benefit to the Company and hence it is recommended to approve her appointment as Woman Independent Director.

The terms and conditions of appointment of Independent Director applicable to Smt. Jayaben Thakkar is available on the Website of the Company at www.gsfclimited.com.

Smt. Jayaben Thakkar was the member of the 14th Lok Sabha of India. She represented the Vadodara constituency of Gujarat and is a member of the Bharatiya Janata Party. She was appointed as member of member of consumer disputes redressal commission, Vadodara for a period of five years. She had also been appointed as chairperson of GNFC. She also held the key positions as Member at Joint Committee for Women Empowerment and its Sub-Committee on Education and Health Programmes for Women. She was also appointed as Member of Consultative Committee, Ministry of Tourism, Gujarat State.

Except the Independent Director, whose candidature is proposed for appointment, none of the other Directors / Key Managerial Personnel of the Company and their relatives is/are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 5 of the Notice. This Statement shall also be regarded as a disclosure under Regulation 36 (3) of the SEBI Listing Regulations. The Board recommends the Resolution at Item No. 5 of the Notice for your approval.

Item No. 06:

As per Govt. of Gujarat Order No. AIS/45.2020/505913/G dated 05/12/2020, Shri Mukesh Puri, IAS was appointed as Managing Director of the Company vice Shri Arvind Agarwal, IAS (Retd). Shri Mukesh Puri has assumed the charge as Managing Dirtector of the Company on 06/12/2020.

Shri Mukesh Puri is an IAS officer with 32 years of experience in public administration. He has done Post Graduation in Economics from the Delhi School of Economics and subsequently obtained a Master's Degree in International Political Economics from the University of Tsukuba, Japan.

He has held several important positions in the State Government and Government of India such as Collector and District Magistrate; Dy. Director, Lal Bahadur Shastri National Academy of Administration (LBSNAA); Commissioner of Commercial Taxes; Principal Secretary, Education Department and Water Supply Department. Shri Puri has held the position of Managing Director, Gujarat Urja Vikas Nigam Limited (GUVNL); and Chairman, Gujarat Pollution Control Board (GPCB). Shri Puri has also worked with UNICEF for a period of 3 years. He is presently posted as Additional Chief Secretary, Urban Development & Urban Housing Department, Government of Gujarat.

Members also required to authorize the Board of Directors to approve the remuneration, perquisites or terms & conditions as per the communication if received from the Government from time to time during the currency of his appointment. The terms & conditions as issued by Government of Gujarat would be applicable till Shri Mukesh Puri, remains on deputation with the Company. On reversion from appointment, he will be governed by the relevant rules laid down for All India Services Officers.

The appointment of Shri Mukesh Puri and the remuneration and perquisites if any payable to him shall be in accordance with Schedule V to the Companies Act, 2013. Shri Mukesh Puri has long and extensive experience in Government Service. Accordingly, the directors recommend this resolution for your consent and approval.

Except Shri Mukesh Puri, none of the Directors/ Key Managerial Personnel of the Company/ their relatives is, in anyway, concerned or interested, financial or otherwise, in the resolution set out at Item No. 06. This Explanatory Statement may also be regarded as a disclosure under the Listing Regulations with the Stock Exchange.

By Order of the Board
For Gujarat State Fertilizers & Chemicals Limited
Sd/-
CS V. V. Vachhrajani
Company Secretary &
Sr. Vice President (Legal)

Place : Fertilizernagar
Date : 11/08/2021

Notes:

1. In view of the continuing present Covid-19 pandemic situation, the Ministry of Corporate Affairs ("MCA") has vide its Circular dated May 5, 2020 read together with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the aforementioned MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 59th AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

NOTES (Contd..)

2. Since, this AGM is being conducted through VC/OAVM, Physical attendance of Members is not required and has been dispensed with. Accordingly, facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip and Route Map are not annexed to this Notice. Members can attend the meeting through login credentials provided to them to connect AGM.

3. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of 59th AGM along with Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice along with Annual Report 2020-21 has been uploaded on the website of the Company at www.gsfclimited.com and on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and on the website of CDSL at www.evotingindia.com.

4. Members attending AGM through VC/OAVM shall be counted for the purpose of reckoning quorum under Section 103 of the Act.

5. Since the AGM will be held through VC/OAVM, the route map of the venue of the meeting is not annexed hereto.

6. A Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respects of special business to be transacted at the meeting is annexed hereto.

7. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, the 13th September, 2021 to Monday, the 27th September, 2021 (both days inclusive).

8. The dividend on equity shares, if declared at the AGM, will be paid on or after 8th October, 2021 to those shareholders holding shares in physical form and whose names appear on the Register of Members of the Company on 27th September, 2021. In respect of shares held in electronic form, the dividend will be payable to those who are the beneficial owners of shares after close of business hours on the 11th September, 2021 as per details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Dividend Warrants/Demand Drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details.

9 (a) Members holding shares in electronic form may note that their bank details as may be furnished to the Company by respective Depositories will only be considered for remittance of dividend through NECS/ ECS or through Dividend Warrants. Beneficial Owners holding Shares in demat form are requested to get in touch with their Depository Participants (DP) to update / correct their NECS/ ECS details - Bank Code (9 digits) and Bank Account No. (11 to 16 digits) to avoid any rejections and also give instructions regarding change of address, if any, to their DPs. It is requested to attach a photocopy of a cancelled cheque with your instructions to your DP.

  (b) The Company has appointed Link Intime India Pvt. Ltd. as Registrar and Share Transfer Agent (R&T Agent). Members are requested to send all correspondence to Link Intime India Pvt. Ltd. at B-102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara 390 020. Members holding shares in physical mode are requested to notify immediately any change in their addresses, the Bank mandate or Bank details along with photocopy of the cancelled cheque or bank passbook/statement attested by the bank to the R&T Agent of the Company.

  (c) Shareholders of the Company holding shares in physical mode are requested to register their E-mail address with Registrar and Share Transfer Agent (RTA) of the Company viz. Link Intime India Pvt. Ltd. at https://www.linkintime.co.in/ EmailReg/Email_Register.html by entering the details of Folio No./ Demat A/ c. No.,Certificate No. (for Physical Folios only), Shareholder Name, PAN, Mobile No. and E-mail address with OTP Verification or Shareholders may send such details through E-mail at vadodara@linkintime.co.in. While uploading/ sending the said details, self-certified copy of PAN and copy of Aadhar Card or valid Passport are required to be attached for verification purpose. Shareholders who hold shares in dematerialised form can also register their e-mail address, PAN, Mobile Number etc. with their Depository Participant or with the RTA of the Company on the aforesaid link.

10. In addition to the updation of E-mail address of the shareholders of the Company, those shareholders who hold shares in physical mode may also register / update their Bank Account details at the aforesaid link or can send an E-mail, mentioning the Folio No. to the RTA of the Company by attaching copy of their cancelled cheque or bank passbook/ statement attested by the bank.

NOTES (Contd..)

11. The Shareholders are advised to encash their dividend warrants within validity period. Thereafter, the payment of unencashed dividend warrants shall be made only after receipt of final list of unclaimed dividend warrants and reconciliation of Dividend Account from Bank. The payment of unclaimed dividend will be made by electronic bank transfer or in case of failure, by issuing banker's cheque or Demand Draft incorporating the bank account details of security holder upon furnishing Indemnity-cum-Request letter by the Shareholder and verification by the Company.

12. (a) Pursuant to the provisions of Section 205A (5) and 205C of the erstwhile Companies Act, 1956 and the corresponding provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the amount of dividend unclaimed dividend upto FY 2011-12 have been transferred from time to time on respective due dates to Investor Education and Protection Fund (IEPF). Details of unpaid/unclaimed dividend lying with the Company as on March 31, 2021 is available on the website of the Company at www.gsfclimited.com.

    (b). Attention of the Members is drawn to the provisions of Section 124 (6) of the Act read with the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, which requires a Company to transfer all Shares in respect of which dividend has not been paid or claimed for seven (07) consecutive years or more to IEPF Authority. In compliance with the aforesaid provision of the Act the Company has transferred the underlying shares in respect of which dividends remained unclaimed for a consecutive period of seven years.

    (c). The Members who have not encashed dividend warrant(s) for the years 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 are requested to claim payment immediately by writing to the Company's R&T Agent, Link Intime India Pvt. Ltd. at the address given above. After seven years, unclaimed dividend shall be transferred to the Investor Education and Protection Fund. Pursuant to provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the details of unclaimed dividend amount lying with the Company as on 31.03.2020 has been uploaded on the Company's website (www.gsfclimited.com) and also filed with the Ministry of Corporate Affairs.

13 Any person, whose unclaimed dividend or shares have been transferred to the IEPF Authority may claim back the same by making an application in web Form IEPF 5 to the IEPF Authority, which is available on Website of IEPF Authority at www.iepf.gov.in.

14. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Shareholders are entitled to make nomination in respect of the shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH-13 to the R&T Agent, Link Intime India Pvt. Ltd. at the address given above.

15. Members who have not registered their e-mail addresses so far, are requested to register their email address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

16. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance latest by 19th September, 2021 by mentioning their name, demat account number/folio number, email id, mobile number at vishvesh@gsfcltd.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance latest by 19th September, 2021 mentioning their name, demat account number/folio number, email id, mobile number at vishvesh@gsfcltd.com. These queries will be replied to by the company suitably by email. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Inspection of documents:

All documents referred to in this Notice and Statement u/s. 102 of the Act will be available for inspection electronically by the members of the Company from the date of circulation of this Notice upto the date of the AGM. Members seeking to inspect such documents can send an e-mail to secdiv@gsfcltd.com/ vishvesh@gsfcltd.com.

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form should submit their PAN to the Company/ R&T Agent.

18 Procedure for Remote E-Voting, Attending the AGM through Video Conference/Other Audio Visual Means (VC/OAVM) and E-Voting facility during the AGM: The detailed process, instructions and manner for availing Remote e-Voting, attending AGM through VC/OAVM and E-Voting facility during the AGM is shown hereunder:

(I) As per Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility for voting by electronic means ("e-Voting") and the business in respect of all Shareholders' Resolutions may be transacted through such e-Voting. The facility is provided to the Shareholders to exercise their right to vote by electronic means from a place other than the venue of AGM ("remote e- Voting") as well as e-voting system on the date of AGM through e-Voting services provided by Central Depository Services (India) Limited (CDSL).

(II) The Company has fixed 20th September, 2021, Monday as a cut-off date to record the entitlement of the Shareholders to cast their votes electronically by remote e-Voting as well as by e-voting system on the date of AGM.

(III) The remote e-Voting period commences on Friday, 24th September, 2021 (09:00 a.m.) and ends on Sunday, 26th September, 2021 (05:00 p.m.). During this period, Shareholders of the Company holding shares either in physical form or in dematerialized form as on the cut-off date, i.e. 20th September, 2021 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting after 5.00 p.m. on 26th September, 2021. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently.

Any person, who becomes Member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. Monday, 20th September, 2021 may obtain USER ID and password by following e-Voting instructions which is part of Notice and the same is also placed in e-Voting Section of CDSL Website i.e. www.evotingindia.com and Company's Website i.e. www.gsfclimited.com. For further guidance, Members are requested to send their query by email at helpdesk.evoting@cdslindia.com. Members can also cast their vote using CDSL's mobile app m-Voting available for android based phones. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

A. THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/ EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

(i) The voting period begins on (Friday) 24th September, 2021 at 09:00 AM and ends on (Sunday) 26th September, 2021 at 05:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September, 2021 (Monday) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

NOTES (Contd..)

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

	2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	**Helpdesk details**
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

1) The shareholders should log on to the e-voting website www.evotingindia.com

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

NOTES (Contd..)

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
Permanent Account Number (PAN)	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth in dd/mm/yyyy format as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN 210817005 for GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) Facility for Non - Individual Shareholders and Custodians -Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; vishvesh@gsfcltd.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance latest by 19th September, 2021 mentioning their name, demat account number/folio number, email id, mobile number at vishvesh@gsfcltd.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance latest by 19th September, 2021 mentioning their name, demat account number/folio number, email id, mobile number at vishvesh@gsfcltd.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

NOTES (Contd..)

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to vadodara@linkintime.co.in.

2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/ 43.

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Contact Details

Company: Gujarat State Fertilizers & Chemicals Limited
P.O.: Fertilizernagaar - 391 750
DIST.: VADODARA (GUJARAT)
Phone: (0265) 2242451, Extn. 3582
E-mail: vishvesh@gsfcltd.com

Registrar & Share Transfer Agent: Link Intime India Private Limited (Unit: GSFC)
B -102 &103, Shangrila Complex, 1st Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta, Akota,
VADODARA: 390 020 (GUJARAT)
Phone: (0265) 2356573 / 6136000
E-mail: vadodara@linkintime.co.in

e-Voting Agency : Central Depository Services (India) Limited
E-mail: helpdesk.evoting@cdslindia.com
Phone: +91-22-22723333/8588

Scrutinizer: Mr. Niraj Trivedi
Practicing Company Secretary
218-219, Saffron Complex, Fatehgunj,
VADODARA : 390 002 (GUJARAT)
E-mail: csneerajtrivedi@gmail.com

NOTES (Contd..)

Annexure – I

DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT BY THE SHAREHOLDERS OF THE COMPANY AT THE ENSUING ANNUAL GENERAL MEETING IN PURSUANCE OF REGULATION 26 (4) & 36 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND APPLICABLE SECRETARIAL STANDARDS

Name of Director	Smt. Jayaben Bharatbhai Thakkar	Shri Mukesh Puri, IAS	Shri Pankaj Joshi, IAS	Smt. Mamta Verma, IAS
DIN	02110569	03582870	01532892	01854315
Date of Birth	14.05.1952	26.01.1964	19.10.1965	01.04.1972
Date of first appointment	01.10.2020	06.12.2020	21.12.2019	01.07.2021
No. of Shares held by self or by any beneficial basis for any other person	Nil	Nil	Nil	Nil
Relationship with other Directors / Key Managerial Personnel	Nil	Nil	Nil	Nil
Qualifications	B.A. (English)	Post-Graduation in Economics Master's Degree in International Political Economics IAS	IAS B. Tech in Civil Engineering M. Tech in Water Resource Engineering IIT, New Delhi M. Phil in Defence & Strategic Studies	Post-graduation (Psychology), IAS
Names of other Companies in which Directorship is held	Whiteland Engineering Technologies Private Limited	1) Urban Ring Development Corporation Limited 2) Gujarat Urban Development Company Limited 3) Gujarat Metro Rail Corporation (GMRC) Limited 4) Gujarat International Finance Tec-City Company Limited 5) Gujarat Fibre Grid Network Limited 6) Diamond Research and Mercantile City Limited 7) Gujarat Narmada Valley Fertilizers & Chemicals Ltd. 8) Indian Potash Limited 9) Gujarat Green Revolution Company Limited	1) Gujarat Alkalies and Chemicals Ltd. 2) Gujarat State Petroleum Corporation Ltd. 3) Sardar Sarovar Narmada Nigam Ltd. 4) Gujarat International Finance Tec-City Company Ltd. 5) Gujarat State Financial Services Ltd. 6) Gujarat State Petronet Ltd. 7) Gujarat State Investment Ltd. 8) Gujarat Metro Rail Corporation (GMRC) Ltd. 9) Gujarat Narmada Valley Fertilizers & Chemicals Ltd.	1) Gujarat Urja Vikas Nigam Limited 2) Gujarat State Electricity Corporation Limited 3) Gujarat Energy Transmission Corporation Limited 4) Gujarat Power Corporation Limited 5) Gujarat Narmada Valley Fertilizers & Chemicals Limited 6) Gujarat Chemical Port Limited 7) Diamond Research And Mercantile City Limited 8) Gujarat Energy Development Agency

NOTES (Contd..)

Names of the Committees of the Board of Companies in which Membership/ Chairmanship is held	Finance-cum-audit committee Risk Management Committee CSR Committee Stakeholders Relationship Committee	Project Committee Risk Management Committee CSR Committee Stakeholders Relationship Committee	Finance-cum-audit committee Risk Management Committee CSR Committee	Project Committee Nomination and Remuneration Committee

*For details regarding the number of meetings of the Board / Committees attended by the above Directors during the year and remuneration drawn / sitting fees received, please refer to the Board's Report and the Corporate Governance Report forming part of this Annual Report.

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting their 59th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2021.

1. Financial highlights of the Company

(₹ in Crores)

Sr. No.	Particulars	Standalone		Consolidated	
		2020-21	2019-20	2020-21	2019-20
1	Gross Sales	7499.61	7620.82	7634.06	7797.98
2	Other Income	183.34	109.19	183.17	106.51
3	Total Revenue	7682.95	7730.01	7817.24	7904.49
4	Less : Operating Expenses	6950.46	7318.13	7062.76	7480.76
5	Operating Profit	732.49	411.88	754.48	423.73
6	Less : Finance Cost	42.73	114.69	43.00	114.69
7	Gross Profit	689.76	297.19	711.48	308.93
8	Less : Depreciation	176.45	170.21	177.20	170.95
9	Exceptional Item	0.00	0.00		0.00
10	Profit before Taxes	513.31	126.98	534.28	137.98
11	Shares in Profit/(Loss) of Associates	0.00	0.00	0.65	2.94
12	Profit before taxes after Associates	513.31	126.98	534.94	140.92
13	Taxation				
	• Current Tax	70.84	-	74.62	2.99
	• Deferred Tax (net)	78.08	24.79	63.49	24.79
	• Mat Credit recognized	(32.62)	-	(32.62)	-
	• Earlier year tax	(20.66)	3.49	(20.66)	3.49
14	Profit after taxes	417.67	98.70	450.11	109.64
15	Non-controlling Interest	0.00	0.00	0.00	0.00
16	Other comprehensive income arising from re-measurement of defined benefit plan	(6.06)	(201.20)	(6.07)	(201.22)
17	Balance brought forward from last year	223.51	431.69	275.11	472.52
18	Amount available for appropriations	635.12	329.20	719.17	380.94
19	Payment of Dividend				
	- Dividend	47.82	87.66	47.82	87.66
	- DDT Paid	0.00	18.02	0.00	18.12
20	Transfer to General Reserve	230.00	-	230.00	-
21	Leaving a balance in the Profit & Loss Account	357.30	223.51	441.35	275.11

2. Dividend:

Your Directors are happy to recommend a dividend @ Rs. 2.20 per Equity Share (Face value of Rs. 2/- each) on 39,84,77,530 shares (Previous Year - 60%, i.e. Rs. 1.20 per share on 39,84,77,530 Equity Shares of Rs. 2/- each) for the financial year ended 31st March, 2021. The net outgo on account of Dividend shall be Rs. 87.66 Crores. The Dividend shall be paid to those members, whose names shall appear on the Register of Members of the Company on the Book Closure Date i.e. on 13/09/2021.

3. Brief description of the Company's working during the year/ State of Company's affair:

Your directors wish to report that your Company has achieved turnover of Rs. 7499.61 Crores for the year ended March 31, 2021 as against Rs. 7620.82 Crores (FY 19-20) on standalone basis, which is lower by Rs. 121.21 crores when compared to the previous financial year.

Similarly, for the year under review (FY 20-21), Profit before Tax (PBT) was Rs.513.32 Crores and Net Profit (Profit after Tax) was Rs.417.67 Crores as against PBT of Rs.126.98 Crores and PAT of Rs.98.70 Crores for the previous financial year.

4. Material changes and commitments:

The Company has not made any material changes or commitments which affect the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of signing of this report.

5. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future:

There are no such orders except those which have been appropriately challenged before the judiciary and no impact on going concern status and Company's operation in future of such matters are expected or visualised at the current stage at which they are.

6. Details in respect of adequacy of internal financial controls with reference to the Financial Statements:

Your Company has an internal Control System which commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function lies with the Audit Committee of Directors. The Audit Committee monitors and evaluates the efficacy and adequacy of internal control systems, accounting procedures and policies. Based on the report of Internal Auditors, significant audit observations and actions taken on such observations are presented to the Audit Committee of the Board.

7. Details of Subsidiary/Joint Ventures/Associate Companies:

During the year under review, Companies listed below are the Subsidiary Company or Associate Companies:

- Subsidiary Companies - GSFC Agrotech Limited.
Gujarat Port and Logistics Company Limited*
Vadodara Jal Sanchay Private Limited*
- Associate Companies - Vadodara Enviro Channel Limited
Gujarat Green Revolution Company Limited
Gujarat Data Electronics Limited
Karnalyte Resources INC
- Subsidiary of Subsidiary - Gujarat Arogya Seva Private Limited.

*Gujarat Port and Logistics Company Limited was incorporated on 03/02/2020 as a Joint Venture Company by Gujarat State Fertilizers & Chemicals Limited and Gujarat Maritime Board with proposed investment in the ration of 60:40 respectively. A report of the performance and financial position of each of the subsidiaries, associates and joint venture companies as per the Companies Act, 2013 is provided at Annexure - A to the Consolidated Financial Statement and hence not reproduced here for the sake of brevity. The Company does not have any material subsidiary in terms of Company's Act, 2013 read with SEBI (Listing Obligation & Disclosure Requirement) Regulations.

*Vadodara Jal Sanchay Private Limited was incorporated on 22/07/2020 as a joint venture company by Gujarat State Fertilizers & Chemicals Limited, Gujarat Alkalies and Chemicals Limited, Gujarat Industries Power Company Limited and Vadodara Municipal Corporation with investment in the ration of 60:15:15:10 respectively. A report of the performance and financial position of each of the subsidiaries, associates and joint venture companies as per the Companies Act, 2013 is provided at Annexure - A to the Consolidated Financial Statement and hence not reproduced here for the sake of brevity. The Company does not have any material subsidiary in terms of Company's Act, 2013 read with SEBI (Listing Obligation & Disclosure Requirement) Regulations.

8. Listing of Shares & Depositories:

The Equity Shares of your Company are listed on the BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE). As approved by the shareholders, an application for voluntary delisting of Equity Shares from Calcutta Stock Exchange Association Ltd., Kolkatta, was made, however, the approval for delisting is still not received. The listing fee for the FY 21-22 has been paid timely to both the BSE and NSE.

Your Directors wish to state that the Equity Shares of your Company are compulsorily traded in dematerialized form w.e.f. 26/06/2000. Presently, 98.01% of shares are held in electronic/ dematerialized form.

9. Report on Corporate Governance And Management Discussion And Analysis Report To Shareholders:

Your Company has complied with all the mandatory requirements of Corporate Governance norms as mandated by SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

A separate report on Corporate Governance together with the Certificate of M/s. Samdani Kabra & Associates, Company Secretaries, Vadodara forms part of this Annual Report. The Management Discussion & Analysis report also forms part of this Annual Report.

10. Business Responsibility Reporting

Business Responsibility Report forms part of this Annual Report as required under Regulation 34(2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. Fixed Deposits

During the year 2020-21, your Company has not accepted/ renewed any Fixed Deposit. Your Directors wish to report that there are NIL Fixed Deposits aggregating Rs. NIL which have remained unclaimed by Depositors, as on 31st March, 2021.

During the year, the Company has transferred a sum of Rs. NIL Lacs being the unclaimed deposits and interest amount thereon to the Investors' Education and Protection Fund (IEPF) as required in terms of Section 125 of the Companies Act, 2013. The Company has discontinued accepting new deposits since 15.11.2005, and renewing the deposits since 31.03.2009.

12. Insurance:

All the properties and insurable interests of the Company, including the buildings, plant & machinery and stocks have been adequately insured. Also, as required under the Public Liability Insurance Act, 1991, your Company has taken the appropriate insurance cover.

The company has D&O liability insurance policy which is reviewed in terms of the quantum and risk coverage as per the Regulation 25(10) of the SEBI Listing Regulations.

13. Expansion & Diversification

Your Directors are happy to share the status of various projects that are under execution/ executed as below:

Urea Plant Revamping Project:

To reduce the energy consumption of existing Urea Plants and improve the plant reliability considering vintage plant, your company is considering to carry out revamping of Urea-II Plant. M/s Casale SA, Switzerland is selected as Technology supplier and accordingly, Basic Engineering Package is received from M/s Casale. Your company has invited offers from renowned EPC Contractors for further execution of Project on EPC basis.

600 MTPD Sulphuric Acid Plant at Vadodara Unit:

Based on Detail Project Report (DPR) received from consultant and maintaining the Sulphuric Acid & Steam balance of the complex, your company is considering to set up 600 MTPD Sulphuric Acid Plant on LSTK basis at Vadodara Unit. Company has invited Expression of Interest from LSTK contractors & based on their response, techno-commercial offers will be invited.

400 MTPD Ammonium Sulphate Plant at Vadodara Unit:

To capture growing market of Ammonium Sulphate, your company is considering to set up 400 MTPD Ammonium Sulphate Plant at Vadodara Unit. Based on experience of Ammonium Sulphate production over the years, your company will execute the Project on its own, without involving any external technology supplier and it shall be using its available in-house expertise and resources.

PA & APS Plants Refurbishment:

To improve productivity, efficiency and reliability of the old Phosphoric Acid (PA) and Ammonium Phosphate Sulphate (APS) Plants established way back in the year 1967, your Company has taken up refurbishment drive of these plants. The Project is under execution stage and it is expected that the Mechanical completion should get over by October- 2021.

15 MW Solar Power Project at Charanka:

To make use of green energy & meet Renewable Purchase Obligation (RPO) requirements, your company is considering to install 15 MW ground mounted solar power plant at Charanka, Gujarat. To have cost advantage, Company has jointly participated in the tender floated by M/s Gujarat State Electricity Corporation Ltd. (GSECL) for supply of solar panels and the finalization of EPC contractor is also in progress.

1000 MTPD Phosphoric Acid Plant and 3000 MTPD Sulphuric Acid Plant at Sikka Unit:

Considering high cost of Project, issue of handling of huge quantity of by product Gypsum, Import of about one Million ton Rock Phosphate, your company has carried out Detailed Project Report (DPR) through M/s tkIS for the plant capacity of 600 MTPD Phosphoric Acid and 1800 MTPD Sulphuric Acid. Report from M/s tkIS is under evaluation and final decision for the Project will be taken up appropriately.

NPK Pilot Plant:

It is essential to produce various grades of NPK in the present competitive market. For developing various NPK grades and optimization of process parameters for effective scale up, work on setting up NPK Pilot Plan is in progress at the Company's R&D department. Based on inputs from R&D department, development of pilot plant shall be taken up.

22 MTPD Sulphur 90 Project:

To expand Agro-product portfolio, your company has successfully commissioned 22 MTPD Sulphur 90 Plant in the month of December, 2020.

Nylon- 6 Compounding Project:

Considering the growing demand of Nylon-6 Compounded chips and as a value added product, your company is setting up 2 numbers of 24 MTPD capacity Nylon-6 compounding lines. Mechanical Completion of the Project is expected in the month of September- 2021.

14. Corporate Social Responsibility (CSR)

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. As a part of its initiatives under "Corporate Social Responsibility", the Company has undertaken projects in the areas of education, livelihood, health, water and sanitation. The Annual Report on CSR activities is enclosed as **Annexure A**. CSR Policy adopted by the Company is placed on the Company's website at https://www.gsfclimited.com/social_commitment.asp?mnuid=1&fid=15

15. Information regarding conservation of energy, technology absorption, foreign exchange earnings and outgo and particulars of employees etc.

Information as required under Section 134 (3) (m) of Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are enclosed in Annexure D forming part of this report. The details relating to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been disclosed in point # 5 of Corporate Governance Report.

16. Directors

A) Changes in Directors and Key Managerial Personnel:

Shri Anil Mukim, IAS has been appointed as Chairman w. e. f. 19.12.2020 and Shri Mukesh Puri, IAS has been appointed as Managing Director w.e.f. 06.12.2020 vice Shri Arvind Agarwal, Chairman and Managing Director (till 06.12.2020). Accordingly, the resolution relating to appointment of Shri Mukesh Puri, as Managing Director of the Company is placed for your approval.

Smt. Mamta Verma, IAS was appointed as a Director with effect from 01.07.2021, as nominee of Energy and Petrochemicals Department to the Government of Gujarat, on the Board of the Company and was appointed as rotational director in place of Smt. Sunaina Tomar, IAS. Accordingly, Smt. Sunaina Tomar, IAS ceased to be the director of the Company with effective from 15.06.2021.

Shri Pankaj Joshi, IAS was appointed as nominee of Finance Department to the Government of Gujarat on the Board of the Company and was appointed as rotational director. Shri Pankaj Joshi, IAS shall be liable to retire by rotation at the ensuing Annual General Meeting and has offered himself for re-appointment.

The Board of Directors via circular resolution dated 09.10.2020 appointed Smt. Jayaben Thakkar (DIN 02110569) as an additional director in the category of Woman Independent Director of the Company with effective from 01.10.2020 and subject to approval of shareholders of the Company, the term of appointment of Smt. Jayaben Thakkar as an Independent Director of the Company shall be 5 (five) Years w.e.f 01.10.2020 to 30.09.2025. Notice has been received from a member proposing her candidature for appointment at the ensuing Annual General Meeting and these appointments has been recommended by the Nomination and Remuneration Committee and also by the Board.

The Board of Directors is of the opinion that Smt. Jayaben Thakkar is the person of integrity with high level of ethical standards and she possesses requisite expertise and management experience for being appointed as an Independent Director of the Company.

Shri Tapan Ray, Smt. Gauri Kumar, Prof. Ravindra Dholakia, Dr. Sudhir Kumar Jain and Smt. Jayaben Thakkar, independent directors have submitted declarations that they meet the criteria of Independence as provided under section 149 (6) of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, the names of all the Independent Directors of the Company have been included in the data bank maintained by the Indian Institute of Corporate Affairs.

The brief resume of Directors with regard to appointment/ re-appointment at 59th Annual General Meeting is annexed to the Notice convening the 59th Annual General Meeting, which forms the integral part of this Annual Report.

A Certificate has been obtained from the Company Secretary in practice, confirming that none of the directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as director of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authorities. The Certificate of Shri Niraj Trivedi forms part of this report.

B) Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of its committees. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report which forms the part of this Annual Report.

C) Appointment and Remuneration Policy:

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, senior management and their remuneration. The details of Remuneration Policy and its weblink are contained in the Corporate Governance Report.

D) Meetings:

During the year, eight Meetings of the Board of Directors and Five meetings of the Audit Committee were held. The composition of Board and Committees along with details of attendance is contained in Corporate Governance Report.

Dividend Distribution Policy The Board of Directors of the Company at its Meeting held on 26th May, 2017 has adopted "Dividend Distribution Policy" effective from 26th May, 2017, which is available on the Company's Website at the link https://www.gsfclimited.com/Content/writereaddata/Portal/Document/18_1_1_1018_DIVIDEND_DISTRIBUTION_POLICY.pdf.

As per the SEBI Listing Regulations, the said "Dividend Distribution Policy" is also required to be disclosed in the Annual Report of the Company, which is annexed herewith as Annexure – E. The dividend recommended by the Board for the year ended 31st March, 2021 is in accordance with the said Dividend Distribution Policy.

17. Details of establishment of vigil mechanism for Directors and Employees:

The Company has a Vigil Mechanism Policy in place to deal with instances, if any, of the fraud, mismanagement, misappropriations, if any and the same is placed on the Company's website. The details of the policy as well as its weblink are contained in the Corporate Governance Report.

REPORTING OF FRAUD BY AUDITORS

During the year under review, the Statutory Auditors of the Company have not reported any fraud to the Board of Directors under Section 143 (12) of the Companies Act, 2013, including rules made thereunder.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (as amended from time to time).

SECRETARIAL STANDARDS OF ICSI

Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and approved by the Central Government

18. Particulars of loans, guarantees or investments under section 186:

Particulars of loans given, investments made, guarantee given and securities provided (if any) along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement.

19. Particulars of contracts or arrangements with related parties:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel and other Designated Persons which may have a potential conflict with the interest of the Company at large.

All Related party transactions were placed before the Audit Committee and also the Board of Directors for approval. Prior omnibus approval of the Audit Committee is obtained and a statement giving details of transactions, if any, shall be continued to be placed before the Audit Committee meeting as mandated. The Company has developed a mechanism for identification of related party transactions and the Company is also having the system of monitoring of such transactions.

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto have been disclosed in this report which is annexed herewith as Annexure – C.

20. Managerial Remuneration:

Details as required pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are contained in Corporate Governance Report.

21. Risk management policy:

The details of such Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

22. Directors' Responsibility Statement:

Pursuant to Section 134 (3) (c) of the Companies Act, 2013, your Directors confirm that:

a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The Directors had prepared the annual accounts on a going concern basis;

e. The Directors, in the case of a listed Company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. Auditors:

(a) Statutory Auditors

On the recommendation of Audit Committee, the Board of Directors has recommended for the appointment of M/s. T. R Chadha & Co. LLP, Ahmedabad, Chartered Accountants (Firm Registration No.006711N/N500028) as the Statutory Auditors for the second term of three consecutive years i.e. to hold the office from the conclusion of 57^{th} Annual General Meeting till the conclusion of 60^{th} Annual General Meeting of the Company to be held in the year 2022.

(b) Cost Auditors:

In terms of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and get them audited every year.

The Board of Directors of your Company, on the recommendations made by the Audit Committee, has approved appointment of M/s Diwanji & Company, Cost Accountants, Vadodara (Firm Registration Number 000339) as the Cost Auditors of your Company to conduct the audit of cost records for the Financial Year 2021-22. The remuneration proposed to be paid to the Cost Auditor is placed for your ratification at the ensuing 59^{th} Annual General Meeting. The Cost Audit report for the F.Y. 2020-21 was filed within stipulated time.

(c) Internal Auditors:

Your Company has appointed M/s Talati & Talati, Chartered Accountants, Vadodara, as Internal Auditors of Baroda & Sikka Unit for Financial Year i.e. 2021-22. M/s K. N. Mehta & Co., Chartered Accountants, Vadodara have been appointed as Internal Auditors for the Company's Polymers Units for the same period.

(d) Secretarial Auditors & Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Niraj Trivedi, Practicing Company Secretary to undertake the secretarial audit of the Company. The Report of the Secretarial Auditor is enclosed as Annexure B.

24. Auditors' Report:

There are no comments/ observations, reservations or adverse remarks in the Auditors Report and Secretarial Audit Report and hence no clarifications need to be given on the clean report.

25. Annual Return:

Link of annual return as per the Companies Amendment Act, 2017 is as below;
www.gsfclimited.com/compliance

26. Human Resources:

Your Directors are happy to acknowledge that the well positioned human resource of the Company have been key drivers in implementing ideas, polices, cultural and behavioral aspects of the organization and ultimately with their outstanding performance has helped the Company to realize its objectives. Your Directors are happy to place on record their appreciation for highly potential, consistent and ethical employees for their remarkable contribution to the Company.

Industrial Relations have remained cordial during the period under report.

27. Acknowledgements:

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from the Government of Gujarat, Government of India, Bank of Baroda and other Banks and agencies. Your Directors also wish to express their gratitude to the investors for their continued support and faith reposed in the Company.

For and on behalf of the Board
Sd/-
Anil Mukim, IAS
Chairman

Place : Fertilizernagar
Date : 11th August, 2021

ANNEXURE "A" TO DIRECTORS' REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES (FY 2020-21)

1. **Brief outline on CSR Policy of the Company:** GSFC is committed to integrate its business values, ethics and professional skills to meet the expectations of all our stakeholders by developing, encouraging and supporting various social and economic initiatives, without any duplication of government policies, though our industrial expertise for Sustainable Development.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings held during the year	Number of meetings attended during the year
1	Shri Mukesh Puri	Chairman	1	1
2	Dr Sudhir Jain	Member	1	1
3	Smt Jayaben Thakkar	Member	1	1
4	Shri Pankaj Joshi	Member	1	1

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** www.gsfclimited.com

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).:** Not applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** Not applicable

6. **Average net profit as per section 135(5).:** Rs. 39,606.86 Lakhs

7. (a) **Two percent of average net profit as per section 135(5):** Rs. 7.92 crores

   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Not applicable

   (c) **Amount required to be set off for the financial year, if any:** Not applicable

   (d) **Total CSR obligation for the financial year (7a+7b-7c):** Rs. 7.92 crores

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of Fund	Amount.	Date of transfer.
16,06,21,042	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

   (b) **Details of CSR amount spent against ongoing projects for the financial year:**

Sl. No.	Name of Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Schools run by GSFC	Education	Yes	Gujarat	Vadodara Kosamba	47 years	1,61,10,400	1,61,10,400	NA	Yes	-	-
2	GSFC University	Education	Yes	Gujarat	Vadodara	5 years	2,95,00,000	2,95,00,000	NA	No	GSFC Education Society	CSR00004136
3	Drinking watert nearby villages	Safe Drinking water	Yes	Gujarat	Vadodara	50 year	23,15,000	23,15,000	NA	Yes	-	-

ANNEXURE "A" TO DIRECTORS' REPORT (Contd..)

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Support to local community	Rural Development Projects	Yes	Gujarat	Vadodara, Jamnagar	1,30,19,042	No	SVADES	CSR00002452
2	COVID Relief	Health	Yes	Gujarat	All 33 districts	10,00,00,000	Yes	CM Relief Fund	-

(d) Amount spent in Administrative Overheads: Not applicable

(e) Amount spent on Impact Assessment, if applicable: Not applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 15,91,51,530/-

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	7,92,14,000
(ii)	Total amount spent for the Financial Year	15,91,51,530
(iii)	Excess amount spent for the financial year [(ii)-(i)]	7,97,37,530
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Not applicable
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	7,97,37,530

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) - Not Applicable

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Not Applicable

Sd/-
(Chairman of CSR Committee)
[Person specified under clause (d) of sub-section (1) of section 380 of the Act]

Place : Fertilizernagar
Date : 11th August, 2021

ANNEXURE "B" TO DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED
P.O. Fertilizernagar,
Vadodara – 391750.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **Gujarat State Fertilizers & Chemicals Limited ("the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit and considering the relaxations granted by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) warranted due to the spread of the COVID – 19 pandemic, We hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended on 31st March, 2021** complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:-

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder (Including any statutory modification (s) or re-enactments (s) thereof, for the time being in force);

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder (Including any statutory modification (s) or re-enactments (s) thereof, for the time being in force);

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (Including any statutory modification (s) or re-enactments (s) thereof, for the time being in force);

(iv) Foreign Exchange Management Act, 1999 (FEMA) and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB) (Including any statutory modification (s) or re-enactments (s) thereof, for the time being in force);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (Including any statutory modification (s) or re-enactments (s) thereof, for the time being in force):-

- **(a)** The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- **(b)** The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- **(c)** The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **– Not applicable to the Company during the Audit Period**;
- **(d)** The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – **Not applicable to the Company during the Audit Period**;
- **(e)** The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- **(f)** The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- **(g)** The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – **Not applicable to the Company during the Audit Period**;
- **(h)** The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable to the Company during the Audit Period**; and
- **(i)** **Other applicable Laws**:- Based on the information provided and the representation made by the Company and its Officers and also on the review of the compliance reports taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes exist in the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations as applicable to the Company as given below:-
  - i. The Apprentices Act, 1961
  - ii. The Contract Labour (R & A) Act, 1970
  - iii. The Child Labour (P & R) Act, 1986
  - iv. The Industrial Employment (Standing Orders) Act, 1946
  - v. The Industrial Disputes Act, 1947
  - vi. The Minimum Wages Act, 1948
  - vii. The Payment of Gratuity Act, 1972
  - viii. The Employees Provident Fund and Miscellaneous Provisions Act, 1952;

ix. The Equal Remuneration Act, 1976
x. The Employees State Insurance Act, 1948
xi. The Payment of Bonus Act, 1965
xii. The Payment of Wages Act, 1936
xiii. The Factories Act, 1948
xiv. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
xv. The Employees Compensation Act, 1923
xvi. The Maternity Benefit Act, 1961
xvii. The Sexual Harassment of Women at Workplace (P D & R) Act, 2013
xviii. The Collection of Statistics Act, 2008
xix. Gujarat Physically Handicapped Persons (Employment in Factories) Act, 1982
xx. The Water Cess Act, 1972
xxi. The Dangerous Machines (Regulation) Act, 1936
xxii. The Environment Protection Act, 1986
xxiii. The Personal Injuries (Compensation Insurance) Act, 1963
xxiv. The Professional Tax Act, 1976
xxv. The Public Liability Insurance Act, 1991
xxvi. The Air (Prevention & Control of Pollution) Act, 1981
xxvii. The Water (Prevention & Control of Pollution) Act, 1974
xxviii. The Hazardous Waste Act, 1989
xxix. The Trade Union Act, 1926
xxx. The Weekly Holidays Act, 1942
xxxi. The Building and Other Construction Workers Act, 1996

We have also examined compliance with the applicable clauses of the following:-

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE) read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

(iii) Framework for listing of Commercial Paper as per SEBI Circular SEBI/HO/DDHS/CIR/P/115 dated 22nd October, 2019.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc. mentioned above.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

Decisions at the Meetings of the Board of Directors of the Company were carried through on the basis of unanimously and / or requisite majority. There were no dissenting views by any member of the Board of Directors during the period under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period, following major event have happened which is deemed to have major bearing on the Company's affairs in pursuance of above referred Laws, Rules, Regulations and Guidelines etc.

1. During the year under review (01st April 2020 to 31st March 2021), the Company issued and allotted 28500 Commercial Papers (CP) (each of face value of Rs 5,00,000/-) aggregating to Rs. 1425 Crores and same has been listed on the National Stock Exchange of India Limited (NSE); Further, the Company has repaid CP amounting to Rs. 1425 Crores, upon maturity, during the year under review.
2. During the year under review, the Company has incorporated its Subsidiary Company namely Vadodara Jal Sanchay Private Limited, in the state of Gujarat.

Place : VADODARA
Date : 14th JUNE, 2021

Signature : **Sd/-**
Name of PCS : **NIRAJ TRIVEDI**
C. P. No. : **3123**
PR. : **1014/2020**
UDIN : **F003844C000458826**

This report is to be read with our letter of even date which is annexed as "**Annexure – A**" and forms an integral part of this report.

‘ANNEXURE A’ TO SECRETARIAL AUDIT REPORT

To,
The Members
GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED
P.O. Fertilizernagar,
Vadodara - 391750

Our report of even date is to be read along with this letter.

1. Maintenance of the secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of the Corporate and other applicable Laws, Rules, Regulations and Standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place : VADODARA
Date : 14th JUNE, 2021

Signature : **Sd/-**
Name of PCS : **NIRAJ TRIVEDI**
C. P. No. : **3123**
PR. : **1014/2020**
UDIN : **F003844C000458826**

ANNEXURE "C" TO DIRECTORS' REPORT

Particulars of contracts/ arrangements made with related parties

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

1. **The form pertains to disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length basis. -**

   There were no contracts or arrangements or transactions not at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis;** **(₹ In Lakhs)**

Related Party	Nature of Relationship	Nature of Transaction	Duration of contract	Salient feature	Value of proposed transaction
GSFC Agrotech Limited	Subsidiary	Purchase of goods	Not applicable	Not applicable	5000.00
		Sale of materials/Goods	Not applicable	Not applicable	55000.00
		Income from Other Services	Not applicable	Not applicable	200.00
		Reimbursement of expenses	Not applicable	Not applicable	300.00
		Expenses Recovered	Not applicable	Not applicable	800.00
		Dividend received	Not applicable	Not applicable	64.00
Vadodara Enviro Channel Ltd. (Erstwhile Effluent Channel Project Ltd.)	Associate	Usage of effluent channel	Not applicable	Not applicable	800.00
Gujarat Green Revolution Company	Associate	Expenses Recovered	Not applicable	Not applicable	400.00
		Dividend received	Not applicable	Not applicable	15.00
Karnalyte Resources Inc.	Associate	Expenses Recovered	Not applicable	Not applicable	50.00
Managing Director	Key Management Personnel	Remuneration	Not applicable	Not applicable	271.00
V D Nanavaty – ED (Finance) & Chief Financial Officer		Remuneration	Not applicable	Not applicable	
V V Vachhrajani, Sr. VP (Legal) & Company Secretary		Remuneration	Not applicable	Not applicable	
Gujarat Alkalies and Chemicals Limited	Other related party	Purchase of Materials	Not applicable	Not applicable	2000.00
		Sale of Product	Not applicable	Not applicable	500.00
		Expenses Recovered	Not applicable	Not applicable	45.00
		Dividend received	Not applicable	Not applicable	15.00
Tunisian Indian Fertilizer Company (TIFERT)	Other related party	Purchase of Material	Not applicable	Not applicable	65000.00
		Expenses Recovered	Not applicable	Not applicable	250.00
		Advance to vendor	Not applicable	Not applicable	6000.00
GSFC Education Society	Other related party	Donation granted	Not applicable	Not applicable	400.00
Gujarat State Petronet Ltd	Other related party	Fees for Services	Not applicable	Not applicable	368.00
Gujarat Gas Ltd	Other related party	Income from Other Services	Not applicable	Not applicable	65.00
The Fertilizer Association of India	Other Related Party	Fees for Services	Not applicable	Not applicable	40.00
Gujarat Narmada Valley Fertilizers Company Limited	Other Related Party	Purchase of Materials	Not applicable	Not applicable	224.00
		Sale of Material	Not applicable	Not applicable	2000.00
		Fees for Services	Not applicable	Not applicable	30.00
		Dividend received	Not applicable	Not applicable	2500.00
Gujarat Industries Power Company Limited.	Other Related Party	Purchase of power	Not applicable	Not applicable	18500.00
		Sale of power	Not applicable	Not applicable	1200.00
		Dividend received	Not applicable	Not applicable	800.00
Gujarat State Petroleum Corporation Ltd.	Other Related Party	Purchase of Gas	Not applicable	Not applicable	25100.00
Indian Potash Ltd.	Other Related Party	Purchase of Material	Not applicable	Not applicable	16000.00
		Dividend received	Not applicable	Not applicable	100.00

On behalf of the Board

Sd/-
Shri Anil Mukim
Chairman

Place: Gandhinagar
Date : 00th June, 2021

ANNEXURE "D" TO DIRECTORS' REPORT

Conservation of energy, technology absorption and foreign exchange earnings and outgo Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014.

A CONSERVATION OF ENERGY

Measures taken at Fertilizernagar, Vadodara Unit:

1) **Efficient steam recovery through flashing of boiler blow down water at SA-III Plant.**

Blow down water of around 16~17 barg pressure & ~210ºC is flashed in Flash drum to recover 0.5 barg steam, which is used in De-aerator and thereby reducing requirement of import steam for use in De-aerator. Improvement in internals of Flash drum could avoid over pressurization of Flash drum and more diversion of generated LPS towards Deaerator could become possible. This enabled less LPS import from the grid and ultimately it reduced NG consumption at Steam generation boilers. It resulted into annual NG saving of 2.40 Lacs SM^3 (Rs. 50.16 Lacs).

2) **Generation of Flash steam at CVL Boiler.**

14K Flash steam is generated and exported to 14K grid, in place of generating 0.5K Flash steam, from blowdown stream of 37K at CVL Boiler. Low pressure steam which is in excess and being vented, is utilized in place of 0.5K steam at Deaerator. Generated 14K steam reduced NG consumption at Steam generation boilers. It resulted into annual NG saving of 0.77 Lacs SM^3 (Rs. 16.09 Lacs).

3) **Use of LP (2.5K) steam in place of MP (14K) steam in Air pre-heater E-432-7 of Dryer Unit, AS-II Plant.**

Surplus LP steam available from Capro-I plant utilized in Air preheater of Dryer, in place of MP steam, based upon prevailing hot air temperature of ~110°C at Dryer inlet. Use of Capro-I spare LP steam led to reduced NG consumption at Steam generation boilers required for generation of MP steam. It resulted into annual NG saving of 1.92 Lacs SM^3 (Rs. 40.13 Lacs).

4) **Use of efficient lighting at Vadodara unit.**

More than 5000 various types of conventional lighting fittings were replaced by latest LED type of fittings for saving of power besides up gradation of lighting system. It resulted into annual power saving of 14.10 Lacs unit (Rs. 109.56 Lacs).

5) **Steam consumption reduction at AS-II plant.**

More AS generation carried out by Direct neutralization method. Utilization of exothermic heat generated due to neutralization to concentrate AS liquor resulted into less steam import requirement. It resulted into less NG requirement at Steam generation boilers. It resulted into annual NG saving of 28.80 Lacs SM^3 (Rs. 601.92 Lacs).

6) **Reliability improvement & energy saving in Nitrogen circulation blower, Nylon-6-I Plant.**

To save power and improve life of drive system, energy efficient drive system with multi groove single V-belt installed in place of conventional multiple V-Belt drive system. It resulted into annual power saving of 0.05 Lacs unit (Rs. 0.39 Lacs).

7) **Reliability improvement and energy saving by installation of energy efficient pump.**

Two numbers of old and inefficient extract water pumps were replaced with new and efficient pumps. It resulted into annual power saving of 0.06 Lacs unit (Rs. 0.47 Lacs).

8) **Installation of Split Air Conditioning Units in PA Plant.**

Use of spare available split AC in place of old and inefficient Central AC system carried out. It resulted into annual power saving of 0.43 Lacs unit (Rs. 3.34 Lacs).

9) **Installation of Energy Efficient Ejectors in Concentrator-E of PA Plant.**

New Energy efficient Ejector was installed in Con-E in place of old and inefficient steam ejector. It resulted into less requirement of steam import from the grid and thereby reduction in NG consumption at Steam generation boilers. It resulted into annual NG saving of 0.58 Lacs SM^3 (Rs. 12.12 Lacs).

10) **Melting pit agitator bottom blades removal for power saving at SA-IV plant.**

Melting pit agitator bottom blades were removed for power saving and improving reliability without affecting functioning of equipment. Ampere drawl by agitator reduced due to removal of bottom blade. It resulted into annual power saving of 0.28 Lacs unit (Rs. 2.18 Lacs).

11) **Steam saving at Anone plant, Capro-II.**

Improved version of catalyst used in Dehydrogenation section of Anone plant. As per catalyst characteristic, less hydraulic load is required for same production level. It resulted into reduction in steam consumption. It resulted into annual NG saving of 1.28 Lacs SM^3 (Rs. 26.75 Lacs).

12) **Use of condensate for heating at IWI section, Capro-II.**

In LYW Storage Tank, temperature was maintained at 85°C using @ 80 kg/hr Low pressure steam. Condensate available at 122°C & 5 kg/cm^2g, is in excess and supplied back to DMW storage tank where the heat was getting lost to atmosphere. Same condensate is used in place of LPS for heating LYW. Desired temperature in LYW Storage Tank could be maintained by utilizing condensate. It resulted into less requirement of LPS and same resulted into less import of steam from the grid. It resulted into annual NG saving of 0.51 Lacs SM^3 (Rs. 10.66 Lacs).

Above mentioned measures resulted into aggregate annual saving at a rate of 14.92 Lacs units Power (Rs. 115.93 Lacs) and 36.26 Lacs SM^3 NG (Rs. 757.83 Lacs).

Measures taken at Sikka Unit:

1) In order to achieve energy saving, following Major Steps were carried out during the F.Y. 2020-21.

By Energy Efficient Motors

1. Replacement of 02 No. 30 KW conventional motor by Energy efficient motor in EG Circulation pump-A and PA Supply pump-B.

2. Replacement of 01 No. 37 KW conventional motor by Energy efficient motor in Ammonia Transfer pumps Motor-1 at Moti Khavdi site.

By Energy Efficient Lighting

1. Replacement of 115 Nos. 150 Watt MH Lamps by 85 Watt LED Flood Lights.
2. Replacement of 500 Nos. 125 Watt HPMV Lamps by 27 Watt LED lamps.
3. Replacement of 44 Nos. 150 Watt HPSV Flood Light by 70 Watt LED fittings.
4. Replacement of 46 Nos. 35 Watt CFL fittings with 12 Watt LED fittings.
5. Replacement of 125 Nos. 125 Watt HPSV Lamps by 30 Watt LED Well glass fittings.
6. Replacement of 105 Nos. 60 Watt GLS Lamps with 09 Watt LED Lamps.
7. Replacement of 42 Nos. 80 Watt HPMV Dome light fitting by 40 Watt LED Dome light fittings.
8. Replacement of 75 Nos. 250 Watt HPSV fitting by 100 Watt LED Flood light Fitting.

Thus by adopting Energy efficient motors & lighting system annual power saving of 3.48 Lacs units achieved. This resulted in to aggregate annual saving of Rs. 24.38 Lacs at a unit cost of Rs.7.00.

Above mentioned measures resulted into aggregate annual saving at a rate of 3.48 Lacs KWH Power (Rs. 24.38 Lacs @Rs. 7 / KWH).

Measures taken at Fibre Unit: Nil

Measures taken at Polymers Unit: Nil

Measures under consideration at Fertilizernagar, Vadodara Unit:

1) **De-staging of BFW pump of SA-III Plant.**

Due to available margin in generated head by BFW pumps P-12A/B, it is proposed for de-staging of BFW pumps from existing 8 stages to 7 stages to reduce power consumption. Anticipated annual power saving is 0.72 Lacs unit (Rs. 5.04 Lacs).

2) **Use of vacuum pumps in place of MP steam ejectors in AS-I Plant.**

Utilization of vacuum pumps in place of ejectors to generate desired vacuum in crystallizers of AS-I plant will lead to stoppage of MP steam consumption by ejectors in AS-I Plant. Subsequently, it will reduce NG consumption at Steam generation boilers. However, this will lead to additional power consumption for vacuum pumps. Based on steam reduction, anticipated annual NG saving is 3.2 Lacs SM^3. Additional anticipated power consumption is about 45 kWh, Anticipated annual net saving is Rs. 54.8 Lacs.

3) **De-superheating of LP Steam feed to concentrator calendria of PA Plant.**

It is proposed to install a de-superheater in PA plant so that available heat with LP steam can be utilized to generate additional steam. It will result in to reduction in steam generation load on Steam generation boilers. Anticipated annual NG saving is 2.34 Lacs SM^3 (Rs. 58.50 Lacs).

4) **Use of Variable Frequency Drive (VFD) at FD fans of CVL boiler.**

Due to operation of two numbers of FD fans with throttled suction dampers, during low load operation of CVL boiler, it is proposed to install VFDs in both FD fans for power saving. Anticipated annual power saving is 10.51 Lacs unit (Rs. 73.57 Lacs).

5) **Replacement of existing ejectors installed at AS-II Plant.**

New energy efficient ejectors will be used to achieve steam saving. It will reduce steam import requirement. It will result into reduction in NG consumption at Steam generation boilers. Anticipated annual NG saving is 1.92 Lacs SM^3 (Rs. 48.00 Lacs).

6) **Utilization of ejector J1001 to generate LPS from excess LLPS of Melamine section in Melamine-III plant.**

It is proposed for utilization of available unused ejector J1001 to generate LPS (6.2 K) from excess LLPS (3.5 K), available in Melamine section and being condensed at present. This consequently will reduce HP steam import, which is let down for its utilization as LPS (6.2 K) in Melamine section, leading to reduction in NG consumption at Steam generation boilers. Anticipated annual NG saving is 3.84 Lacs SM^3 (Rs. 96.00 Lacs).

Measures under consideration at Sikka Unit:

1) Modification in the Distribution of Pressurized Air for Full Capacity utilization of new Energy Efficient Air Compressor and Stopping of Old Air Compressors.

2) **By Energy Efficient Motors**

1. Replacement of 01 No. 250 KW conventional motor by Energy efficient motor for Dryer Drum Train A/B.
2. Replacement of 01 No. 37 KW conventional motor by Energy efficient motor for Ammonia transfer Pump-2 Motor at Moti Khavdi Site.

3) **By Energy Efficient Lighting**

1. Replacement of 50 Nos. 150 Watt MH Lamps by 85 Watt LED Flood Lights.
2. Replacement of 100 Nos. 125 Watt HPMV Lamps by 27 Watt LED lamps.
3. Replacement of 25 Nos. 150 Watt HPSV Flood Light by 70 Watt LED fittings.
4. Replacement of 50 Nos. 35 Watt CFL fittings with 12 Watt LED fittings.
5. Replacement of 100 Nos. 125 Watt HPSV Lamps by 30 Watt LED Well glass fittings.
6. Replacement of 50 Nos. 60 Watt GLS Lamps with 09 Watt LED Lamps.
7. Replacement of 25 Nos. 250 Watt HPSV fitting by 100 Watt LED Flood light Fittings.

Measures under consideration at Fibre Unit: Nil

Measures under consideration at Polymers Unit: Nil

B CONSERVATION OF RAW MATERIAL AND CHEMICALS

Measures taken at Fertilizernagar, Vadodara Unit

1) Saving of Paper bag and Liner in Nylon-6-I Plant.

To reduce Bagging cost, empty returned Bags & Liners from compounders were reused. Annual saving realized due to usage of about 17000 Nos. of Paper Bags & Liners and 4600 nos. of LDPE liners is Rs. 9.17 lacs.

2) 98% H_2SO_4 Recovery from draining of 'E' & 'F' supply lines at Capro-II Plant.

98% H_2SO_4 is supplied to Capro-II from SA plants through 'E' & 'F' supply lines. During leakages in subject lines, SA was drained in Storm water channel. Also, NaOH & Water were added for neutralization purpose. A scheme was executed to drain SA in pit and recover, which resulted in saving of @ 1 MT of 98% pure H_2SO_4, 200 Kg of 48% NaOH & 60 M^3 of water used for dilution. Total 2 leakage incidences happened in a year and net material saving of Rs. 0.32 lacs was achieved.

Measures under consideration at Fertilizernagar, Vadodara Unit:

1) Condensate recovery at PA Plant.

It is proposed for provision of pumping steam traps outlet for recovery of condensate from Concentrator Calendria of PA plant and exporting it to Utility plant for re-utilization as DMW. This shall prevent chalk pond water loading. Cooling water treatment at Cooling Tower will be changed from chemical dosing to non-chemical treatment, called BacComber system. Combined anticipated reduction in fresh DMW requirement is 1.2 lac MT/year (Rs. 120 Lacs).

2) DM Water recovery from online samples at Capro-II plant.

It is proposed to collect all on line sampling streams in a new storage tank and then recycling it to Degasser storage tank via proposed auto start / stop pump with a provision of online conductivity meter on recycled stream. Anticipated recovery of DMW is 12500 M^3/year (Rs. 12.5 Lacs).

TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION

FORM-A

Form for disclosure of particulars with respect to Conservation of Energy: 2020-21

(A) POWER AND FUEL CONSUMPTION

PARTICULARS	2020-21	2019-20
1. Electricity		
A. PURCHASE		
UNIT: MWH	321568	285654
AMOUNT Rs. in Lacs	24997	22126
Rate Rs./KWH	7.77	7.75
B. Own Generation		
Unit: MWH	129491	92346
KWH Per Ltr. of Fuel/Gas	7.11	7.00
Cost Rs./KWH	2.68	3.15
2. LSHS, FO, LDO		
QUANTITY - MTs	63	81
Amount Rs. in Lacs	47	54
Average Rate Rs./MT	74203	67499
3. NATURAL GAS		
Quantity in '000 SM3	177524	152541
Amount Rs. in Lacs	37097	40428
Average Rate 1000/SM3	20897	26503

C TECHNOLOGY ABSORPTION

EFFORTS MADE IN TECHNOLOGY ABSORPTION

As per enclosed FORM – B

D FOREIGN EXCHANGE USED AND EARNED : 2020-21

Foreign Exchange Outgo :

	₹ Lakhs
(i) C.I.F. VALUE OF IMPORTS	
(a) Raw Materials	198249.00
(b) Stores & Spares	230.46
(c) Capital Goods and High Sea Purchases	1437.28
(d) Stock In Trade	14322.91
TOTAL (i)	**214239.65**
(ii) EXPENDITURE IN FOREIGN CURRENCY	
(a) Interest	**186.38**
(b) Technical Asstt./Know How	**715.66**
(c) Others	**104.60**
TOTAL (ii)	**1006.64**
TOTAL (i) + (ii)	**215246.29**

Foreign Exchange Earned :

FOB VALUE OF EXPORT OF	₹ Lakhs
Caprolactam	4183.66
Hydroxyl Amine Sulphate Crystal	83.33
MEK Oxime	3233.56
Nylon	25.83
Melamine	3167.32
TOTAL	**10693.70**

ANNEXURE "D" TO DIRECTORS' REPORT (Contd.)

TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION (Contd.)

(B) CONSUMPTION PER UNIT OF PRODUCTION

Sr. No.	Product	Power		Steam		Natural Gas	
		2020-21 KWH	2019-20 KWH	2020-21 MTs	2019-20 MTs	2020-21 SM^3	2019-20 SM^3
1	Ammonia	405	432	-1.234*	-1.276*	876	872
2	Sulphuric Acid	36	37	-0.829*	-0.848*	0.057	0.147
3	Phosphoric Acid	356	362	1.836	2.002	0.076	1.348
4	Urea	183	187	1.485	1.464	0.000	0.000
5	ASP	47	54	0.084	0.080	7.370	9.015
6	Melamine	0	1802	0.000	6.918	0	370
7	Melamine (Expn)	926	0	6.157	0.000	191	0
8	Caprolactam (Old)	2109	2112	7.528	6.837	102.580	93.661
9	Caprolactam (Exp.)	1483	1458	5.943	5.876	33.579	33.472
10	Nylon – 6	757	812	2.102	2.059	-	-
11	ACH	-	0	-	0.000	-	-
12	Monomer	-	1180	-	3.310	-	-
13	MAA	-	438	-	3.923	-	-
14	AS	-	45	-	0.364	-	-
15	Sheets	-	0	-	0.000	-	-
16	Pellets	-	0	-	0.000	-	-
17	DAP (SU)	64	71	0.019	0.018	7.365	7.756
18	NPK (10:26:26) (SU)	60	68	0.018	0.017	10.218	10.633
19	NPK (12:32:16) (SU)	62	66	0.019	0.017	10.224	10.289
20	NPK (20:20:0:13) (APS) (SU)	74	71	0.017	0.020	15.179	15.469
21	NPS (20:20:0:13) (SU)	0	0	0.020	0.000	15.269	-
22	Nylon Chips	-	-	-	-	-	-
23	Nylon Filament Yarn	-	-	-	-	-	-

* -ve indicate Export from Plants.

FORM-B

Form for disclosure of particulars with respect to Technology Absorption: 2020-21

(1) SPECIFIC AREAS, IN WHICH R&D IS CARRIED OUT:

Research work carried out in areas of Industrial products & chemicals, fortified fertilizers, Environment control & waste management; value added product(s)/Derivatives of existing products, specialized Agri-inputs for improving quality and yield of agricultural output, Quality and process efficiency improvement and assurance, speciality chemicals & products under AtmaNirbhar Bharat Abhiyan. Continual support and expertise provided to all plants and services departments for Corrosion & Material evaluation, Failure investigation of components & machinery, Microbial activity & corrosion monitoring of cooling water.

(2) BENEFITS DERIVED:

(A) Development of New Products/New Processes:

1. Calcium Nitrate and Boronated Calcium Nitrate Granules: A process developed to manufacture granules of Calcium Nitrate, a 100 % water soluble fertilizer falling under AtmaNirbhar Bhartat Abhiyan. The product is also fortified with Boron. Large scale production is initiated.
2. WSF 13:40:13: A process to manufacture Water soluble fertilizer 13:40:13, with N:P:K ratio of 1:3:1 developed and commercialized.
3. Pharma Grade Products: Various products developed at laboratory scale from the gamut of products under AtmaNirbhar Bharat Abhiyan. The lab scale process developed and scaled up at pilot plant for products Sodium Benzoate, Copper Sulphate, Zinc Sulphate, Magnesium Sulphate, Calcium Acetate and Sodium Nitrate. Various other products are also under development stage.
4. Liquid Boronated Calcium Nitrate: A process developed for manufacturing customized variants of Liquid Boronated Calcium Nitrate. The product fortified with Zinc, Magnesium, Zinc & Magnesium prepared at lab scale. The samples are under market seeding after successful field trials.
5. Organic Fertilizers: FCO Grade Organic fertilizers (PROM, Fermented Organic Manure) with improvised nutrient content and amino acid are prepared in laboratory. Technology is ready to be transferred for commercial production.
6. Silica solubilizing bio fertilizer: Process developed to produce silica solubilizing bio fertilizer. It solubilizes soil silicates to ortho silicic acid and is taken up by plants along with water thereby increases crop yield with improved plant health.
7. A process developed at labscale for production of Methyl Isobutyl Ketoxime, a solvent having wide use in ink, toners, epoxy paint & lacquers industries. Process optimization under progress.

(B) Customization & Market support Services, Plant Support Activities:

1. Insitu metallography at 92 locations on critical equipments of various plants was done for condition monitoring. This has enabled assessment of possible damage as well as monitoring degradation of material operating at high temperature / stress condition.
2. Failure analysis of 15 components was carried out which has helped in selection of better MOC and optimization of process parameters to avoid future failures and reducing down time of plants.
3. Corrosion and microbial monitoring of cooling towers of 12 plants resulted in efficient running of plants.
4. Ferrography of 20 lube oil samples was carried out which has helped assessment of condition of rotating machinery, oil contamination and oil replacement frequency.
5. Metallurgical input provided to operating plants for problems related to heat treatment, welding, import substitution, MoC selection, Material compatibility study etc.
6. Detailed study on caking propensity in APS granules was taken up and suggestions were provided to minimize caking during manufacturing & storage.

(3) FUTURE PLAN OF ACTION:

1. Seaweed based fertilizer: An organic fertilizer rich in minerals & carbohydrates enhances growth of useful microbes supporting plant to reduce biotic and abiotic stress.
2. Preparation of Trichloro Isocyanuric Acid, a derivative of Melamine. It is widely used as disinfectant, algicide and bactericide.
3. Development of Nano fertilizers.
4. Preparation of Antiviral agent for plants from herbs.
5. Develop new grades of organic fertilizers.

(4) EXPENDITURE ON RESEARCH & DEVELOPMENT:

		Rs in Lakhs
(a)	Capital	61.36
(b)	Recurring	1087.47
		=======
(c)	Total	1148.82
		=======
(d)	Total R & D Expenditure as a percentage of Gross Sales	0.15%
		=======

Technology Absorption, Adoption and Innovation:

Technology Absorption:

Based on operating experience of Ammonium Sulphate-I (AS-I) and Ammonium Sulphate-II (AS-II) plants, Ammonium Sulphate-IV (AS-IV) plant of 400 MTPD capacity will be set up at Vadodara unit.

Adoption of Technology:

1. Regular operation of S90 WDP plant with 22 MTPD has started.
2. NPK 14-28-00 & NPK 15-15-15: Technology has been established at Sikka Unit.
3. Started commercial sale of Melamine Cyanurate.
4. Started commercial sale of Pharma Grade Ammonium Sulphate and Potassium Dihydrogen Phosphate.
5. Import substitute fertilizers Calcium Nitrate and Boronated Calcium Nitrate granules launched under the Sardar brand name and bulk production of both products is initiated for market needs.
6. Bulk production of different variants of Liquid Boronated Calcium Nitrate is initiated at Pilot plant of R&D.

ANNEXURE "E" TO DIRECTORS' REPORT

DIVIDEND DISTRIBUTION POLICY

INTRODUCTION

As per Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, dated 8th July, 2016, the Board of Gujarat State Fertilizers & Chemicals Limited has adopted the Dividend Distribution Policy.

OBJECTIVE AND SCOPE

The intent of the policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend, etc.

EFFECTIVE DATE AND APPLICABILITY

This Policy shall be effective from the date of its adoption by the Board i.e. 24th October, 2016. The Policy shall not apply to:

- Determination and declaring dividend on preference shares, if any, to be issued by GSFC at a later date, as the same will be as per the terms of issue approved by the shareholders;
- Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;
- Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

STATUTORY REQUIREMENTS

The Board while taking decision of a dividend payout during a particular year, shall comply with the statutory requirements including the Companies Act 2013 and rules applicable thereon including those with respect to mandatory transfer of a certain portion of profits to any specific reserve which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

Further, the Board of Company shall take a decision to declare dividend after taking into account the Profits of the Company after providing depreciation as per Companies Act, 2013 as per audited financial statements for the year for which the Dividend is proposed to be declared and after transferring to the reserves such amount as the Board of GSFC may consider appropriate.

However, in case of Interim Dividend, the profits as per the unaudited results for/upto the last quarter (after providing depreciation as per Companies Act, 2013) which have been approved by the Board and for which limited review as per "Listing Regulations" has been carried out shall be considered. And also, the perception of the management with regard to, likely profits in the remaining part of the financial year, the prevailing and forward product prices in the international market, foreign currency exchange rate, future Capital Expenditure plans of GSFC, likely maturity of short-term investments to ensure maximum returns, expectation of shareholders /stakeholders, be taken into account.

IMPORTANT INTERNAL AND EXTERNAL FACTORS

The Board decision in respect of dividend payout or retention of profits shall inter alia be based on the following factors:

(a) Cash flow - If the Company cannot generate adequate operating cash flow, it may need to rely on outside funding to meet its financial obligations and sometimes to run the day-to-day operations. The Board may consider the same before its decision whether to declare dividend or retain its profits.

(b) Cost of borrowings - The Board may analyze the requirement of necessary funds considering the long term or short term projects proposed to be undertaken by the Company and the viability of the options in terms of cost of raising necessary funds from external sources such as bankers, lending institutions or by issuance of debt securities or plough back its own funds.

(c) Taxation and other regulatory concern - Dividend distribution tax or any tax deduction at source as required by tax regulations in India, as may be applicable at the time of declaration of dividend and its impact.

(d) Macroeconomic conditions - Considering the state of economy in the Country, the policy decisions that may be formulated by the Government and other similar conditions prevailing in the international market which may have a bearing on or affect the business of the Company, the management may consider retaining a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances.

(e) Any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Company has been consistently paying out dividends to its shareholders and can be reasonably expected to continue declaring in future as well unless the Company is restrained to declare dividends under following circumstances:

(a) Inadequacy of profits - If during any financial year, the Board determines that the profits of the Company are inadequate, the Board may decide not to declare dividends for that financial year.

(b) Dividend not to be declared out of reserves - As a rule, the Board shall not declare any dividends out of its reserves, except for reasons to be expressly laid down. Any decision in this regard shall be reflected in the Annual Report and website of the company while declaring/ recommending dividend.

MANNER OF UTILIZATION OF RETAINED EARNINGS

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors;

- Strategic and long term plans of GSFC;
- Diversification & expansion opportunities;
- Revamp of ageing plants and for achieving better energy efficiency;
- Non-fund based need of GSFC, its Subsidiary and Joint Ventures which may require GSFC to have healthy consolidated balance sheet;
- Any other criteria which the Board of GSFC may consider appropriate.

PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

GSFC has presently issued only one class of equity shares i.e. Equity Shares with equal voting rights. The policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

MODIFICATIONS/ DEVIATIONS TO THE POLICY

The Board of Directors shall have the right to carry out any changes in the Policy, as it may deem appropriate.

BUSINESS RESPONSIBILITY REPORT (BRR)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	**Corporate Identity Number (CIN) of the Company**	:	L99999GJ1962PLC001121
2.	**Name of the Company**	:	Gujarat State Fertilizers & Chemicals Limited
3.	**Registered Address**	:	P. O. Fertilizernagar, Dist: Vadodara, Gujarat, India
4.	**Website**	:	www.gsfclimited.com
5.	**E-mail ID**	:	vishvesh@gsfcltd.com
6.	**Financial Year Reported**	:	2020-21

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Fertilizers & Industrial Production

Industrial Group	Description
201	Manufacture of basic chemicals, fertilizer and nitrogen compounds, plastics and synthetic rubber in primary forms
202	Manufacture of other chemical products
203	Manufacture of man-made fibres

As per National Industrial Classification – The Ministry of Statistics and Programme Implementation

8. List three key products that the Company manufactures (as in balance sheet):

i. Caprolactam

ii. DAP

iii. Urea

9. Total number of locations where business activities are undertaken by the Company:

i) Company does not have any International Location where business activity is undertaken by Company.

ii) There are four National locations where Company's Units are located. The details are as follows:

Baroda Unit	Fertilizernagar – 391 750, Dist. Vadodara.
Polymers Unit	Nandesari GIDC, Dist. Vadodara.
Fibre Unit	Kuwarda, Dist. Surat.
Sikka Unit	Moti Khawdi, Dist. Jamnagar

10. Markets served by the Company – local/ state/ national/ international:

In addition to serving Indian markets at Local, State and National level, GSFC exported its products to countries worldwide during the year ended on 31st March, 2021.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid-up capital (INR): 79.70 Crores

2. Total turnover (INR): 7500 Crores

3. Total profit after taxes (INR): 418 Crores

4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 3.82% of PAT

5. List of activities in which the Corporate Social Responsibility (CSR) expenditures have been incurred:

The major areas in which the CSR expenditure has been incurred include

1. Rural transformation
2. Environment
3. Health
4. Education

SECTION C: OTHER DETAILS

1. Does the Company have any subsidiary company/ companies?

Yes, Company has two direct subsidiary and one indirect subsidiary as on 31st March, 2021.

2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

   Your Company would like to encourage its subsidiaries to adopt its policies and practices.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?

   No. Your Company would like to deal with the parties/ entities who have willingness to be the part of BRR initiatives.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/ Directors responsible for BR

a. Details of the Director/ Directors responsible for implementation of the BR policy/ policies:

   DIN Number : 03582870

   Name : Mukesh Puri

   Designation : Managing Director

b. Details of the BR head;

Sl. No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	V. V. Vachhrajani
3	Designation	Company Secretary & SVP (Legal)
4	Telephone Number	+91 265 3093582
5	E-mail ID	vishvesh@gsfcltd.com

2. Principle-wise as per National Voluntary Guidelines (NVGs) BR Policy/ Policies (Reply in Y/N)

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine principles of Business Responsibility.

Following are the brief summary of Principles as per NVGs;

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 Businesses should promote the well-being of all employees

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5 Businesses should respect and promote human rights

P6 Business should respect, protect, and make efforts to restore the environment

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 Businesses should support inclusive growth and equitable development

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y This forms part of the Code of Conduct of your Company which is applicable to all employees.	Y This policy is part of your Company's Environment, Health and Safety (EHS) Policy.	Y Certain policies form part of the Code of Conduct for employees. There are various policies for the benefit of the employees which are issued by the Human Resources function of the Company from time to time. The policies includes Maternity Leave Policy, Employee Safety Policy, Group Mediclaim Policy, etc.	Y certain aspects of this principle forms part of the CSR Policy.	Y This is the part of the Code of Conduct of your Company which is applicable to all Employees.	Y This forms part of your Company's EHS policy.	Y certain aspects of this principle forms part of the Marketing Policy.	Y Your Company has a CSR Policy.	Y* certain aspects of this principle forms part of the Marketing Policy.

2	Has the Policy being formulated in consultation with the relevant stakeholders? Refer Note1	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The spirit and contents of the Code of Conduct and all the applicable laws and standards are captured in the policies articulated by your Company. The policies are based on and are in compliance with the applicable regulatory requirements and International Standards.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/CEO/ appropriate Board Director?	Y (It is signed by the Managing Director)	Y (It is signed by the Managing Director)	Y (It is signed by the Managing Director)	Y (It is signed by the Managing Director)	Y (It is signed by the Managing Director)	Y (It is signed by the Managing Director)	Y	Y (It is signed by the Managing Director)	Y
		As per Good Corporate Governance practice, all the policies are noted by the Board. The Board authorizes Senior Officials of the Company to authenticate such policies and make necessary changes whenever required.								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The implementation and adherence to the Code of Conduct for Employees is overseen by the Human Resource and Internal Audit Function respectively. The Corporate Social Responsibility Policy is administered by the CSR Committee in line with the requirements of the Companies Act, 2013. The EHS Policy is overseen by the Supply Chain, Manufacturing and the Research & Technology Function.								
6	Indicate the link for the policy to be viewed online?	Please refer corporate governance report for link.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? Refer Note 2:	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note 1: While there may not be formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned Stakeholders.

Note 2: The Company has not carried out independent audit of the policies, the Internal Audit Functions periodically looks at the implementation of the policies.

Note 3: In respect of Principle 7 & 9, the Company follows the contents enshrined therein. However, the Policy in this regard is presently not documented.

2a. **If answer to Sr. No. 1 against any principle is 'No', please explain why: (Tick upto 2 options)**

Sr. No.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

- The Board of Directors of your Company, either directly or through its Committees, assesses various initiatives forming part of the BR performance of the Company annually. The CSR Committee meets periodically to review implementation of the projects/programmes/activities to be undertaken in the field of CSR. Other supporting heads of Department meet on a periodic basis to assess the BR performance.
- Your Company publishes the information on BR which forms part of the Annual Report of the Company. The Annual Report is uploaded on the website of the Company – www.gsfclimited.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

Business should conduct and govern themselves with Ethics, Transparency and Accountability

- The GSFC Code of Conduct for Employees ("the Code") contains the essence of various regulatory requirements and internal policies which primarily deal with or are framed around the principles of ethical behaviour and a sense of accountability. The Company expects its employees including the employees of its subsidiaries to know the Code and act accordingly. Therefore, its employees are acquainted with the Code at the time of their joining and are required to read and affirm to the Code on annual basis.
- Ethics, transparency and accountability are the three basic/essential pillars on which the compliance eco-system of your Company is built. The web based compliance management system not only helps adhere to the regulatory requirements but also develops a culture of self-regulation and accountability at the grass root level within the organization. In the present times when governance is looked upon as a critical aspect of sustainability, we believe, our compliance management systems play a significant role in ensuring good corporate governance.
- A policy on vigil mechanism has been framed and is placed on website of the Company to enable the employees to report any instances of fraud, abuse, misconduct or malpractices at workplace.

  In order to further strengthen its internal controls for prevention of insider trading, the Company has developed its Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in such a manner that it not only satisfies the regulatory requirements but also instils a sense of responsibility among the designated persons for making timely and adequate disclosures. In order to facilitate implementation of the Code and its compliance, your Company has automated the entire process by leveraging technology and putting in place the GSFC Insider Trading Management System. The system acts as a repository of relevant information and provides an electronic platform for seeking trading approvals and send out timely compliance reminders.

  The Company has in place different mechanisms for receiving and dealing with complaints from different Stakeholders viz. Shareholders, Customers, Employees, Vendors etc. There are dedicated resources to respond to the complaints within a time bound manner. During the year, your Company received NIL complaints from shareholders.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- The original objective for setting up your company was to contribute towards the food security to the nation. Subsequently, beyond fertilizers, your company diversified into the arena of Chemicals which has been touching all walks of human life, directly or indirectly. All the products conform to their quality standards and the plants of GSFC are proactively maintained so as to meet with environmental standards.

BUSINESS RESPONSIBILITY REPORT (BRR) (Contd.)

- Your Company is committed to offer the products that meet nationally accepted green product standards. This commitment comes from the team of dedicated professionals working at Company's state-of-the-art Research & Development Centre at Vadodara where technology and innovation are the corner stones.
- Your Company strives to launch various schemes for improvement in the architecture of its plants with a clear focus on improvising the overall performance in terms of production quality, rationalization in the consumption of basic raw materials, utilities like water, power etc. The introduction of such schemes has been quite a regular exercise in the Company and this is the only reason that despite the plants of GSFC are more than four decades old, still they are performing above its rated capacity and without the risks associated to the obsolescence.
- Your Company has initiated proactive steps, as far as possible, to control, reduce and eliminate use of avoidable hazardous materials. Appropriate safeguard mechanism has been in place with a view to control or prevent entry of pollutants. Also there is a proper system in place in categorizing the hazardous inputs in the active raw material list and continuous efforts are always there in the direction towards achieving reduction in pollution levels. In cases where alternates are not available easily for replacement, a detailed analysis for rational mitigation of exposure risk is being undertaken and same is followed at plant level.
- Your Company intends to educate its customers and employees about the safe use of its products. Product Information Sheets for all the major products are available. Company has laid down vendor evaluation and registration procedures for procurement of goods and availing services. The procedure entitles company to have sustainable sourcing and large amount of inputs are sourced sustainably as most of the raw materials are sourced directly from large scale manufacturers in India and outside India. This ensures quality supplies on consistent basis at the most competitive prices.
- On-line Registration of Suppliers & Service providers are undertaken to have more transparency in procurement. Many new vendors and service providers are registered during the year to enhance competition.
- Company promotes and encourages local and small vendors including MSMEs from the nearby/ surrounding area to procure goods and services. The nearby communities are given adequate opportunities for associating with company on competitive terms and conditions. Feasible preference is also given to MSMEs and small scale industries as per guidelines prevailing from time to time. Local and small scale vendors are educated and encouraged to participate in online tender process as well as reverse auction process. Technical support is also extended to these communities when sought for.
- The Company has well developed process for recycle of products, wastes etc. emanating from the production cycle. Any discharge of waste water, finally outside the factory premises is scientifically processed so as to become eligible for discharge in the effluent channel for further disposal thereof. To ensure this objective, the Company has become the promoter of one of the Common Conveying Channel Company viz. Vadodara Enviro Channel Ltd. The objective of this Company is to maintain the effluent channel, which is connected to the Gulf of Cambay through which its participating members discharge their treated effluents as per pollution control norms. Needless to mention here that before final discharge of effluents into the said channel, they are appropriately treated. The hazardous waste generated by the Company is also scientifically handled and the Company has proper system in place for safe disposal of these hazardous wastes like organic waste from Caprolactam Plants which are sent for incineration at registered TSDF site, spent catalysts are given to registered recyclers, spent oil is given to registered refiners etc.

1. **Efficient steam recovery through flashing of boiler blow down water at SA-III Plant:**

   Design capacity of SA-III plant is to produce 400 MTPD equivalent Sulphuric acid (SA). Exothermic reaction heat is recovered through Boiler Feed Water (BFW) and 17K steam is produced. To maintain BFW quality, continuous blow down from Steam drum is carried out at rate of 1.5 to 2.0 M3/hr. Blowdown of about 17K and 210°C is diverted to Flash vessel to recover energy by producing 0.5K Flash steam, which is diverted to Deaerator, thereby reducing direct requirement of import steam for use in de-aerator. Generated 0.5 bar steam reduced NG consumption at Steam generation boilers. It resulted into annual NG saving is 2.4 Lacs SM3 which is equivalent to Rs. 76 Lacs. As quantity of NG used for combustion is reduced, corresponding flue gas emissions containing green house gases gets reduced.

2. **Generation of Flash steam at CVL Boiler:**

   37K Steam is generated in Steam Drum (operated at ~39 Kg/cm2 g pressure) in CVL boiler of Steam Generation (SG) plant and supplied to various consumers. To maintain the quality of BFW, continuous Blowdown is carried out from Steam drum to Continuous Blowdown tank (CBD), where Flashing of Blowdown condensate from ~37 Kg/cm2 g to ~6 Kg/cm2 g takes place and generated Flash steam is supplied to Deaerator. To increase the energy efficiency, it was considered to generate 14K steam by carrying out flashing of blowdown condensate in two stages i.e. first from ~39 Kg/cm2 g to ~14 Kg/cm2 g in proposed Flash drum and then from 14 Kg/cm2 g to 6.0 Kg/cm2 g in existing CBD tank for generation of LP steam for use in Deaerator as per the present practice.

   Generated 14K steam reduced NG consumption at Steam generation boilers. It resulted into annual NG saving is 0.77 Lacs SM3 equivalent to Rs. 24.64 Lacs. As quantity of NG used for combustion is reduced, corresponding flue gas emissions containing greenhouse gases gets reduced. The modification was implemented with a payback period of 6 months.

3. **Steam saving by replacing existing Ejector with energy efficient Ejector, at AS-II Plant:**

   12K steam is utilized in Ejectors for maintaining Vacuum in AS-II Plant. New energy efficient ejectors was installed to enhance the efficiency of operation and thereby to achieve steam saving. This resulted into a reduction of steam consumption and further load on Steam generation boiler thereby reducing the quantity of fuel - Natural Gas (NG) used for combustion in the boilers. The resultant annual NG saving is 1.92 Lacs SM3 equivalent to Rs. 61.44 Lacs. As quantity of NG used for combustion is reduced, corresponding flue gas emissions containing greenhouse gases gets reduced. The modification was implemented with a payback period of 0.4 months.

Principle 3

Businesses should promote the well-being of all employees

- During the time length under discussion, Process Safety Management has been strengthened in GSFC and HAZOP studies have been carried out by inviting external agencies. Facelift is given to the Contractors Safety module and fresh training modules have been added in the already existing ones. Concentrated efforts have been applied on trainings related to personal protective equipments and basic fire prevention as well as usage of fire extinguishers. Online Safety and Fire trainings have attracted more than 600 employees, Contractors and visitors.
- Plant shutdown and start up activities pose hazards that are different as compared to normal working plant hazards and therefore, intensified safety cover have been provided in a structured manner, ensured right kind of hand tools, power tools, lifting tools tackles as well as material handling and shifting devices only are utilized during plant shut down and start-ups for the time period under consideration.
- Adequate measures have been initiated to impart mechanical turnaround to fire fighting vehicles and as such Fire tenders are responding quickly to emergency calls.
- Work Order for conducting Quantitative risk assessment in respect of Sikka and Vadodara units has been given to an external agency.
- Actions have been rolled out for the strengthening of Fire hydrant network in GSFC Vadodara Complex, Many Underground fire hydrant lines which created frequent leakages have been revamped thoroughly like CEP HAS,IWI,CAPRO- I etc.
- COVID 19 related safety measures have been ensured by generating Awareness in Plants and Departments in BU.
- Visual Safety has been enhanced inside Baroda Unit and New Safety posters and Stickers are displayed.
- In order to Counter Covid; Face masks and face shields have been distributed extensively by Safety Department to employees.

Safety Trainings Imparted during this period is as follows:

Units	Permanent Employees of GSFC	Permanent Women Employees Trained	Casual / Temporary / Contractual Employees Trained	Employees with Disabilities Trained
SIKKA	49	01	13	NIL
Baroda	690	55	2431	NIL

- All the staff cadre permanent employees are the members of this recognized employees association. The employees also have an autonomy to opt out of the membership any of these unions, if they so desire.

  1. Total number of employees: 3628
  2. Total number of employees hired on temporary/ contractual/ casual basis: - 1435
  3. Number of permanent women employees: 129
  4. Number of permanent employees with disabilities: 46

  Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year 20-21 for all units.

Sr. No.	Category	No of complaints filed during the financial year 20-21	No of complaints pending as on the end of the financial year 20-21
1.	Child labour / forced labour / involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

- There are the internal unions of its staff cadre employees which are recognized by the Management. These unions do not have any affiliation political and otherwise and follow the process of collective bargaining for resolving staff related matters.

  The company has its union of staff employees under the name and style:

  I Baroda Unit : "GSF Employees' Union".

  "GSFC Employees Union"

  II. Polymers Unit : GSFC Limited - Polymers Unit Employees Union

  III. Fibre Unit : Gujarat Nylons Employees Union

  IV. Sikka Unit : Gujarat State Fertilizers & Chemicals (Sikka Unit) Employees' Union

  Percentage of your permanent employees is members of recognized employee association:

  All the staff cadre permanent employees are the members of these recognized employees association. The employees also have an autonomy to opt out of the membership any of these unions, if they so desire.

  Percentage of skill up-gradation training during the year 20-21

Units	Permanent Employees	Permanent Women Employees	Casual/Temporary/ Contractual Employees	Employees with Disabilities
Sikka	18%	-	-	-
Baroda	37.6%	100%	75.99 %	3%

Principle – 4

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Identifying the Stakeholders and engaging with them through multiple channels in order to hear what they have to say about our products and services are essential parts of our sustainability plan. The health and wellbeing of the communities has always been an important facet of our Company's operations. Our Company extends its social responsibility beyond the statute book and by engaging in strategic and trust based community development interventions.

While our CSR approach focuses on the development of communities around the vicinity of our plants and beyond, we have also developed innovative programmes that leverage our capabilities as a fertilizer and chemical company to ensure equitable distribution of its fertilizers as per Govt. supply plan, thus adding value to the food security of the Nation. While on chemical business plan, the Company strives to touch all walks of life to make a comfortable living.

We are running three schools at our Vadodara, Sikka and Fibre unit in which students from nearby communities are enrolled. We provide safe drinking water to nearby villages. We ensure support to NGOs that are doing excellent for upliftment of the communities but lack resources like SVADES, ITI-Dashrath etc.

CSR initiatives are undertaken in coordination with government where we are not able to reach the communities in need. During pandemic GSFC contributed to state and local administration in every way possible. The details of initiatives taken by our Company in the area of community and society development have been provided in the Corporate Social Responsibility which is part of the Annual Report.

In nutshell it fulfils the vision of company's CSR Policy, which is to commit and to integrate its business values, ethics and professional skills to meet the expectations of all our stakeholders by developing, encouraging and supporting various social and economic initiatives, without any duplication of government policies, through our industrial expertise for Sustainable Development.

Principle – 5 Business should respect and promote human rights

The concept of equality of human beings irrespective of the cast, creed, religion, gender etc. has been the basic principle on which the business of GSFC is based on. Human rights are very well weaved with Code of Conduct for Employees, Human Resource Policies and the settlements reached with the Trade Unions at our plants. Some of the points like prohibition of child labour and forced labour and workers' right to information are of special importance.

The term 'Human Rights' covers a host of aspects including freedom of association, collective bargaining, non-discrimination, gender equality, avoidance of child and forced labour among others. Your Company is compliant to national regulations pertaining to human rights. The Code of Conduct of your Company also applies to the employees of its subsidiary company.

There are Grievance Redressal Mechanisms in place at all the plants with proportion of workers and management as per the statutory norms. These initiatives provide a sound platform for continued dialog and thus help maintain cordial relation with the workers. During the last financial year, there were no serious complaints received from the stakeholders, which is pending resolution.

Principle – 6

Business should respect, protect, and make efforts to restore the environment

The policy related to environment covers all agencies connected to business with GSFC and extends to the Joint Ventures/Suppliers/ Contractors etc. GSFC practices Integrated Management System Policy (Covering Responsible care, Quality, Environment, Occupational Health, Safety & Energy) to ensure safe working environment for the employees & affiliated people.

GSFC is deeply committed to satisfy its social obligations and has made consistent and effective endeavours for creating better environmental conditions through abatement of pollution and adopting sustainable development practices. With the objective of combating climate change, GSFC aligns its business objectives with practices of resource conservation and environment protection. Regular technological initiatives are pressed into service with great vigour to improve and retain the purity of air, water and soil. GSFC has always remained in forefront to make the company green & clean by Landscaping, development of large & beautiful gardens within the complex & in colony and maintaining massive Green belt in 123.2 Ha areas (@ 37.5% of the total land area).

Our Company has consistently managed and continually improved the environmental performance. We are sensitive to our role both as user of natural resources and as a responsible producer of Fertilizers & Chemicals based products for society. Over the last two decades, our efforts to manage water, energy and material resources have yielded positive results. The manufacturing facilities have established ISO 14001 based Environment Management System. Potential Environment aspects have been identified as a part of EMS. Any deviations from laid down policies and procedures are tracked and reviewed by effective procedures of Corrective Action and Preventive Action (CAPA). GSFC has installed online, round the clock monitoring facility for treated effluent discharge, ambient air and stack gas emissions for efficient monitoring and control of pollution. SO_2 and Ammonia gas detectors are also installed in various process plants for monitoring of gaseous emissions at source and subsequently better control and implementation of proactive corrections.

GSFC's clean development mechanism (CDM) initiatives bear testimony to the drive to reduce greenhouse emissions. The major CDM initiative is generating 152.8 MW green energy through a cluster of windmills. Through green power, @32 to 35 % of power requirement of all units of GSFC is fulfilled.

Continual adoption of new Technologies and up gradation in the existing process plants is done for energy efficiency, resource conservation and reduction of pollution potential. Use of renewable energy like wind and solar energy is encouraged at all levels of energy production phases. 10 MW Solar power plant is successfully commissioned at Charanka, Dist. Patan Gujarat. It is operated at about 21% Capacity Utilization Factor (CUF). Additionally, 0.9 MW roof top solar plants are operational within the complex at Baroda unit.

The emissions/waste generated by our Company is well within the permissible limits given by Gujarat Pollution Control Board for the financial year being reported. No Show cause notice is received from GPCB or CPCB.

BUSINESS RESPONSIBILITY REPORT (BRR) (Contd.)

During the year, GSFC has installed online continuous emissions monitoring system at new S90WDmG plant. Hence, presently OCEMS is in place at total 29 numbers of stacks. The data of OCEMS is connected to GPCB as well as CPCB website.

Principle – 7

Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

Your Company has maintained a fair degree of transparency through timely and adequate disclosure of information to the public and regulatory bodies. Your Company articulates the larger interest of industry and the community at industrial forums. As on 31st March, 2021 your Company is a member of following prominent trade associations viz. Confederation of Indian Industries (CII), Federation of Indian Chambers of Commerce and Industry (FICCI), Federation of Gujarat Industries (FGI), The Fertilizer Association of India (FAI). All India Plastic Manuf. Association, Baroda Productivity Council, British Safety Council, UK P 470, Employees Federation of India, EXIM Club, Indian Chemical Council, Indian Council of Arbitration, National Safety Council

Principle – 8

Businesses should support inclusive growth and equitable development

Company has specified programme as a CSR Activities which has been the part of core business philosophy at GSFC ever since its inception. Today, company has developed CSR as a very special concept to promote the overall development, progress and betterment of people belonging to the weaker sections of society with a view to improve 'Human Development Index' (HDI) with core areas like education, environment, health and sanitation, improvement in nutrition level, support to NGOs, rural development (social & infrastructural), industry-academic interface, support during natural calamities and various other in-house projects.

The CSR projects at GSFC are undertaken through the ideal blend of in-house as well as support of specialized implementing agencies/ NGOs. Company has carried out the impact assessment of its CSR initiative. The contribution towards CSR for the F.Y. 2020-21 was to the tune of Rs 16.06 Crores.

We believe in hand holding with a view to develop the beneficiary in such a way that there is self-sufficiency over a period and the project is handed over. One such example is Contribution to Mid-Day-Meal Scheme through The Akshaya Patra Foundation, where GSFC has supported for capital expenditure plus running expenditure for five years and then project has started showing its fruitful results on its own.

GSFC University is insightful CSR initiative from GSFC with a vision to boost quality education needs and eco-friendly technology for urban sustainability. Cutting- edge skill dissemination with a drive to facilitate state-of the art infrastructure and technology for academic pursuits and to fulfil industry requirements to supplement and nourish region's landscape of learning and research is the idea behind establishing this academic institute with industrial support. It is an innovative step towards preparing youth interested in joining the mainstream of development, by moulding their minds, expanding their comfort zones and boosting confidence to deliver quality results all backed by digital knowledge with online course material.

Principle – 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

- Your Company places its customers at the center of all its business conducts rather than at the receiving end.
- Your Company believes in implementing the customer feedback into product development and enhancing user experience. In order to facilitate our customers and to communicate their views, feedback, suggestions, complaints etc. your Company has dedicated Product Manager, who is the contact point for the respective products from the stand point of customer feedback and the responsibility is cast upon the Product Manager to resolve the complaint/query of its customers in a time bound manner. Many times, the Product Manager is required to visit the premises of the customers to have the complete grasp of the consumer grievance/complaint for its effective resolution.
- On your company's website, an interactive platform has been created which allows any potential customer to raise queries pertaining to our products and services. All our channels ensure that a potential customer with access to phone/internet is able to engage, receive or share the desired information about our products and services.
- While there are no consumer related legal cases which are pending as at the end of the financial year, there are no customer complaints pending for redressal.
- The products of your Company display all information which is mandated by law including the directions for use. Product information is available in the Product Information Sheet that is available with the dealers of the Company and on the website of the Company.

There are no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years.

The Marketing team of your Company both of Fertilizers as well as Chemicals are in continuous interaction with the end users of its products and any suggestions from the customers are appropriately conveyed at the production level and wherever feasible is being done.

★★★★★★

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Macro-economic review: 2020-21

The Indian economy was negatively impacted by an unprecedented health crisis in 2020-21 with the highly contagious corona virus (Covid-19) spreading across the country. In response to the pandemic, Government has taken several proactive preventive and mitigating measures starting with progressive tightening of international travel, issue of advisories for the members of the public, setting up quarantine facilities, contact tracing of persons infected by the virus and various social distancing measures. Government imposed a strict 21 days nationwide lockdown from 25th March, 2020, under the Disaster Management Act, 2005, with subsequent extensions and relaxations, to contain the spread of Covid-19 while ramping up the health infrastructure in the country. The lockdown measures, imposed to contain the spread of Covid-19 pandemic in India, ubiquitously affected employment, business, trade, manufacturing, and services activities.

The real Gross Domestic Product (GDP) growth is projected to contract by 7.7 percent in 2020-21 as compared to a growth of 4.2 percent in 2019-20. GDP growth, however, is expected to rebound strongly in 2021-22 owing to the reform measures undertaken by the Government.

The Government announced a special economic and comprehensive package under Atmanirbhar Bharat of Rs. 20 lakh crore - equivalent to 10 percent of India's GDP – to fight the Covid-19 pandemic in India. Several structural reforms announced as part of the package, inter alia, include deregulation of the agricultural sector, change in definition of MSMEs, new PSU policy, commercialization of coal mining, higher FDI limits in defence and space sector, development of Industrial Land/Land Bank and Industrial Information System, Production Linked Incentive Schemes, revamp of Viability Gap Funding scheme for social infrastructure, new power tariff policy and incentivizing States to undertake sector reforms.

To support economic growth the Government has initiated interest free 50-year loan to states, additional capital expenditure budget for the central Government, launch of Emergency Credit Line Guarantee Scheme (ECLGS) 2.0, Rs. 1.46 lakh crore boost for manufacturing through Production-linked incentives for ten Champion Sectors, Rs. 18,000 Crores additional outlay for PM Awaas Yojana (PMAY) –Urban, Equity infusion in National Investment and Infrastructure Fund (NIIF) Debt Platform, Demand booster for Residential Real Estate Income Tax relief for Developers & Home Buyers, Boost for Project Exports, Capital and Industrial Stimulus.

Economic growth

As per the first Advance Estimates of annual national income released by the National Statistical Office (NSO), Real GDP is estimated to contract by 7.7 percent in 2020-21, as compared to a growth of 4.2 percent in 2019-20. This contraction in GDP growth is mainly attributed to the contraction in industry and services sector. The growth of Gross Value Added (GVA) at constant (2011-12) basic prices is estimated to contract by 7.2 percent in 2020-21, as compared to a growth of 3.9 percent achieved in 2019- 20. Positive growth in real GVA in agriculture & allied sectors at 3.4 percent in 2020- 21 against 4.0 percent in PE of 2019-20 indicates resilience of rural economic activity to the Covid-19 pandemic.

From the demand side, private consumption expenditure is estimated to contract at 9.5 percent in 2020-21 as against a growth of 5.3 percent in 2019-20 and fixed investment is estimated to decline by 14.5 percent in 2020-21 as against 2.8 percent in 2019-20. Government consumption final expenditure is estimated to grow at 5.8 percent in 2020-21 as against 11.8 percent in 2019-20. Exports and imports of goods and services are estimated to contract at 8.3 percent and 20.5 percent (at constant prices) respectively in 2020-21.

Agriculture

While the difficulties created by COVID induced lockdowns adversely affected the performance of the non-agricultural sectors, India's agricultural sector has shown its resilience. The Agriculture and Allied activities clocked a robust growth rate of 3.4 per cent at constant prices during 2020-21(first advance estimate).

About 54.6 per cent of the total workforce in the country is still engaged in agricultural and allied sector activities (Census 2011). As per the Provisional Estimates of National Income released by CSO on 29th May, 2020, the share of Agriculture and Allied Sectors in Gross Value Added (GVA) of the country at current prices is 17.8 per cent for the year 2019-20.

The sector has got renewed thrust due to various measures on credit, market reforms and food processing under the Atmanirbhar Bharat announcements. Various interventions of the Government for the development of allied sectors including animal husbandry, dairying and fisheries exhibit its resolve towards tapping the potential of allied sectors to further enhance farm welfare. In addition to various measures aimed at increasing productivity and improving marketing of agricultural produce, the Government also carries out a large food management programme with a significant financial implication in terms of food subsidy. Under the Pradhan Mantri Garib Kalyan Anna Yojana, 80.96 Crores beneficiaries were provided additional food grains, i.e. above the National Food Security Act (NFSA) mandated requirements, of 5 kg per person per month free of cost till November 2020. Over 200 LMT of food grains were provided amounting to a fiscal outgo of over Rs. 75000 Crores. Also, under Atmanirbhar Bharat Package, 5 kg per person per month was distributed for four months (May to August) to benefit approximately 8 Crores migrants who are not covered under NFSA or state ration card entailing subsidy of Rs. 3109 Crores approximately.

COVID-19 pandemic has influenced the lives of people across the globe and India is no exception to that. The farming activities also experienced the impact of this pandemic as the COVID induced lockdowns influenced the movement of farm inputs including farm machinery from one location to other. The national lockdown coincided with the commencement of the harvesting season for the Rabi crops creating further adversity for the sector. Migration of agricultural laborers to their native places during the lockdown created a shortage of farm laborers. India's agricultural system demonstrated its resilience amid such adversities. Against all adversities due to COVID-19, continuous supply of agriculture commodities, especially staples like rice, wheat, pulses and vegetables, has been maintained thereby enabling food security. In order to further strengthen and support the agricultural sector, several initiatives have been taken by the Government of India under the Atmanirbhar Bharat Abhiyan.

Record Food grain Production

According to the Economic Survey in the Agriculture year 2020-21 (as per Second Advance Estimates), total food grain production in the country is estimated at record 303.34 million tons which is higher by 5.84 million tons than the production of food grain of 297.5 million tons achieved during 2019-20.

Minimum Support Price

The Economic Survey says that "The Union Budget for 2018-19 had announced that MSPs would be kept at the level of 1.5 times of the cost of production. On the basis of the above-mentioned principle, Government recently increased the MSPs for all mandated Kharif and Rabi crops for 2020-21 season."

Atmanirbhar Bharat Abhiyan

The Economic Survey observes that the major announcements for agriculture and food management under the Atmanirbhar Bharat Abhiyan have been Rs. 1 lakh Crores Agriculture infrastructure fund; Rs. 10,000 Crores scheme for Formalisation of Micro Food Enterprises (MFE); Rs. 20,000 Crores for fisherman through Pradhan Mantri Matsya Sampada Yojana (PMMSY); National Animal Disease Control Programme; Animal Husbandry Infrastructure Development Fund- Rs. 15,000 Crores; Reforms in Essential Commodities Act, Agriculture Marketing and Agriculture Produce Pricing and Quality Assurance; PM Garib Kalyan Ann Yojana; One Nation One Ration Card.

Agricultural Credit

The Economic Survey notes "Given the large proportion of resource constrained small and marginal farmers in India, timely availability of adequate credit is fundamental for the success of farming activities." The agricultural credit flow target for the year 2019-20 was fixed at Rs. 13, 50,000 Crores and against this target the achievement was Rs. 13, 92,469.81 Crores. The agriculture credit flow target for 2020-21 has been fixed at Rs. 15, 00,000 Crores and till 30th November, 2020 a sum of Rs. 9, 73,517.80 Crores was disbursed. The Economic Survey notes that the Agriculture Infrastructure Fund announced as a part of Atmanirbhar Bharat Abhiyan will further boost credit flow to the agriculture sector.

According to the Economic Survey, consequent upon budget announcement on inclusion of livestock sector in Kisan Credit Card in February 2020, 1.5 Crores dairy farmers of milk cooperatives and milk producer companies' were targeted to provide Kisan Credit Cards (KCC) as part of Prime Minister's Atmanirbhar Bharat Package. As of mid-January 2021, a total of 44,673 Kisan Credit Cards (KCCs) have been issued to fishers and fish farmers and an additional 4.04 lakh applications from fishers and fish farmers are with the banks at various stages of issuance.

Pradhan Mantri Fasal Bima Yojana

The Survey observes that Pradhan Mantri Fasal Bima Yojana (PMFBY) is a milestone initiative to provide a comprehensive risk solution at the lowest uniform premium across the country for farmers. The PMFBY covers over 5.5 crore farmer applications year on year. As on 12th January, 2021, claims worth Rs. 90,000 Crores have already been paid out under the Scheme. Aadhar seeding has helped in speedy claim settlement directly into the farmers' accounts. Even during COVID-19 lock down period nearly 70 lakh farmers benefitted and claims worth Rs. 8741.30 Crores were transferred to the beneficiaries.

PM-KISAN

An amount of Rs. 18000 crore have been deposited directly in the bank account of 9 crore farmer families of the country in December, 2020 in the 7th installment of financial benefit under the PM-KISAN scheme.

Performance of Fertilizer Industry in India

Production

Overall fertilizer production has increased moderately to 434 Lakh MT in 2020-21, as against 426 Lakh MT in 2019-20, exhibiting a marginal growth of 1.83% over 2019-20. Individually, production of DAP witnessed a decline of 17% during the period. Production of Urea, NP/NPK complex fertilizers and SSP increased by 0.6, 7.7 and 16%, respectively, during 2020-21 over 2019-20.

Import

Overall imports of fertilizers has gone up sharply by 14.3% during the period 2020-21. Import of all major fertilizers showed increase to 209 Lakh MT during 2020-21 as against 183 Lakh MT during 2019-20. Imports of Urea increased by 7.7%, DAP 6.8%, NP/NPKs 102.1% and MOP by 23.1% during 2020-21 over 2019-20.

Import dependence (imports as a proportion of production plus imports) has increased to 33% during 2020-21 compared to 30% in 2019-20.

Urea production increased slightly by 0.6% during 2020-21. Urea is largely sourced domestically however, high demand necessitates imports which have risen by 7.7% to supplement the increase in demand. Import dependence of Urea (imports as a proportion of production plus imports) has increased to 29% during 2020-21 compared to 27% during 2019-20.

DAP production fell by 17% during 2020-21. Decline in production can be attributed to the shortage in raw material availability and increase in prices of inputs. Imports on the other hand have risen by 6.8% in the same period and import dependence of DAP (imports as a proportion of production plus imports) has increased to 61% during 2020-21 compared to 54% during 2019-20.

MOP imports have increased sharply by 23.1% during 2020-21. India meets its Potassium chloride (commonly referred to as Muriate of Potash or MOP) requirements completely through imports from Canada, Russia, CIS+ Belarus, Israel, Jordan and Lithuania.

The production of SSP which is an indigenous phosphatic multi-nutrient fertilizer increased sharply by 16% during 2020-21. SSP is a cheaper alternative to DAP.

India witnessed an on-time arrival of Southwest monsoon, followed by a quick spread across the region which has resulted in higher sowing thus augmenting the sales of fertilizers which has led to an increase in production. Increase in production can also be ascribed to restocking activities undertaken by the manufacturers in order to keep up with the sharp increase in fertilizer sales witnessed during the year.

According to CARE Ratings in its March 2021 Fertilizer Industry sector update, the rural demand and markets has been buoyed and very promising despite the coronavirus pandemic and macroeconomic uncertainty. This has translated in improving the underlying macros for the Indian fertilizer industry. Agricultural operations have been well placed and have grown backed by a bumper Rabi harvest and good monsoon during the Kharif season. With surplus reservoirs levels, record high Kharif crop sowing and plentiful rainfall during the monsoon season, demand for the procurement of fertilizers has been promising till date.

Status on the Progress of the Revival of 5 fertilizer plants:

The Government is reviving 5 closed fertilizer plants - 4 of Fertilizer Corporation of India Limited (FCIL) in Talcher, Ramagundam, Gorakhpur and Sindri and 1 of Hindustan Fertilizer Corporation Ltd. (HFCL) in Barauni. This is being done by setting up new ammonia-urea plants with a capacity of 12.7 LMT (Lakh Metric Ton) per annum. The Government expects that with the commissioning/ start of the above plants, it can increase indigenous urea production significantly leading to a substantial reduction in imports and make India self-sufficient in the years to come.

- Ramagundam Fertilizers and Chemicals Limited (RFCL) has already achieved 99.92% (upto January 2021) of physical progress. Presently the project is in pre-commissioning/commissioning stage.
- Gorakhpur, Sindri and Barauni fertilizer plants have achieved 88%, 84.6% and 83.7% of progress respectively (upto January 2021).
- Overall project progress for the Talcher Fertilizer Plant in Odisha is around 9.26%.

Post the commissioning of all the above plants the domestic indigenous Urea production is slated to increase by at least 63.5 LMT/ year which will bring down the imports of Urea by 70% (assuming FY20 level of imports).

Raw material prices:

The international prices of raw materials were having upward trend during FY 2020–21 as compared to 2019–20.

The average CFR prices of Phosphoric Acid (PA) which was USD 650 per ton during 2019–20 went upward to USD 679 (4.54%) per ton during 2020–21.

The average prices of Ammonia increased during 2020–21 as compared to 2019–20. The average CFR prices of Ammonia during 2019–20 was USD 262 per ton went up to USD 269 per ton during 2020-21. On an average, there was 2.67 % increase in prices of Ammonia as compared to 2019–20.

The average CFR price of Rock Phosphate slightly declined in 2020–21 as compared to 2019–20. The average CFR price of Rock Phosphate during 2019–20 was USD 94.61 per ton went slightly down to USD 94.50 per ton during 2020–21. On an average there was 0.12% decrease in price of Rock Phosphate compared to 2019–20.

The price of Sulphur increased during 2020-21 as compared to 2019-20. The average CFR price of Sulphur during 2019-20 was USD 91.15 per ton went up to USD 94.91 (4.13%) per ton during 2020-21. On an average, there was 4.13% increase in price of Sulphur as compared to 2019-20.

The price of Benzene decreased during 2020-21 as compared to 2019-20. The average CFR price of Sulphur during 2019-20 was USD 689.50 per ton down up to USD 517.29 (-24.98%) per ton during 2020-21. On an average, there was 24.98 % decrease in price of Benzene as compared to 2019-20.

Average price of Raw Material products ($ / MT):

Product	2019-20	2020-21	% Increase / Decrease
Phos. Acid (C & F)	650	679	(+)4.54
Ammonia (C & F)	262	269	(+)2.67
Rock Phosphate (C & F)	94.61	94.50	(-)0.12
Sulphur (C & F)	91.15	94.91	(+) 4.13
Benzene (C & F)	689.50	517.29	(-)24.98

INDUSTRIAL PRODUCT SCENARIO:

The financial year started under the shadow of covid-19 pandemic and nation-wide lock down declared in phased manner in India. All economic activities were practically stopped for more than 2 months projecting a grim scenario for the economy at the start of financial year; this unprecedented and extraordinary economic & health crisis also gravely affected the global economy with acute intensity and spread.

Volatility gradually reduced as the large fiscal & monetary policy measures were taken in time by the Government. Equity markets across the globe were highly volatile and touched the bottom, however, they subsequently recovered some lost ground, while the yield from government bonds remained range-bound. Crude oil prices firmed up modestly as oil producing countries (OPEC plus) agreed to cut production, and prospects for revival in demand improved on expectations of imminent easing of lockdowns. Gold prices remained elevated on hedging demand as the equity markets across the globe faced volatility.

The impact of the shock arising from Covid-19 pandemic got compounded by the interaction of supply disruptions and demand compression. Beyond the destruction of economic and financial activity, livelihood and health also got severely affected. Govt. announced the fiscal stimulus to the tune of 10% of GDP to rescue the economy from further fall and keeping the balance between country's credit rating as well as ensuring the liquidity in the system. The prices of major Industrial products like Caprolactam, Nylon-6 & Melamine witnessed bottom level during the H1 (FY 20-21) in the decade. Organized sectors like Automobile, Textile & Consumer durables sectors reduced their plant operations and inventories piled up across the entire supply chain. Unorganized sectors like laminates, plywood, plastics processing and other MSMEs experienced drastic fall in demand and severe cash crunch. However, Pharmaceutical sector along with allied chemicals witnessed double digit growth hence the raw material for downstream pharmaceutical sector also witnessed boom in demand and its prices. Downstream sectors of Melamine like Laminates, plywood being in non-essential category faced devastating impact due to lock down. Company restarted operations of its Methanol plant after gap of nearly 6 years during August 2020 in order to substitute the imports under the vision of AATMANIRBHAR BHARAT regime by Government of India. This has helped in increasing the top line during the year.

The Industries were grappling to restart during UNLOCK 1.0 phase from 1st June 2020 due to shortage of labor, poor cash flow from the market and flip flop stand by local administrations in different states after nation-wide lock down. Post lock down, downstream industries were struggling with poor cash flow from the market and looking for further extension of credit period from the suppliers to maintain the plant load and provide fresh impetus for buying cycle.

In a scenario where output of the economy contracted by about 24% during Q1, recovery is not expected to be uniform across sectors due to the differences in the nature of supply chains and demand conditions, hence pace of economic activity was hesitant and uneven. Sale of Automobiles started improving from July 20 onwards. Downstream sectors of Nylon-6 chips like packaging films, auto components, fishnet has observed increase in pent up demand due to festival seasons started from August 20 onwards. This has supported increase in sales of Nylon-6 chips. Also Laminates & Plywood sectors has observed pent up demand during post lock down and their operations achieved pre-covid level from Aug'2020 which has resulted in ever highest sale of Melamine during the FY2020-21.

Moving forward, the reflection of the disruptions in the production processes was also seen in the rising price pressures. The firming up of commodity prices in the international markets affected domestic prices also. Limited availability of containers and disrupted shipping routes has resulted into limited flow of goods in international market, which led to immediate demand and higher prices of various chemicals in the short terms period registering double digit growth within 2-3 months of time period. During Q4 of FY2020-21, the demand has further increased and price in international market has also gone up due to immediate demand across various sectors. This has helped to surpass the turnover of Industrial products as compared to previous year.

World trade recorded a rebound as the lockdowns were eased, but inventory restocking is completed and trade related uncertainty is rising with second wave. There was growing confidence that an end to the health pandemic is in sight and the prospects for the global economy are finally looking up positive. The second wave of virus outbreaks checked the pace of the global recovery.

The rise of Second wave in Asian countries particularly; India has pulled back all the estimated growth projection for the days to come amid growing uncertainties among downstream sectors due to various lock down measures imposed by Govt. in different states. Second wave of covid-19 has compelled various economies to relook at their projection for growth and economy recovery during FY2021-22.

Despite the challenges, unprecedented situation, company could achieve higher turnover and better profits for Industrial products in FY2020-21 as compared to previous financial year.

1. **FINANCIAL PERFORMANCE OF THE COMPANY DURING FY 2020-21:**

Particulars	Units	2019-20	2020-21	Change	Change in %	Reason For Change
Debtors Turnover *	Days	65.16	46.73	-18.43	-28%	Debtors turnover ratio improved due to better collection from overdue debtors.
Inventory Turnover	Times	9.29	12.12	2.83	30%	Inventory turnover ratio improved because of lower stock in trade as on 31.03.2021

Interest Coverage Ratio	Times	3.74	20.04	16.3	436%	The Ratio improved due to growth of EBITDA and lower interest cost on borrowings in FY 20-21.
Current Ratio	Ratio	1.90	3.58	1.68	88%	Current Ratio improved due to major reduction in current liabilities, mainly on account of repayment of short term borrowings by the company in FY 20-21.
Debt Equity Ratio	Ratio	0.23	0.00	-0.23	-100%	The debt equity ratio became Nil since the company repaid its entire long term borrowing and major portion of its short term borrowings in FY 20-21.
Operating Profit Margin	%	5.40	9.77	4.37	81%	Operating profitability improved due to soft raw material prices & higher capacity utilisation and sales of Industrial products in FY 20-21.
Net Profit Margin	%	1.30	5.57	4.27	328%	Net profit margin improved due to higher operating profits and lower finance costs in FY 20-21.
Return on Net Worth	%	1.45	4.57	3.12	215%	The return on net worth was higher because of improved profitability.

*Debtors Turnover is excluding subsidy income and receivables.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

There exist a comprehensive system of internal controls in place. The internal auditors of the Company comprehensively carry out their audit and their observations/audit queries are being discussed and debated at length by the Audit Committee. The Audit Committee of the Company also reviews the follow-up actions in respect of the items which did not get closed and seek explanation for the open items. The internal control system is so designed that a particular transaction gets filtered at different levels so as to ensure that proper recording of such transaction takes place and no unscrupulous elements get into the system. The Company uses the SAP platform where-in the roles, responsibilities and authorities are well defined and no deviation is allowed without proper management approval.

2. TEN YEARS PRODUCT PERFORMANCE RECORD:

The last 10 years' Product-wise performance years is given below:

Product-wise performance in terms of production and sales for the last ten years is given below:

PARTICULARS	Unit	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
PRODUCTION											
FERTILIZERS	MT	19,08,828	16,65,824	17,33,957	16,78,958	15,07,911	14,91,741	13,85,857	14,23,059	14,36,535	14,70,350
Ammonium Sulphate	MT	4,87,250	4,45,630	3,74,720	3,72,330	3,37,370	3,34,030	3,18,680	3,06,671	3,15,145	2,98,000
Ammonium Sulphate Phosphate	MT	2,68,730	2,67,140	2,91,940	2,82,360	3,13,860	3,28,430	3,37,930	3,36,340	2,94,600	3,02,800
Di-Ammonium Phosphate	MT	5,65,790	4,84,720	4,59,090	5,03,830	4,11,850	3,70,200	3,14,600	3,90,300	4,24,520	5,34,100
N P K	MT	2,08,730	1,28,120	1,93,150	1,54,220	38,340	47,650	15,460	19,520	10,280	-
UREA	MT	3,70,700	3,32,705	4,05,360	3,61,181	4,06,571	4,11,431	3,99,187	3,70,228	3,91,990	3,35,450
CAPROLACTAM	MT	81,927	83,093	91,479	86,662	86,191	86,297	89,918	84,856	83,180	80,503
NYLON-6	MT	24,455	24,296	23,887	20,215	17,421	9,885	9,400	9,751	9,659	8,914
MELAMINE	MT	38,732	29,215	14,161	15,188	14,886	15,697	14,284	14,916	14,001	15,279

ARGON	'000NM3	3,325	3,116	3,574	3,319	3,549	3,581	3,611	3,334	3,458	3,270
MONOMER	MT	-	1,709	3,993	3,187	751	2,281	3,435	3,227	3,116	4,287
ACRYLIC SHEETS	MT	-	-	-	10	-	122	79	780	566	876
ACRYLIC PELLETS	MT	-	-	-	9	285	1,346	969	1,701	1,974	2,046
NYLON FILAMENT YARN	MT	-	-	-	811	4,044	4,219	3,427	3,643	3,080	3,910
NYLON CHIPS	MT	-	-	-	2,749	6,559	8,397	9,114	9,219	6,563	5,103
SALES											
FERTILIZERS*	MT	19,45,122	16,82,171	15,98,428	16,04,222	14,12,044	14,34,684	13,20,471	13,83,154	13,95,376	14,41,232
Ammonium Sulphate	MT	4,97,430	4,46,117	3,96,109	3,62,972	3,08,214	3,29,778	3,15,926	3,09,843	3,20,007	3,02,915
Ammonium Sulphate Phosphate	MT	2,99,160	2,44,482	2,54,633	2,99,025	2,90,107	3,34,072	3,34,193	3,35,865	2,96,470	3,04,940
Di-Ammonium Phosphate	MT	5,63,510	5,24,410	3,99,309	5,00,999	4,17,820	3,68,874	3,02,666	3,86,585	4,31,238	5,43,699
N P K	MT	2,14,999	1,41,409	1,84,181	1,30,194	35,024	46,558	14,628	25,811	3,925	-
UREA	MT	3,61,049	3,25,536	3,66,763	3,13,448	3,60,879	3,55,402	3,53,058	3,25,051	3,43,736	2,89,678
CAPROLACTAM*	MT	58,170	58,764	65,596	63,217	63,101	66,483	68,901	65,725	64,728	63,082
NYLON-6	MT	28,150	23,752	25,311	22,569	13,697	9,999	9,701	9,915	9,732	8,756
MELAMINE	MT	40,173	26,216	13,953	15,298	15,341	15,096	14,283	15,378	14,166	15,283
ARGON	'000NM3	3,349	3,099	3,563	3317	3,546	3,599	3,622	3,313	3,453	3,272
MONOMER*	MT	-	2,200	3,989	3,236	480	1,947	2,934	1,316	2,108	2,036
ACRYLIC SHEETS	MT	-	-	-	76	91	112	122	707	678	726
ACRYLIC PELLETS	MT	-	-	9	44	344	1,365	984	1,705	1,978	1,993
NYLONE FILAMENT YARN	MT	9	5	20	991	4,309	2,706	3,233	3,378	2,924	3,319
NYLON CHIPS	MT	-	-	146	3,730	4,296	6,262	6,514	6,455	6,331	5,121

*excluding captive consumption

3. RISK MANAGEMENT:

Changes in Government policy, currency risk, fluctuation in input prices, increase in NG prices, insufficient availability of natural gas and raw material in the international market will have an impact on Company's profitability.

Market may experience frequent changes in the price of domestic Phosphatic Fertilizers depending upon the cost of production of the manufacturers. The resistance from farming community has impacted demand. DAP sales was 111 Lakh MT during 2010-11 which has gone down substantially during the subsequent years (74 Lakh MT during 2013-14, 76 Lac MT in 2014-15 & 98 Lac MT in 2015-16). With sharp increase in NG price, prices of Phosphatic fertilizers would go up. In the current scenario, good and widely distributed rainfall, smooth & comparatively cheaper availability of raw materials and timely reimbursement of subsidy by the Govt. of India would be the prime catalysts for the Company to sustain its operations profitably.

In the above likely scenario, the Company is focusing on the efficiency improvement with higher production levels, efficiencies in raw material procurement, increased availability through imports, reduction in marketing & distribution costs, production of various complex grades at Sikka and proper product/ segment strategies to maximize the sales to achieve better contribution from its product basket.

To control the financial risks associated with the Foreign Exchange/ Currency rate movements and their impact on raw material prices, the Company has put in place a sophisticated Foreign Exchange Risk Management System.

4. RESEARCH AND PROMOTIONAL ACTIVITIES:

Your company has a well-established DSIR approved Research Center established in 1977 at Vadodara complex. A team of young scientists continuously works on conceptualization of emerging ideas in the field of fertilizers, industrial & chemical products, biotechnology, polymer science, waste utilization & corrosion & metallurgy. The R&D facilities at Vadodara Unit also includes a demo pilot plant for scale up of new processes developed at lab scale and to manufacture products in small quantity for initial market seeding.

Your company has developed various new products in the segments of Industrial products, Fertilizer products and also opened up a new avenue in the segment of Pharma grade products in recent past. Based on process developed in-house and efforts put in by respective operations group, your company has started manufacturing of NPK 16:20:00:13, Boronated NPK12 & NPK 14:28:00 at Sikka Unit Jamnagar & Nutri+ (Fortified Gypsum), NPK Liquid Consortia & WSF 13:40:13 at Baroda Unit under the fertilizer segment.

With a view to open up new avenues in the business, your company has diversified its portfolio with addition of Pharma Grade Ammonium Sulphate, Potassium DiHydrogen Phosphate and Dipotassium Hydrogen Phosphate products. Being in-house process, these products are manufactured in small quantities at R&D pilot plant to establish market.

It is a matter of pride for your company to be a part of *Aatma Nirbhar Bharat*, the vision of Hon'ble Prime Minister. In this line, your company has selected various products from the gamut of products currently being imported and developed process of manufacturing these products in-house. From these, Calcium Nitrate & Boronated Calcium Nitrate (water soluble fertilizers 100% imported currently) in granular form and micronutrient enriched Liquid variants of Calcium Nitrate like Calcium Nitrate fortified with Boron, Boron+Zinc, Boron+Magnesium & Boron+Zinc+Magnesium are already commercialized. All these Liquid variants are currently being manufactured at Pilot plant of R&D. This step will help in becoming self-reliant.

To meet with upcoming challenges and to keep up a pace with new trends in industrial products segment, Your Company has developed various processes of producing Melamine Derivatives, which can be translated to premium quality products in Industrial Product basket of GSFC in future. Your Company is also constantly working on development of New Generation Fertilizers like Nano Fertilizers for Direct Absorption Technology, Fortification of micronutrients in complex, straight & water soluble fertilizers, bio fertilizers and value addition of existing products for better application and market needs. These efforts shall provide a steady supply of high-quality products to fulfill portfolio strategy of your company.

GSFC Agrotech Limited

GSFC AgroTech Ltd., a wholly owned subsidiary of GSFC was established in the year 2012 with the aim of providing single stop solution to the farmers by providing reliable Agri-products at reasonable prices and promoting extension services either directly or in association with Government. Today GATL is one of the pioneers in organized agri-input retail in India and its services are synonymous with innovation and path breaking ventures in the agri-input industry.

GATL manages 285 plus retail outlets across the state of Gujarat and 11 in Rajasthan with a vision to expand its retail chain to other states in the upcoming year. We take pride in the fact that we are the only agri-input company in India which has deployed trained Agriculture Graduates / Post Graduates to manage its retail outlet.

We consider farmer as our partner and are committed to providing an assured supply of a comprehensive range of agri-inputs to our customers. We have thus collaborated with leading agri-inputs companies National Seed Corporation, Pioneer, Coromandel International, Indian Potash Limited, Kribhco, Rise N Shine, etc. to ensure the all-round availability of multi brand products at our retail outlets.

Keeping in view the Government's agenda of doubling farmer's income, we have worked on price rationalization of our products like WSF to offer best quality agri-inputs at most reasonable prices. Product innovation is yet another endeavour at GATL. Keeping in view the best interest of the farmer, soil and environment, we are continuously involved in development and launch of newer products and variants.

With a commitment to serve the farmers, GATL is in constant touch with the latest technology and innovations. State-of-the-art Tissue Culture lab which is certified by DBT (Department of Biotechnology, Government of India) has already developed tissue culture protocols for over 10 varieties of fruits, flowers and commercial crops. We sell approximately 64 lacs plants annually in Gujarat and have also expanded our distribution network to other states.

GATL has also established itself as a trusted implementation partner with various departments of the Government of Gujarat for its farmer welfare schemes. Projects worth Rs. 70 crore have been successfully implemented for the Department of Agriculture & Tribal Development Department of Gujarat.

5. SAFETY, HEALTH AND ENVIRONMENT:

During the year under review, Health Safety Management System as well as elements of Process Safety Management were strengthened in GSFC both of which are the fundamental building block of Safety functionaries in an industry.

HAZOP studies have been conducted as necessitated by inviting external agencies. Facelift is provided to the modules of the Contractors Safety and Visitors safety training topics. Visitors Visual Display near Plant gate has been provided. Focused efforts have been pinned on trainings related to personal protective equipment and basic fire prevention; Safeguard from COVID, utilization of fire extinguishers, Emergency preparedness etc.

Safety and Fire Trainings have covered more than **3079** employees, Contractors and visitors during the FY 20-21.

Plant shutdown and start up activities pose hazards that are different than operational plant hazards and therefore intensified safety covers have been provided in a structured way, ensured right kind of hand tools, power tools, lifting tools and tackles as well as material handling and shifting devices to ascertain robust safety exists during plant shut down and start up activities. Pre Start up Safety Review and work permit are part of Process Safety Management which have been issued as per checklist and in accordance with Company safety stipulations. Personal protection often termed as the last line of defense has always been emphasized and ensured for Employees, Contractors and Visitors.

Project commissioning work for S90 has been completed successfully which had its own set of safety challenges. Adequate measures have been taken to ensure safety during Construction, Mechanical and Electro-mechanical work by elevating the safety measures and employing safety mechanisms utilized for project related works. Site Tool box talks, Use of certified tools and tackles, Safety Supervision and capturing near miss have been ensured.

Measures have been put in place to impart mechanical turnaround to fire fighting vehicles and as such Fire tenders are quick response vehicles now and can be used on the spur of the moment.

Safety measures to safeguard against COVID — 19:

Because of very nature of COVID-19; precautions are the key to stay safe.

GSFC Ltd, Vadodara, is committed to take care of employees, contractors and all stake holders. Following preventive measures have been exercised at GSFC Vadodara:

- Sanitization Tunnel was made available at all the entry gates and it was ensured that the same is utilized cent percent.
- Sanitization and fumigation drives were conducted on daily basis.
- N 95 Face masks & hand gloves, Face shields are distributed among all employees on a regular basis.
- All the entrants must necessarily pass through a Temperatures scan at the entrance gate of factory itself at all time.
- All employees have been made aware of maintaining social distance by way of drawn circles.
- Medical services are acting on proactive basis.
- Instructions of State and Central Government as well as advisories are being followed in toto.
- Circulars and precautions are being utilized as flyers for the sake of employees, Contractors and all stake holders.
- Cleanliness and Hygienic activities are being maintained in all plants and departments of GSFC Vadodara.
- Chewing of tobacco, spitting here and there attracts penalty and is punishable too in GSFC Vadodara.
- Non usage of Face mask is punitive in GSFC.
- A number of interactive programs have been arranged by HR and Safety on how to remain safe during COVID 19 pandemic.
- Employees, Contractors and other stake holders who have a travel history, need to obtain medical fitness certificate before entering in GSFC Vadodara. Personal protective Equipments often termed as the last line of defense has always been emphasized and its implementation ensured for Employees, Contractors and Visitors.

6. HUMAN RESOURCES:

Shareholders are requested to refer to point # 26 of the Directors Report which forms part of the Annual Report.

For and on behalf of the Board

Sd/-
Anil Mukim, IAS
Chairman

Place : Fertilizernagar
Date : 11th August, 2021

CAUTIONARY STATEMENT:

Some of the statements made in this "Management Discussion & Analysis Report" regarding the economic and financial conditions and the results of operations of the Company, the Company's objectives, expectations and predictions may be futuristic within the meaning of applicable laws/regulations. These statements are based on assumptions and expectations of events that may or may not materialize in the future.

The Company does not guarantee that the assumptions and expectations are accurate and/or will materialize. The Company does not assume responsibility to publicly amend, modify or revise the statements made therein nor does it assume any liability for them. Actual performance may vary substantially from those expressed in the foregoing statements. The investors' are, therefore, cautioned and are requested to take considered decisions with respect to these matters.

Data sources : *Websites of (1) Ministry of Finance, Department of Economic Affairs, (2) Ministry of Fertilizers & Chemicals, Department of Fertilizers, Govt. of India, (3) Central Statistical Bulletin, (4) FAI, New Delhi, (5) Economic Survey- 2020-21, (6) Fertilizer Market Bulletins and (7) Ministry of Agriculture & Farmers' Welfare, GoI. (7) Union Budget 2020-21 (8) India Meteorological Department (IMD), Government of India.*

CORPORATE GOVERNANCE REPORT

THE PHILOSOPHY

Corporate governance is about commitment to values and ethical business conduct by an organization. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company is an integral part of corporate governance. This enhances public understanding of the structure, activities and policies of an organization. Consequently, the organization is able to attract and retain investors and enhance their trust and confidence.

We believe that sound corporate governance practice is critical for enhancing investors' trust and seek to attain business goals with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures always seek to attain the best practices followed. We also endeavor to enhance Stakeholders' value and respect minority rights in all our business decisions with a long term perspective.

Our corporate governance philosophy is based on the following principles:

1. Satisfying the spirit of law and not just the letter of law.
2. Transparency and maintenance of a high degree of disclosure levels.
3. Make a clear distinction between personal conveniences and corporate resources.
4. Communicating effectively, in a truthful manner, about how the Company is run internally.
5. Comply with the Law of Land.
6. Having a simple and transparent corporate structure driven solely by business needs.
7. Firm belief that Management is the trustee of the shareholders' capital and not the owner.

The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our Stakeholders. We believe that an active, well-informed and independent Board is imperative for ensuring highest standards of corporate governance.

The Company is having an appropriately constituted Board, with each Director bringing in key expertise in their respective professional arena. The Chairman of the Company is a Non-Executive Director. More than half of the Board consists of Independent Directors. In fact, the Board of GSFC comprises of entirely non-executive Directors except the Managing Director (MD), who is an Executive Director.

There is a proactive flow of information to the members of the Board and the Board Committees enabling discharge of fiduciary duties effectively. The Company has full-fledged systems and processes in place for internal controls on all operations, risk management and financial reporting. Providing of a timely and accurate disclosure of all material, operational and financial information to the stakeholders is a practice followed by the Company. The Company confirms to all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All the Committees of the Board like Stakeholders Relationship Committee, Finance-cum-Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Risk Management etc. that are constituted under the Code of Corporate Governance, have been functioning effectively.

The Board of Directors of the Company has formally adopted the Code of Conduct way back at its Meeting held on 28-01-2005, which has subsequently been updated to make them contemporary from time to time. The Code has been made applicable to the Board of Directors and the Senior Officers of the Company, i.e. all the members of the Internal Management Committee of the Company. The Code includes honesty and integrity in all the transactions concerning the Company, conflict of interest, insider trading, protection of assets, communication, duties of independent directors etc. The Code of conduct is also available on the website of the Company at www.gsfclimited.com. The Company firmly believes and accepts that this code of conduct cannot be expected to remain static and therefore, it would need continuous improvisation as per moral, cultural and ethical sense of values encountered by the Company with the passage of time. Needless to mention that the same also continues to get tested and remains compliant from the Regulator point of view.

1 BOARD OF DIRECTORS

☞ ***COMPOSITION AND CATEGORY OF DIRECTORS :***

The strength of the Board of Directors as on 31st March, 2021 was eight; its composition is tabulated below:

Sr. No.	Name of Directors	Category
1	Shri Anil Mukim, IAS Chairman (w.e.f. 19.12.2020)	Promoter, Non- Executive Non Independent Non Rotational Director
2	Shri Mukesh Puri, IAS Managing Director (w.e.f. 06.12.2020 afternoon)	Promoter, Executive Non Independent Non Rotational Director
3	Shri Arvind Agarwal, IAS, Chairman and Managing Director (till 06.12.2020 forenoon)	Promoter, ExecutiveNon Independent Non Rotational Director
4 5	Shri Pankaj Joshi, IAS Smt.Sunaina Tomar, IAS	Non Executive, Non Independent Rotational Director

6	Shri D.C. Anjaria (till 30.09.2020)	Non Executive Independent Non Rotational Director
7	Prof. Vasant P. Gandhi (till 30.09.2020)	
8	Shri Ajay N. Shah (till 30.09.2020)	
9	Shri Vijai Kapoor (till 30.09.2020)	
10	Smt. Geeta Goradia (till 30.09.2020)	
11	Shri Tapan Ray (w.e.f. 02.09.2020)	Non ExecutiveIndependent Non Rotational Director
12	Prof. Ravindra Dholakia (w.e.f. 02.09.2020)	
13	Smt. Gauri Kumar (w.e.f. 02.09.2020)	
14	Dr. Sudhir Kumar Jain (w.e.f. 02.09.2020)	
15	Smt. Jayaben Thakkar (w.e.f. 01.10.2020)	

In all, eight meetings of the Board of Directors of the Company were held during the Financial Year 2020-21 as detailed below:

Sr. No.	Dates of Board meeting	Board strength	No. of Directors present
1.	18/06/2020	8	8
2.	12/08/2020	8	8
3.	18/09/2020	12	10
4.	03/11/2020	8	8
5.	04/12/2020	8	7
6.	19/12/2020	9	8
7.	02/02/2021	9	9
8.	25/03/2021	9	9

Note: The gap between the two board meetings never exceeded 120 days.

The details relating to the names and categories of the Directors on the Board, their attendance during FY 2020-21 at the Board Meetings and the 58th Annual General Meeting, their Chairmanship/ Membership in the Committees of other Companies are given below:

Sr. No.	Name	Category	No. of Equity shares of the Company held by him	No. of Meetings attended	Attendance at the last AGM	No. of other Directorships/ Memberships	No. of Committees in which Chairman/ Member (Including GSFC Ltd.) Chairman(*)	Member(*)
1	Shri Anil Mukim, IAS Chairman (w.e.f. 19.12.2020)	Promoter's i.e. GOG Nominee Non-Executive Director	-	3	NA	10	-	-
2	Shri Mukesh Puri, IAS Managing Director (w.e.f. 06.12.2020)	Promoter's i.e. GOG Nominee Executive Director	-	3	NA	10	-	1
3	Shri Arvind Agarwal, IAS Chairman and Managing Director (till 06.12.2020)	Promoter's i.e. GOG Nominee Executive Director	-	5	Yes		5	1
4	Shri Pankaj Joshi, IAS	Non Executive, Non Independent Rotational Director	-	7	No	11	-	1
5	Smt. Sunaina Tomar, IAS	Non Executive, Non Independent Rotational Director	-	6	No	10	-	1
6	Shri Tapan Ray (w.e.f. 02.09.2020)	Non-Executive/ Independent Director	-	6	No	8	-	2
7	Prof. Ravindra Dholakia (w.e.f. 02.09.2020)	Non-Executive/ Independent Director	-	5	Yes	3	1	1
8	Smt. Gauri Kumar (w.e.f. 02.09.2020)	Non-Executive/ Independent Director	-	6	Yes	4	-	2
9	Dr. Sudhir Kumar Jain (w.e.f. 02.09.2020)	Non-Executive/ Independent Director	-	6	Yes	8	2	1
10	Smt. Jayaben Thakkar (w.e.f. 01.10.2020)	Non-Executive/ Independent Director	-	5	NA	2	-	2

11	Shri D. C. Anjaria (till 30.09.2020)	Non-Executive/ Independent Director	-	3	Yes	6	2	-
12	Prof. Vasant P. Gandhi (till 30.09.2020)	Non- Executive/ Independent Director	-	3	Yes	3	2	2
13	Shri Vijai Kapoor (till 30.09.2020)	Non- Executive/ Independent Director	-	3	No	2	-	-
14	Shri Ajay N. Shah (till 30.09.2020)	Non- Executive/ Independent Director	-	3	No	4	1	1
15	Smt. Geeta Goradia (till 30.09.2020)	Non- Executive/ Independent Director	-	3	Yes	4	-	4

*(*) In accordance with Clause 26 of SEBI (**Listing Obligation and Disclosure Requirement)** Regulations, 2015, Membership/ Chairmanship of only the Audit Committee and Stakeholders Relationship Committee of all Public Limited Companies including GSFC as on 31st March 2021 have been considered.*

None of the Director is a member in more than ten Committees or is a Chairman in more than five committees, across all Companies in which He/She is a Director.

Notes: (i) None of the Directors is inter se related to any other Director.

(ii) None of the Directors has any business relationship with the Company.

(iii) None of the Directors received any loans and advances from the Company during the year.

(iv) The Company has not issued any Convertible Instruments during the year

All Directors including independent directors meet with the requirements pertaining to the number of membership on the Board as well as membership/ chairmanship of the Board level Committees.

☞ **Details of Directorship in other Listed Entities as on March 31, 2021.**

Name of Director	Names of Listed Entity	Category
Shri Anil Mukim	Gujarat Alkalies and Chemicals Limited.	Non-executive & Non-Independent
	Gujarat Narmada Valley Fertilizers & Chemicals Ltd.	Non-executive & Non-Independent
	Gujarat State Petronet Limited	Non-executive & Non-Independent
	Gujarat Gas Limited.	Non-executive & Non-Independent
Shri Mukesh Puri	Gujarat Narmada Valley Fertilizers & Chemicals Ltd.	Non-executive & Non-Independent
Shri Pankaj Joshi	Gujarat Alkalies & Chemicals Limited.	Non-executive & Non-Independent
	Gujarat State Petronet Ltd.	Non-executive & Non-Independent
	Gujarat Narmada Valley Fertilizers & Chemicals Ltd.	Nominee, Executive, & Non-Independent
Smt. Sunaina Tomar	Gujarat Industries Power Company Ltd.	Non-executive & Chairman
	Gujarat Gas Limited	Non-executive & Non-Independent
	Torrent Power Ltd.	Non-executive & Non-Independent
	Gujarat State Petronet Ltd.	Non-executive & Non-Independent
Shri Tapan Ray	Gujarat Alkalies & Chemicals Limited.	Non-executive & Independent
Prof. Ravindra Dholakia	Adani Transmission Limited.	Non-executive & Independent
Dr. Sudhir Kumar Jain	Gujarat State Petronet Limited.	Non-executive & Independent
Smt. Gauri Kumar	Gujarat Mineral Development Corporation Limited.	Non-executive & Independent
	Gujarat Narmada Valley Fertilizers & Chemicals Limited.	Non-executive & Independent

☞ **Core skills/Expertise/competencies available with the Board :**

The brief profile of directors forming part of Annual Report gives an insight into the education, expertise, skills and experience of directors, thus bringing in diversity to the Board's perspective. In terms of the requirement of the Listing Regulations, the Board has identified the core skills/ expertise/ competencies of the Board in the context of the Company's business for effective functioning and as available with the Board. These are as follows:

Name of Director Management	Financial Practices	Governance Practices	Corporate Strategy	Business Management	General
Shri Anil Mukim	✓	✓	✓	✓	✓
Shri Mukesh Puri	✓	✓	✓	✓	✓
Shri Pankaj Joshi	✓	✓	✓	✓	✓
Smt. Sunaina Tomar	✓	✓	✓	✓	✓
Shri Tapan Ray	✓	✓	✓	✓	✓
Prof. Ravindra Dholakia	✓	✓	✓	✓	✓
Dr. Sudhir Kumar Jain	✓	✓	✓	✓	✓
Smt. Gauri Kumar	✓	✓	✓	✓	✓
Smt. Jayaben Thakkar	✓	✓	✓	✓	✓

☞ ***Disclosure regarding appointment/ re-appointment of Directors*:**

Shri Anil Mukim, IAS has been appointed as Chairman w. e. f. 19.12.2020 and Shri Mukesh Puri, IAS has been appointed as Managing Director w.e.f. 06.12.2020 vice Shri Arvind Agarwal, Chairman and Managing Director till 06.12.2020. Accordingly, the resolution relating to appointment of Shri Mukesh Puri, as Managing Director of the Company is placed for your approval.

Shri Pankaj Joshi, IAS was appointed as representative of Finance Department to the Government of Gujarat on the Board of the Company and was appointed as rotational director. Shri Pankaj Joshi, IAS shall be liable to retire by rotation at the ensuing Annual General Meeting, has offered himself for re-appointment.

The Board of Directors via circular resolution dated 09.10.2020 appointed Smt. Jayaben Thakkar (DIN 02110569) as an additional director in the category of Independent Director of the Company with effective from 01.10.2020 and subject to approval of shareholders of the Company, the term of appointment of Smt. Jayaben Thakkar as an Independent Director of the Company shall be 5 (five) Years w.e.f 01.10.2020 to 30.09.2025.

Notice has been received from a member proposing her candidature for appointment at the ensuing Annual General Meeting and the appointment has been recommended by the Nomination and Remuneration Committee and also by the Board.

The Board of Directors is of the opinion that Smt. Jayaben Thakkar is the person of integrity with high level of ethical standards and she possesses requisite expertise and management experience for being appointed as an Independent Director of the Company.

Shri Tapan Ray, Smt. Gauri Kumar, Prof. Ravindra Dholakia, Dr. Sudhir Kumar Jain and Smt. Jayaben Thakkar, independent directors have submitted declarations that they meet the criteria of Independence as provided under section 149 (6) of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, the names of all the Independent Directors of the Company have been included in the data bank maintained by the Indian Institute of Corporate Affairs.

The brief resume of Directors with regard to appointment/ re-appointment at 59th Annual General Meeting is annexed to the Notice convening the 59th Annual General Meeting, which forms the integral part of this Annual Report.

☞ ***Certificate from practicing company secretary:***

A Certificate has been obtained from the Company Secretary in practice, confirming that none of the directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as director of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authorities. The Certificate of Shri Niraj Trivedi forms part of this report.

☞ ***Code of Conduct:***

The Company has laid down a Code of Conduct for all its Board Members and Senior Management Personnel to avoid any conflict of interest. The confirmation of adherence to the Code of Conduct for the Financial Year 2020-21 in the form of declaration is received from all the Directors and Members in the Senior Management of the Company, to whom such code is applicable.

The Board of Directors has noted the adherence to the code of conduct. The Code of Conduct of the Company is available on the Company's web-site viz.

https://www.gsfclimited.com/companys-act-listing-agreement

Availability of Information to the Board of Directors:

The Board of Directors of the Company is apprised of all the relevant and significant information and developments pertaining to the Company's business and this facilitates them to take timely corporate decisions. The comprehensive management reporting systems are in place which encompass preparation and reporting of operating results by units or say divisions, other business developments etc. Their reviews are being carried out by senior management and the Board at its Meeting/s.

CORPORATE GOVERNANCE REPORT (Contd.)

The Board of Directors has complete access to all the information that is within the Company. At the meetings of the Board, the senior executives and if required, even functional Managers, who can provide insight into the agenda items, are being invited.

All the mandatory information that is required to be placed before the Board of Directors and as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are being placed before the Board of Directors should the occasion arise.

Apart from the matters that require mandatory Board approval, following matters are also put up for information to the Board, as and when the occasions arise:

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results for the company and its operating divisions or business segments.
4. Minutes of meetings of audit committee and other committees of the board.
5. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
6. Show cause, demand, prosecution notices and penalty notices which are materially important.
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8. Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company.
9. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
10. Details of any joint venture or collaboration agreement.
11. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
12. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
13. Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
15. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

A Certificate of Compliance with all the applicable laws to the Company is being placed before the Board at its every meeting.

☞ **MANAGERIAL REMUNERATION**

Remuneration to the Non-executive Directors:

Directors (except Managing Director - Executive Director) are paid sitting fees for attending Board/ Committee Meetings and no commission/ share of profit is paid to them. The details of sitting fees paid to them for attending Board/ Committee Meetings during the year are as follows:

(Amount in Rupees)

Name	Sitting Fees
Shri Anil Mukim, IAS	45,000/-*
Shri D.C. Anjaria	80,000/-
Prof. Vasant P. Gandhi	1,10,000/-
Shri Ajay N. Shah	60,000/-
Shri Vijai Kapoor	50,000/-
Smt. Geeta Goradia	80,000/-
Shri Tapan Ray	1,05,000/-
Prof. Ravindra Dholakia	1,32,500/-
Smt. Gauri Kumar	1,42,500/-
Shri Sudhir Kumar Jain	1,32,500/-
Smt. Jayaben Thakkar	1,50,000/-
Shri Pankaj Joshi, IAS	1,50,000/-*
Smt. Sunaina Tomar, IAS	95,000/-*

(*) Deposited in the Govt. Treasury.

The Company pays sitting fee @ Rs.10, 000/- per meeting to the Directors. The Board of Directors have approved the Increase in sitting fees from Rs.10, 000/- to Rs.17, 500/- w. e. f. 02-02-2021. No sitting fee however is being paid to Managing Director.

Remuneration to the Executive Director:

Managing Director-

The Managing Director of the Company is appointed from amongst the Directors nominated by the Government of Gujarat, who is a Senior Officer of Indian Administrative Service (IAS Cadre). He is being paid the remuneration applicable to his scale in the Government and in line with the terms & conditions prescribed by the Govt. of Gujarat. The remuneration to the Whole Time Director and other Non-Executive Directors of the Company, if any, is decided by the Board upon recommendation by the Nomination & Remuneration Committee. The details of the remuneration paid to the Directors during the financial year 2020-21 are as under:

Name of MD	Salary & Perquisites
Shri Arvind Agarwal, IAS Chairman and Managing Director (Till 06.12.2020)	Rs. 14.38 lakh
Shri Mukesh Puri, IAS Managing Director (w.e.f. 06.12.2020)	Rs. 1,332

The Company currently does not have any Stock Option Plan in place. All the Directors have been reimbursed expenses incurred by them in discharge of their duties. There are no payments made to a Director in his individual capacity or to his relatives, and should there be an instance of such payment, the same would have been appropriately disclosed. However, none of these Directors has any material pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its holding Company, its subsidiaries and associates which may affect their independence. The Company has not entered into any materially significant transaction with Promoters, Directors or their relatives or its management or subsidiary that may have potential conflict with the interests of the Company.

COMMITTEES OF THE BOARD:

2 AUDIT COMMITTEE:

The Finance-cum-Audit Committee presently comprises of four Directors and majority of them are Independent and all are Non-Executive Directors. All the members of the Committee have wide knowledge and experience in the field of Corporate Finance and Accounts. The Committee is governed by a charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation & Disclosure Requirements), Regulations, 2015.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

1. Management discussion and analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management.
3. Management letters / letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

The terms of reference of this Committee include matters specified in the Companies Act, 2013, Rules and Listing regulations and those specified by the Board in writing. Besides having access to all required information within the Company, the Committee may investigate any activity within its terms of reference, seek information from any employee, secure attendance of outsiders with relevant expertise, obtain legal or other professional advice from external sources, whenever required.

The Committee acts as a link amongst the Management, Auditors and the Board of Directors. The Audit Committee shall act in accordance with the terms of reference which shall, inter alia, include:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a) Matters, required to be included in the Director's Responsibility Statement.
   b) Changes, if any, in accounting policies and practices and reasons for the same.
   c) Major accounting entries involving estimates based on the exercise of judgment by Management.
   d) Significant adjustments made in the financial statements arising out of audit findings.
   e) Compliance with listing and other legal requirements relating to financial statement.
   f) Disclosure of any related party transactions.
   g) Qualifications in the draft audit report.

5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Vigil/Whistle Blower Mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is included in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on 31.03.2021

During the Financial Year 2020-21, five meetings of Finance-cum-Audit Committee were held i.e. on 17-06-2020, 12-08-2020, 02-11-2020, 30-01-2021 and 25-03-2021. The Composition of the Audit Committee and the attendance details are as under:

Sr. No.	Name of the Member	Category	No. of meetings held during the tenure of Directors	No. of meetings attended
1	Shri D.C. Anjaria (Chairman of the Committee) (till 30.09.2020)	IndependentNon-Executive	2	2
2	Prof. Vasant P. Gandhi (till 30.09.2020)	IndependentNon-Executive	2	2
3	Shri Ajay N. Shah (till 30.09.2020)	IndependentNon-Executive	2	2
4	Smt. Geeta Goradia (till 30.09.2020)	IndependentNon-Executive	2	2
5	Prof. Ravindra Dholakia (Chairman of the Committee) (w.e.f. 02.09.2020)	IndependentNon-Executive	3	3
6	Smt. Gauri Kumar(w.e.f. 02.09.2020)	IndependentNon-Executive	3	3
7	Shri Pankaj Joshi	Non-IndependentNon-Executive	3	3
8	Smt. Jayaben Thakkar (w.e.f. 01.10.2020)	IndependentNon-Executive	3	3

The Finance-cum-Audit Committee meetings are usually attended by the Head of Finance Dept. Managing Director is also invited to attend the meetings as a Special Invitee. The Internal Auditors, Statutory Auditors, Cost Auditors and Branch Auditors are invited to attend the meetings as and when required. The Company Secretary acts as Secretary to the Committee.

Shri D. C. Anjaria, Chairman of the Finance-cum-Audit Committee (till 30.09.2020) remained present at the last i.e. 58th Annual General Meeting held on 30-09-2020. Prof. Ravindra Dholakia, Chairman of the Finance-cum-Audit Committee (w.e.f. 02.09.2020) also remained present at the last i.e. 58th Annual General Meeting held on 30-09-2020.

3 STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to provisions of Section 178(5) of the Companies Act, 2013 and Listing Regulations, Stakeholders Relationship Committee of the Board comprises of Prof. Vasant Gandhi, Chairman of the Committee, (till 30.09.2020) Dr. Sudhir Kumar Jain, Chairman of the Committee (w.e.f.02.09.2020) Smt. Geeta Goradia (till 30.09.2020), Smt. Jayaben Thakkar, (w.e.f. 01.10.2020) Shri Mukesh Puri, Managing Director (06.12.2020) in place of Shri Arvind Agarwal (till 06-12-2020) as on 31.03.2021.

Shri V V Vachhrajani, Company Secretary & Sr. Vice President (Legal) is the Compliance Officer for complying with requirements of Securities Laws and Listing Regulations with Stock Exchanges.

During the FY 2020-21, four meetings of the Committee were held i.e. on 18-06-2020, 12-08-2020, 03-11-2020, and 29-01-2021. The details of Committee members and their attendance at the Committee meetings during the Financial Year 2020-21 are furnished below:

Sr. No	Name of the Members	No. of meetings held during the tenure of Directors	No. of Meetings Attended
1	Prof. Vasant P. Gandhi (till 30.09.2020)	2	2
2	Smt. Geeta Goradia (till 30.09.2020)	2	2
3	Shri Arvind Agarwal, Chairman and Managing Director (till 06.12.2020)	3	3
4	Dr. Sudhir Kumar Jain (w.e.f. f. 02.09.2020)	2	2
5	Smt. Jayaben Thakkar (w.e.f. f. 01.10.2020)	2	2
6	Shri Mukesh Puri, IAS (w.e.f. 06.12.2020 appointment as Managing Director)	1	1

As a measure of good Corporate Governance and accepting the shareholders as its esteemed customers, the Company has well designed Investors' Grievance Redressal System. The average time taken for the grievance redressal is very less and the Committee monitors the investors' grievance redressal periodically. On the date of this report there are no complaints pending, which need redressal from Company's side. Also there are no cases of share transfers pending except those which are under sellers' notice/court cases under injunction order etc.

With a view to facilitating and ensuring timely transfer, transmission, transposition etc., the Board of Directors has delegated the authority in favor of the Company Secretary/ Dy. Company Secretary upto **5000 shares of Rs. 2/- each** per transfer request and the authority for approval of more than **5000 shares of Rs. 2/- each** per transfer request has been delegated to the Managing Director.

The report on various issues concerning the shareholders such as issue of share certificates, redressal of shareholders' complaints etc. is being periodically placed before the Committee.

The jurisdiction/terms of reference of the Committee encompass the following areas:

- Timely transfer of Shares and Debentures.
- Dematerialization and/or Rematerialization of shares.
- Transmission of Shares/ Deletion of Name in case of death of the shareholder/s.
- Issue of duplicate shares/debentures Certificates in case of lost / misplaced/ torn/ mutilated ones.
- Timely redressal of complaints pertaining to non-receipt of dividends, interests on debentures, redemption amount of Non Convertible Debentures / Partly Convertible Debentures redeemed etc.
- Any other related issue/s.
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

All the shares received for Transfer/ Transmission/ Transposition/ Split/ Consolidation etc. are processed and dispatched within the period not exceeding fifteen days and a half-yearly Certificate from a Practicing Company Secretary to that effect is being obtained pursuant to Listing Regulations.

The following table highlights the details of the complaints received during the F.Y. 2020-21 and their status as on date. It is further reported that as on 31-03-2021, there are no outstanding complaints pertaining to and received during the F.Y. 2020-21:

(a)	No. of complaints received from Shareholders/ Investors during the financial year 2020-2021.	30
(b)	No. of complaints not redressed to the satisfaction of shareholders / investors.	Nil
(c)	No. of applications received for transfers/ transmissions /transposition/deletion of shares during the financial year 2020-21. (IEPF 1051 TM cases)	1156
(d)	No. of pending requests for share transfers, transmissions and transposition of shares as on 31-03-2021.	Nil

As mandated by SEBI, the Quarterly Reconciliation of share capital Audit, highlighting the reconciliation of total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis-a-vis the total issued and listed capital is being carried out by the Practicing Company Secretary. This Audit confirms that the total issued and paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with the two depositories viz. the NSDL and CDSL.

As on 31st March, 2021 total 39, 05, 52, 017 Equity Shares of Rs. 2/- each representing 98.01% of the total no. of Shares were dematerialized.

4 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Pursuant to provisions of Section 135 of the Companies Act, 2013, Corporate Social Responsibility Committee of the Board consists of following members as on 31.03.2021:

- Shri Mukesh Puri- (w. e. f. 06.12.2020) Chairman, Non-Independent & Executive Director
- Dr. Sudhir Jain (w.e.f. 02.09.2020) -Member - Independent & Non-Executive Director
- Smt. Jayaben Thakkar (w.e.f. 01.10.2020) - Member - Independent & Non-Executive Director
- Shri Pankaj Joshi- Non-Independent, Non-Executive Director

During the year 2020-21, one meeting was held on 24.03.2021. The details of CSR Activities in the prescribed format forms the part of Directors' Report to shareholders.

5 NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to provisions of Section 178 of the Companies Act, 2013 read with Listing Regulation, 'Nomination and Remuneration Committee' of the Board consists of following members as on 31.03.2021:

(1) Shri D. C. Anjaria, Chairman – Independent & Non-executive Director, (till 30.09.2020)

(2) Prof. Vasant Gandhi, Member – Independent & Non-executive Director, (till 30.09.2020)

(3) Smt. Geeta Goradia, Member – Independent & Non-executive Director, (till 30.09.2020)

(4) Shri Pankaj Joshi, Member-Non Independent & Non-executive Director, (w.e.f. 21.12.2019)

(5) Shri Arvind Agarwal, Chairman & Managing Director- Non Independent & Executive Director (till 06.12.200)

(6) Smt. Sunaina Tomar, Member- Non Independent & Non executive Director, (w.e.f.04.01.2020)

(7) Smt. Gauri Kumar, Chairman- Non Independent & Non executive Director, (w.e.f. 02.09.2020)

(8) Dr. Sudhir Kumar Jain, Member- Non Independent & Non executive Director (w.e.f. 02.09.2020)

(9) Shri Tapan Ray, Member- Non Independent & Non executive Director (w.e.f. 02.09.2020)

During the FY 2020-21, three meetings of the Committee were held i.e. on 30-07-2020 and 02-12-2020. The details of Committee members and their attendance at the Committee meetings during the Financial Year 2020-21 are furnished below:

Sr. No.	Name of the Members	No. of meetings held during the tenure of Directors	No. of Meetings Attended
1	Shri D C Anjaria (Chairman of the Committee till 30.09.2020)	1	1
2	Prof. Vasant Gandhi (till 30.09.2020)	1	1
3	Smt. Geeta Goradia(till 30.09.2020)	1	1
4	Shri Arvind Agarwal, IAS (till 06.12.2020)	2	2
5	Shri Pankaj Joshi, IAS (w.e.f. 21.12.2019)	1	1
6	Smt. Sunaina Tomar, IAS (w.e.f.04.01.2020)	2	0
7	Smt. Gauri Kumar, Chairman of the Committee (w.e.f. 02.09.2020)	1	1
8	Dr. Sudhir Jain, (w.e.f. 02.09.2020)	1	0
9	Shri Tapan Ray, (w.e.f. 02.09.2020)	1	1

Besides having access to all required information within the Company, the Committee may investigate any activity within its terms of reference, seek information from any employee, secure attendance of outsiders with relevant expertise, or obtain legal or other professional advice from external sources, whenever required. The Committee acts as a link amongst the Management and the Board of Directors. The Committee shall act in accordance with the terms of reference which shall, inter alia, include:

i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;

ii. Formulation of criteria for evaluation of Independent Directors and the Board;

iii. Devising a policy on Board diversity;

iv. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

v. Evaluation of every Director's performance.

vi. Recommend to the board, all remuneration, in whatever form, payable to senior management.

The Policy on Nomination & Remuneration cum Board Diversity as approved is available at the website of the Company at https://www.gsfclimited.com/companys-act-listing-agreement

➢ **Criteria for Nomination as per Nomination and Remuneration Policy:**

The Committee shall follow the procedure mentioned below for appointment of Director, Independent Director, KMP and Senior Management Personnel and recommend their appointments to the Board.

- The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Act, rules made there under, Listing Agreement or any other enactment for the time being in force.
- In case of the appointment of Independent Director, Independent Director should comply with the additional criteria of his / her independence as prescribed under the Act, rules framed there under and the Listing Agreement. For selection of Independent Director, the Company may use the data bank containing names, addresses and qualifications of persons who are eligible and willing to act as independent directors, maintained by anybody, institute or association, as may be notified by the Central Government, having expertise in creation and maintenance of such data bank.
- The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, Listing Agreement or any other enactment for the time being in force.

I. REMUNERATION:

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval. The Committee shall ensure that:

- The level and composition of remuneration so determined shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the company successfully;
- The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, KMP and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

A. Managing Director/ Whole-time Director(s):

Besides the above criteria, the Remuneration/ compensation/ commission etc to be paid to Managing Director, Whole-time Director(s) etc shall be governed as per provisions of the Act read with Schedule V and rules made there under or any other enactment for the time being in force.

B. Non-Executive Independent Directors:

The Non-Executive Independent Directors may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof, reimbursement of expenses for participation in the Board and other meetings and profit related commission if so decided and approved by the Board/ Shareholders as per the provisions of the Act.

Provided that the amount of such fees shall not exceed the amount as prescribed under the Act read with the rules made there under or any other enactment for the time being in force. Further, independent director shall not be entitled to any stock option.

The Non-Executive Independent Directors may be paid remuneration for services rendered in any other capacity, like to serve as a member of Selection Committee for recruitment of Senior Management Personnel and/or any other specific assignment given by the Company from time to time. The remuneration paid for such services shall be subject to provisions of the Act and approval of the Nomination-cum-Remuneration Committee.

Provided that the payment of remuneration for services rendered by any such Director in other capacity shall not be included in the overall ceiling prescribed under the Act read with Schedule V and rules made there under, if –

(*a*) The services rendered are of a professional nature; and

(*b*) In the opinion of the Committee, the director possesses the requisite qualification for the practice of the profession.

C. KMPs/ Senior Management Personnel etc.:

The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any, prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

The requisite information as required in terms of provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of Companies Rules, 2014 are mentioned below:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Submission: Not applicable, as the Directors are not paid any salary.

b. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Submission: 5% for Grade II, 6% for Grade IC & ID and 7% for Grade IB and above rise in basic pay of all officers in the company in the financial year.

c. The percentage increase in the median remuneration of employees in the financial year;

Submission: 5% for Grade II, 6% for Grade IC & ID and 7% for Grade IB and above rise in basic pay of all officers in the company in the financial year.

d. The number of permanent employees on the rolls of company;

Submission: 2975 permanent employees at Vadodara Unit, 222 permanent employees at Sikka Unit, 297 permanent employees at Fibre Unit and 134 employees at Polymers Unit as on 31/03/2021 are on the rolls of the company.

e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Submission:5% for Grade II, 6% for Grade IC & ID and 7% for Grade IB and above rise in basic pay of all officers in the company in the financial year.

f. Affirmation that the remuneration is as per the remuneration policy of the company.

Submission: Yes

The details as required under Section 197 read with Rule 5(3) of Companies (Payment and Remuneration of Managerial Personnel) Rules, 2014 is provided below and records thereof are also available for inspection at the Registered Office of the Company on any working day during business hours. All the below mentioned employees are permanent employees and none of them are holding any equity shares of the Company and also that none of them are relative of the Directors.

SN	Name	Position & Department	Date Of Joining	Date Of Birth	Qualification	Age	Exp Yrs.	Prev. Exp.
1	Surendra Prasad Yadav	ED(Agri Business) - Marketing (Fertilizers - HO)	31/03/2014	01/06/1962	M.SC. Agronomy, M.B.A. Marketing	58	7	27
2	Vishvesh Dineshchandra Nanavaty	ED (Finance) & CFO - Finance Department	21/03/2002	13/05/1964	B. COM. Adv. Accountancy, ICWA Costing, A. C.A. Adv. Accountancy, Comp Secr., Taxation	57	19	13
3	Vishvesh Vyomesh Vachhrajani	CS & SVP(L) - Secretarial & Legal Department	01/10/2013	01/10/1969	B. com., CO. Secretary, L.L.B.	51	7	22
4	Bimal Bhupatbhai Bhayani	ED(OP-I) - Project Department	28/01/1986	19/09/1962	B.E. Chemical Engg	58	35	
5	Ashok Kumar Jauhari	SVP (IP) - Marketing-Industrial Products Department	01/09/1986	29/05/1963	B. SC. Chem/ Physics, B.Tech. Plastics , P.G.Diploma Mktg & sales mgt	57	34	
6	Dilipkumar Bhikhabhai Shah	ED(OP-II) - F&I Division Management Group	19/12/1986	12/01/1962	B.E. chemical, P.G.Diploma Finance mgt	59	34	
7	Sandeep Jashvantray Parikh	SVP (U&EC) - Inspection And Monitoring Bureau	16/12/1986	23/03/1963	B.E. chemical	58	34	

8	Chirag Kirtikumar Mehta	VP(SU) - SU-GEN ADM Dept.	16/12/1986	12/07/1963	B.E. chemical	57	34	
9	Digant Jansukhrai Trivedi	VP(DESIGN,CONSTRUCTION,S&FS) - Design Department	19/12/1986	30/01/1963	B.E. chemical	58	34	
10	Harshad Kumar Narshibhai Gurjar	SVP(Projects) - Project Department	10/04/1988	29/01/1964	B.E. mechanical, diploma in purch.mgt.I.P.	57	33	

If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two Lakh rupees.

Submission: Nil

If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight Lakh fifty thousand rupees per month.

Submission: Nil

If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

Submission: Number of employees received remuneration in excess of that drawn by the managing director, in the aggregate -Nil

➢ **Performance evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the directors individually as well as the evaluation of its committees. The performance evaluation of the Independent directors was carried out by the entire board. The performance evaluation of the chairman and the non independent directors was carried out by the independent directors.

6 RISK MANAGEMENT COMMITTEE:

Business Risk and Management is an ongoing process within the organization. The Company has a risk management framework to identify, monitor and minimize risks as also identify business opportunities.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan. The Board has voluntarily constituted the Risk Management Committee which have delegated the monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit.

The Objective and scope of the Risk Management Committee broadly comprises:

➢ Oversight of risk management performed by the executive management;

➢ Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;

➢ Reviewing risks and evaluate treatment including initiating mitigation and reporting of risks.

Effective from 01-04-2019 the recommendations of the Kotak Committee have become applicable to the Company and accordingly, the Company should have a policy on Risk Management including Cyber Security in place and at the same time it is also to be decided by the Board about the periodicity of reporting on the Risk Management and Cyber Security. The Policy on Risk Management was approved by the Board of Directors upon recommendation by the Risk Management Committee.

During the year 2020-21, meeting of Risk Management Committee was held on 07.11.2020.

The details of Committee members and their attendance at the Committee meetings during the Financial Year 2020-21 are furnished below:

Sr. No.	Name of the Members	No. of meetings held during the tenure of Directors	No. of Meetings Attended
1	Shri Arvind Agarwal (till 6.12.2020)	1	1
2	Shri D C Anjaria (till 30.09.2020)	1	1
3	Smt. Geeta Goradia (till 30.09.2020)	1	0
4	Smt. Sunaina Tomar	1	0
5	Shri Mukesh Puri (w.e.f. 06.12.2020)	0	0
6	Smt. Jayaben Thakkar (w.e.f. f. 01.10.2020)	0	0
7	Prof. Ravindra Dholakia (w.e.f. 02.09.2020)	0	0
8	Smt. Gauri Kumar (w.e.f. 02.09.2020)	0	0
9	Shri Pankaj Joshi	0	0

The risk document containing Key and Non-Key risks including way forward for mitigation thereof, as approved by the Risk Management Committee, is also reviewed by the Audit Committee and the Board of Directors periodically.

7 GENERAL BODY MEETINGS

- Date & Venue of the last three Annual General Meetings :

Particular / Meetings	58th AGM	57th AGM	56th AGM
Date	September 30, 2020	September 27, 2019	September 28, 2018
Start Timing	10.30 AM	03.30 PM	03.30 PM
Venue	Through Video Conferencing ("VC") / other Audio Visual Means ("OAVM").	Cultural Center Auditorium situated at Fertilizernagar–391750, Dist.Vadodara (Registered Office of the Company)	

- No 'Extraordinary General Meeting' was held during the last three years.
- No postal ballot was conducted in aforesaid meetings.
- At the forthcoming 'Annual General Meeting' there is no item on the agenda requiring postal ballot.

8 OTHER DISCLOSURES

- Related Party Transactions:

There are no materially significant related party transactions made by the Company with its Promoters, Directors, or Management, their subsidiaries or relatives etc. which may have potential conflict with the interest of the Company at large. An adequate disclosure regarding related party transactions is contained in the Annual Accounts of the Company in Note No. 39 which forms a part of this Annual Report.

- Details of Non-Compliance:

There are no non compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

- Compliance with corporate governance requirements specified in listing regulations:

The Company complies with all the mandatory requirements of the Regulation 17 to 27 & Clause (b) to (i) of Sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Code of Corporate Governance. The Board of Directors has approved the Code of Conduct and Ethics for the Directors and the Senior Management of the Company.

- ***CEO CERTIFICATION:***

  The Managing Director (CEO) of the Company has certified the compliance of Code of Conduct in respect of the Financial Year 2020-21 by the Board Members & Senior Management and the said certificate forms part of this report.

  Statutory Compliance of all applicable Laws is being made by the Company and is reported to the Board in its every meeting. Further in preparation of the financial statements, all those Accounting Standards that are applicable have been complied with by the Company.

- **Vigil mechanism:**

  The Company has a vigil mechanism policy to deal with instances of fraud and mismanagement, if any. The said policy is placed on the website of the company at web link:

  https://www.gsfclimited.com/companys-act-listing-agreement

  The Company has in place an anti harassment policy in line with the requirements of the Act. Internal Complaint Committee is set up to redress complaints received regularly and are monitored by women supervisors who directly reports to the Managing Director. All employees (permanent, contractual, temporary, trainees) are covered under the policy. There were no complaints received from any employee during the financial year 2020-21 and hence no complaints is outstanding as on 31.03.2021 for redressal. No personnel were denied access to the Audit Committee of the Company.

- **Board Training and induction:**

  At the time of appointing an independent director, a formal letter of appointment is given to them, which inter alia explains the role, functions, duties and responsibilities expected of him as a director of the company. The Director is also explained in detail the compliances required from him under the Companies Act, 2013 as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant regulations and his affirmation taken with respect to the same.

  By way of introduction to the Company, the Director is presented with a book of product profile, its history and growth trajectory ever since its inception, Companies Promoted and other relevant information. Further, with a view to familiarize the new director with the Company's operations, the director is also given a CD of corporate film explaining the organizational set up of the Company, Company's market share and shareholding pattern of the Company, its investments etc.

The newly appointed directors were imparted one session on 18th September, 2020 on the aforesaid subject including the compliance requirements as required in terms of the Companies Act, 2013 as well as SEBI () Listing Obligations and Disclosure Requirements) Regulations, 2015.

➢ **Independent Directors' Meeting**

During the year under review, the Independent Directors met on 17.06.2020, inter alia, to discuss:

- Evaluation of the performance of non–independent directors and the Board as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the executive and non-executive directors.
- Evaluation of quality, content and timeliness of flow of information between the management and the board that is necessary for the Board to effectively and reasonably perform its duties.

The familiarisation programme in line with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was arranged for the Independent Directors on 17.06.2020 by way of presentation/agenda, where in they were provided with the guidelines of their duties, roles, responsibilities etc.

➢ **Subsidiary Company (GSFC Agrotech Limited):**

The Company does not have any material subsidiary whose net worth exceeds 10% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 10% of the consolidated income of the company during the previous financial year. Accordingly, the policy on material subsidiaries has not been formulated.

The Audited Annual Financial Statements of subsidiary company was tabled at Audit Committee and Board Meetings. The board periodically takes note of the minutes of the meetings of the subsidiary company.

The following are the policies/details that are required to be placed on the Company's website as required under the provisions of the Companies Act, 2013 and Listing Regulations. The following web-link can be clicked/ used to access those policies/details;

https://www.gsfclimited.com/companys-act-listing-agreement

1. Vigil Mechanism/Whistle Blower Policy
2. Terms of Appointment of Independent Director
3. Policy for Evaluation of Board Performance
4. Nomination & Remuneration -cum–Board Diversity Policy
5. Code of Conduct
6. Corporate Social Responsibilities (CSR) Policy
7. Policy on materiality of Related Party Transactions and dealing with Related Party Transactions
8. Code of conduct – SEBI (Prohibition of Insider Trading) Regulations, 2015
9. Familiarization programme of Independent Directors
10. 59th AGM e-voting process & Book Closure Notice
11. Notice of 59th Annual General Meeting
12. Authority to KMP to determine materiality of event
13. List of GSFC committees
14. Policy on determining materiality of event or information
15. Policy on preservation of documents
16. Stock Exchange Submission File
17. Press Clippings'
18. Dividend Distribution Policy
19. Risk Management Policy

9 MEANS OF COMMUNICATION:

Apart from furnishing the copies of the Unaudited Quarterly & Half Yearly Results and Audited Annual results to all the Stock Exchanges where the shares of the Company are listed, the Company also publishes the results in leading English newspaper and vernacular language newspaper viz. Business Standard all Editions and Vadodara Edition of Sandesh/ Divaya Bhaskar/ Gujarat Samachar.

The Company's financial results are timely sent to the Stock Exchanges so that they are available on their website. The financial results of the Company and other information pertaining to the Company are available on the Company's website *www.gsfclimited.com*. The Company also supplies copies of its financial results to the investors free of cost, if requested for, and simultaneously they are also available on the Company's website. The Management Discussion & Analysis Report shall form as a part of the Directors' Report to shareholders.

The Company has voluntarily adopted the procedure of getting the Compliance of Code on Corporate Governance audited on quarterly basis besides annually as required under Listing Regulations and a Certificate to that effect together with the quarterly compliance report has been submitted to Stock Exchange(s) as follows:

Report for the quarter ended	Date of submission to Stock Exchange(s)
30-06-2020	**10-07-2020**
30-09-2020	**14-10-2020**
31-12-2020	**08-01-2021**
31-03-2021	**06-04-2021**

As required by the Listing Regulations, the Company has designated an email account specifically for investor service and the same is displayed on the website of the Company. Investors may lodge their complaints at: ***vishvesh@gsfcltd.com***.

10 GENERAL SHAREHOLDER INFORMATION

a) ***Annual General Meeting:***

As is indicated in the Notice convening the 59th Annual General Meeting of the Company will be held on 27th day of September, 2021 at 3:30 PM. through video conferencing.

b) ***Financial Calendar:***

The Financial Year of the Company is from 1st April to 31st March. The tentative financial calendar is given below:

Unaudited Results for Quarter ending June 30, 2021	Latest by 14th August, 2021
Unaudited Results for Quarter ending September 30, 2021	Latest by 14th November, 2021
Unaudited Results for Quarter ending December 31, 2021	Latest by 14th February, 2022
Audited Results for Quarter/ Year ending March 31, 2022	Latest by 30th May, 2022

c) **Book Closure Date:**

The Register of Members of the Company shall remain closed from 13th September, 2021 to 27th September, 2021. (Both days inclusive).

d) **Dividend payment date:**

Dividend shall be paid on and after 8th October, 2021.

e) **(I)** **Listing of Equity Shares:**

The Equity Shares of the Company are listed on the following stock exchanges:

Sr. No.	Name & Address of the Exchange	Scrip Code
01	BSE Limited1st Floor, New Trading Ring Rotunda Bldg., P.J.Towers, Dalal Street Fort, MUMBAI - 400 001	500690
02	National Stock Exchange of India Limited' Exchange Plaza', C/1, Block G Bandra-Kurla Complex Bandra (East), MUMBAI - 400 051	GSFC – EQ

An application for delisting of Equity Shares from Calcutta Stock Exchange (CSE) has been made to CSE and their approval is yet not received. The Annual Listing Fees in respect of BSE Limited and National Stock Exchange of India Limited for the F.Y. 2021-22 has been paid by the Company.

(ii) **Demat ISIN No. in NSDL & CDSL for Equity shares: *INE026A01025*.**

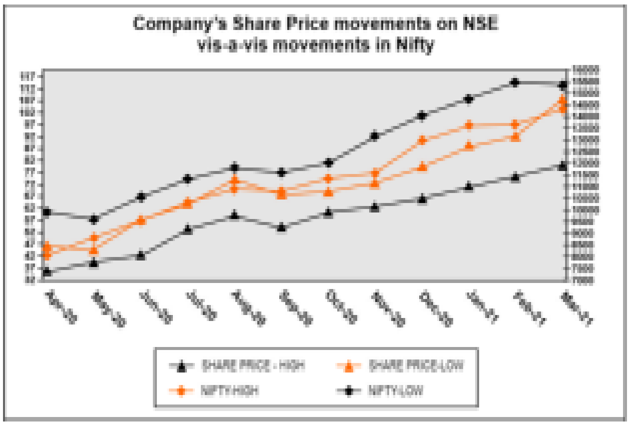
(iii) **Corporate Identification Number (CIN): *L99999GJ1962PLC001121*.**

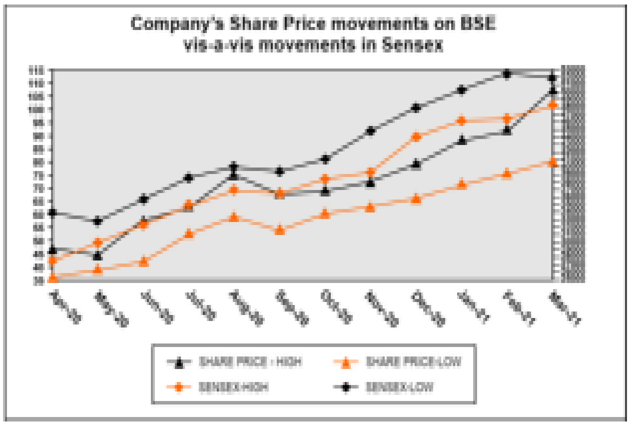
(iv) Stock Market Data:–

High - Low share price performance in comparison to broad-based indices – BSE Sensex and NSE Nifty:

Month & year	BSE				NSE			
	Sensex		GSFC's Share Price (₹)		Nifty		GSFC's Share Price (₹)	
	High	Low	High	Low	High	Low	High	Low
Apr-20	33887.25	27500.79	46.80	36.00	9889.05	8055.80	46.30	35.85
May-20	32845.48	29968.45	44.60	39.15	9598.85	8806.75	44.50	39.55
Jun-20	35706.55	32348.10	57.25	42.10	10553.15	9544.35	57.35	42.60
Jul-20	38617.03	34927.20	63.10	52.75	11341.40	10299.60	63.80	53.50
Aug-20	40010.17	36911.23	75.00	59.30	11794.25	10882.25	74.00	59.20
Sep-20	39359.51	36495.98	68.00	54.00	11618.10	10790.20	67.95	54.00
Oct-20	41048.05	38410.20	69.00	60.35	12025.45	11347.05	69.10	60.25
Nov-20	44825.37	39334.92	72.35	62.75	13145.85	11557.40	72.45	62.75
Dec-20	47896.97	44118.10	79.15	66.00	14024.85	12962.80	79.50	66.00
Jan-21	50184.01	46160.46	88.15	71.55	14753.55	13596.75	88.10	71.10
Feb-21	52516.76	46433.65	92.05	75.55	15431.75	13661.75	92.20	75.30
Mar-21	51821.84	48236.35	107.20	80.25	15336.30	14264.40	107.35	80.05

The graphical presentations shall be presented at the time of printing of annual report which will depict the movement of monthly high/ low share prices of the Company's Shares on BSE and NSE vis-à-vis the movements in the Sensex and Nifty during the period from April 2020 to March 2021.





(f) Share Transfer System and Registrars & Share Transfer Agents of the Company:

The entire share transfer process, physical as well as dematerialized, is being handled by the Company's Registrar and Transfer Agents viz. **Link Intime India Pvt. Ltd.*, situated at B – 102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara – 390 020***. Share Transfer in physical form can be lodged either with the Registrars & Transfer Agents ***OR*** at the Registered Office of the Company. Share Transfer requests received are attended within a fortnight. All requests for de-materialization / re-materialization of shares are processed and confirmation is sent to the depositories by the Registrars & Share Transfer Agents of the Company generally within 10 days from the date of the receipt thereof.

The Company's representatives regularly visit the office of the Registrar and Share Transfer Agents to monitor, supervise and ensure that there are no unusual delays or lapses in the system.

(g) Distribution of Shareholding as on 31st March, 2021:

Pattern of Shareholding (Category wise):

Category	No. of Shares	% to Total Capital
Promoter: Gujarat State Investments Limited	15,07,99,905	37.84
Public Financial Institutions, Insurance Companies & Mutual Fund	3,76,77,273	9.46
Companies & Banks	10,78,45,799	27.06
Individuals, Co-operative Societies & Co-operative Banks	10,21,54,553	25.64
Total	**39,84,77,530**	**100.00**

Pattern of Shareholding (Shareholding wise):

Category (No. of Shares) From To	No. of Shareholders	%	No. of Shares	%
Upto 500 Shares	**115066**	**81.26**	**16449624**	**4.13**
501 – 1000	**12065**	**8.52**	**9756891**	**2.45**
1001 – 2000	**7155**	**5.05**	**10890901**	**2.73**
2001 – 3000	**2634**	**1.86**	**6721986**	**1.69**
3001 – 4000	**1147**	**0.81**	**4129889**	**1.03**
4001 – 5000	**979**	**0.69**	**4659679**	**1.17**
5001 – 10000	**1401**	**0.99**	**10277574**	**2.58**
10001 and above	**1158**	**0.82**	**335590986**	**84.22**
Total	**141605**	**100.00**	**398477530**	**100.00**

(h) Unclaimed Shares:

The Company has transferred the Unclaimed/Undelivered Equity Shares in terms of Schedule VI of the SEBI (LODR) Regulations 2015 into "Demat Suspense Account" opened for the purpose pursuant to SEBI Circular dated 16-12-2010. The details of Unclaimed/Undelivered Shares in the "Demat Suspense Account as on 31st March, 2021 is as follows:-

Sr. No.	Description	No. of Shareholder/s	No. of Shares
i)	Aggregate number of shareholding and the outstanding shares in the Unclaimed Suspense Account at the beginning of the year, i.e. April 1, 2020.	218	17975
ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2020-2021.	-	-
iii)	Number of Shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year 2020-2021.	-	-
iv)	Number of Shareholders whose shares were transferred from the Unclaimed Suspense Account to the IEPF Authority during the year 2020-2021	19	720
v)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. March 31, 2021.	199	17255

The Voting rights in respect of the said shares will be frozen.

- No pledge has been created over the Equity Shares held by the Promoters as on March 31, 2021.
- 98.01% of the Equity Shares have been dematerialized till 31/03/2021. The Company's Equity Shares are to be compulsorily dealt in dematerialized form since 26/06/2000 and the ISIN no. of the Company's Equity Share is *INE026A01025*.
- The Company has paid the Annual Custody Charges to National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) for the year 2021-22.
- Dividend @ **2.20 per share of Rs. 2/- each** has been recommended by the Board of Directors on the Equity Shares which shall be paid/ distributed on or after 8th October, 2021 upon its approval by the Shareholders in the ensuing 59th Annual General Meeting.
- The Company has paid Rs. 21.18 Lakh as total audit fees for all services by the statutory auditor in terms of Schedule V(C)-10(k) of SEBI LODR.
- The Company has not raised funds raised through preferential allotment or qualified institutions placement, therefore, disclosure in terms of Regulation 32 (7A)- read with Schedule V(C)-10(h)is not applicable to the Company;

- The Company has obtained as a certificate from Shri Niraj Trivedi, Practicing Company Secretary to the effect that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority in terms of Schedule V(E) of SEBI LODR;
- The Board has accepted all the recommendations of all its committees, during the financial year in terms of Schedule V(C)-9(n) of SEBI LODR.
- The Company is not currently involved in commodity hedging activity.
- **Unit-wise Plant locations :**

The Company's Units are located as follows:

Baroda Unit	Fertilizernagar – 391 750, Dist. Vadodara.
Polymers Unit	Nandesari GIDC, Dist. Vadodara.
Fibre Unit	Kuwarda, Dist. Surat.
Sikka Unit	Moti Khawdi, Dist. Jamnagar

(i) Address for Correspondence:

The shareholders may send their communications at the registered office of the Company at the following address:

Company Secretary & Sr. Vice President (Legal)
Gujarat State Fertilizers & Chemicals Limited, Fertilizernagar - 391750, Dist. Vadodara
Tel Nos. 0265-2242451/2242651/2242751, Fax Nos.0265-2240966/2240119
Email: vishvesh@gsfcltd.com. Website: www.gsfclimited.com

Or

Registrars & Transfer Agents for Equity Shares of the Company:
R&T Name & Address: **Link Intime India Pvt. Limited,** B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020.
Tel No: +91 265 2356573/2356794 E-mail id: vadodara@linkintime.co.in
Website: www.linkintime.co.in
R&T HO Address: Link Intime India Pvt Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Tel No : +91 22 49186270

(j) List of all credit ratings obtained by the Company during the Financial Year 2020-21

Credit Rating	Issuing Agency	Facilities
CARE AA+	CARE Ratings	Long Term Bank Facilities
IND AA+	India Ratings & Research	Long Term Bank Facilities
CARE A1+	CARE Ratings	Short Term Bank Facilities
IND A1+	India Ratings & Research	Short Term Bank Facilities

Sub: Affirmation of compliance with the Code of Conduct by all Board Members & Sr. Management of the Company for the Financial Year 2020-21.

Based on the confirmations received from Board Members & Members of Sr. Management of the Company, I hereby affirm that all the Board Members & Members of Sr. Management of the Company have complied with the Code of Conduct as approved by the Board of Directors of the Company for the Financial Year 2020-21.

Sd/-
Shri Mukesh Puri,
Managing Director

Date : 4th August, 2021
Place : Fertilizernagar.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to the Regulation 34 (3) and Schedule V Para C Clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED
(CIN: L99999GJ1962PLC001121)
P. O. Fertilizernagar,
Vadodara – 391 750.

I have examined the relevant registers, records, forms, retums and disclosures received from the Directors of Gujarat State Fertilizers & Chemicals Limited, having CIN: L99999GJ192PLC00I l2l and having Registered Office situated at P.O. Fertilizemagar, Vadodara - 391 750 (Hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34 (3) read with Schedule V Para C Clause l0 (i) ofthe Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (Including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID – 19 pandemic, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021, have been debarred or disqualified from being appointed or continuing as the Directors of the Companies, by Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such other Statutory Authority:-

Sr. No.	Name of the Directors	DIN	Date of Appointment*
1	Pankaj Harishchandra Joshi	01532892	23/09/2019
2	Sunaina Tomar	03435543	04/01/2020
3	Jayaben Bharatbhai Thakkar	02110569	01/10/2020
4	Mukesh Gulshanrai Puri	03582870	06/12/2020
5	Anil Gopishankar Mukim	02842064	19/12/2020
6	Ravindra Harshadrai Dholakia	00069396	02/09/2020
7	Tapan Ray	00728682	02/09/2020
8	Gauri Kumar	01585999	02/09/2020
9	Sudhir Kumar Jain	03646016	02/09/2020

* The date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

DATE : 07th JUNE, 2021
PLACE : VADODARA

SIGNATURE : Sd/-
NAME OF PCS : NIRAJ TRIVEDI
FCS : 3844
C. P. NO. : 3123
UDIN : F003844C000428730

CORPORATE GOVERNANCE CERTIFICATE

For the Financial Year ended March 31, 2021

[pursuant to Schedule V - Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015]

To the Members

Gujarat State Fertilizers & Chemicals Limited

We have examined the compliance of the conditions of Corporate Governance by GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED ("Company") for the Financial Year ended March 31, 2021 ("period under review"), as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Governance. It is neither an audit nor an expression of an opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We state that in respect of investor grievances received during the period under review, no such grievance is pending against the Company, as per the records maintained by the Company and presented to the Stakeholders Relationship Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Sd/-
Suresh Kumar Kabra
Partner

Samdani Kabra & Asso.
Company Secretaries
ACS No 9711; CP No. 9927
UDIN: A009711C000766236
ICSI PR No. 884/2020

Place : Vadodara
Date : August 11, 2021

FINANCIAL HIGHLIGHTS OF TEN YEARS

PARTICULARS	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
OPERATING RESULTS										(₹ in Crores)
GROSS INCOME	7683	7730	8679	6404	5477	6326	5563	5671	6486	5464
GROSS PROFIT	690	297	791	610	478	694	675	640	900	1276
DEPRECIATION	176	170	125	119	103	97	101	145	132	129
EXCEPTIONAL ITEMS	0	0	0	0	-	-	-	-	-	-34
PROFIT/(LOSS) BEFORE TAX	513	127	665	491	375	597	574	495	768	1113
TAX	96	28	172	15	-45	188	173	153	250	356
PROFIT/(LOSS) AFTER TAX	418	99	494	476	420	409	401	342	518	758
DIVIDEND	88	48	88	88	88	88	88	80	80	60
DIVIDEND TAX	0	0	18	18	18	18	18	13	13	10
AMOUNT PER SHARE (RUPEES)*										
SALES	188	191	215	158	137	159	134	136	157	665
EARNING	10	2	12	12	11	10	10	9	13	95
CASH EARNING	17	7	17	14	11	12	13	12	16	117
EQUITY DIVIDEND	2.2	1.2	2.2	2.2	2.2	2.2	2.2	2	2	7.5
BOOK VALUE	229	171	182	182	165	138	112	107	99	441
MARKET PRICE:										
HIGH	107	111	138	166	132	91	125	63	91	504
LOW	36	30	86	113	64	57	53	44	55	322

* Per share figures for F.Y. 2012-13 to 2020-21 are based on face value of Rs. 2/- for remaining years figures are based on face value of Rs. 10/-

Figure from 2015-16 are as per IND AS

Independent Auditors' Report

TO THE MEMBERS OF GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

Report on the Audit of the Standalone Financial Statements

Auditor's Opinion

We have audited the accompanying standalone financial statements of **Gujarat State Fertilizers & Chemicals Limited** ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss (including Other Comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind As") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, profit, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Evaluation of uncertain tax positions: The Company has material uncertain tax positions for liability of ₹ 29,628.30 Lakhs including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 38 to the Standalone Financial Statements.	***Principal Audit Procedures*** We evaluated the related accounting policy for provisioning for tax exposures. We obtained details of completed tax assessments and demands up to year ended 31st March 2021 from management. We evaluated auditee's response / opinion taken from various tax experts by auditee to challenge the underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at March 31, 2021 to evaluate whether any change was required to management's position on these uncertainties. We evaluated the adequacy of disclosures in the financial statements. Based on the above procedures performed, the results of management's assessment were considered to be consistent with the outcome of our procedures.

Key Audit Matter	Auditor's Response
Impairment of property, plant and equipment: Company has discontinued its operations at Fiber & Polymer unit due to non-viability of its products. Carrying Value of the assets of the Fiber & Polymer unit as on 31st March 2021 works out to ₹ 5,593.46 Lakhs & ₹ 252.81 Lakhs respectively. We have considered this issue to be a key audit matter because the analysis performed by management requires the use of complex estimates and judgments regarding the future earnings performances \ recoverable amount of the CGUs to which the aforementioned assets belong.	***Principal Audit Procedures*** We evaluated the management's various viable proposals, impairment calculations, assessing the net recoverable value of the CGU used in the models, and the process by which they were drawn up, including comparing them to the latest circle rates of the Land, and testing the underlying calculations. Based on our audit procedures, we found management's assessment in determining the carrying value of the property, plant and equipment of Fiber and Polymer unit to be reasonable. Refer Note 49 (i) to the Standalone Financial Statements.
Assessment of implications of Government policies/notifications on recognition of subsidy revenue and its recoverability: During the year, company has recognised subsidy revenue amounting to ₹ 2,14,758.64 Lakhs and the aggregate amount of subsidy receivable as at March 31, 2021 is ₹ 53,554.80 Lakhs. The amount of subsidy income and the balance receivable are significant to the Financial Statements. We focused on this area since the recognition of subsidy revenue and the assessment of recoverability of the related subsidy receivables is subject to significant judgements of the management. The areas of subjectivity and judgement include interpretation and satisfaction of conditions specified in the notifications / policies in the estimation of timing and amount of recognition of subsidy revenue, likelihood of recoverability and allowance if any in relation to the outstanding subsidy receivables.	***Principal Audit Procedures*** • We understood and evaluated the design and tested the operating effectiveness of controls as established by management in recognition of subsidy revenue and assessment of the recoverability of outstanding subsidy. • We evaluated the management's assessment regarding reasonable certainty of complying with the relevant conditions as specified in the notifications / policies. We also reviewed the calculation of urea concession income including escalation / de-escalation adjustments as per relevant policy parameters in this regard. • We assessed the reasonableness of the recoverability of subsidy receivable by reviewing the management's analysis and information used to determine the recoverability of subsidy receivable, ageing of receivables and historical collection trends and evaluated adequacy of disclosures in the Standalone Financial Statements. Based on the above procedures performed, the management's assessment of the implications of government notifications / policies on recognition of subsidy revenue and its recoverability was considered to be reasonable.
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers": Company manufactures and sells a number of fertilizer and chemical products to its customers, mainly through its own distribution network. Sales contracts specifically w.r.t Bill and Hold transaction contains constructive obligation for transfer of control to the buyer. As per the terms of the contract with the customers, company use to recognize the sale based on the invoicing and considering the transfer of control and other criteria set out in para B81 of Ind AS 115. Refer Notes 46 to the Standalone Financial Statements.	***Principal Audit Procedures*** Our audit procedure focused on transactions occurring within proximity of the year end in the Fertilizer segment, obtaining evidence to support the appropriate timing of revenue recognition based on terms and conditions set out in sales contracts, delivery documents and dealers' confirmation. Based on the above procedures performed, we found management's assessment in recognizing the revenue for Bill & Hold transactions are to be reasonable.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report and Annexure to Board's Report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management's Responsibility for the Standalone Financial Statement

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive income, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".**

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration has been paid by the company to its directors during the year is in accordance with provisions of Section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no 38 to the financial statements;

ii. Provision has been made in the financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the investor’s education and protection fund by the company.

For T R Chadha & Co LLP
Firm’s Reg. No-: 006711N/N500028
Chartered Accountants

Sd/-
Brijesh Thakkar
(Partner)
Membership No-135556
UDIN: 21135556AAAAG57250

Place : Ahmedabad
Date : 27/05/2021

ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT FOR THE PERIOD ENDED MARCH 2021

(Referred to in Paragraph 1 under the Heading of "Report on Other Legal and Regulatory Requirements" section of our Report of even date)

(i) Fixed Assets

a) The Company has maintained proper records showing full particulars including quantitative details and situtation of fixed assets.

b) The fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size & nature of the company. No material discrepancies were noted on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of registed sales deed/trasnfer deed/latter of award provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings are held in the name of the Company as at the balance sheet date.

(ii) Inventories

As explained to us, the inventories, except goods-in-transit, were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) Loans given

According to Information and explanations given to us, the Company has not granted any Secured or unsecured loan to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence reporting under clause 3 (iii) (a), (b) and (c) does not arise.

(iv) Compliance of Sec. 185 & 186

In our openion and according to the information and explanations given to us, the compnay has complied with the provisions of sections 185 & 186 of the companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) Public Deposit

According to Information and explanations given to us**,** the company has not accepted any deposits from the public during the year and in respect of unclaimed deposits, the company has complied with the provision of section 73 to 76 or any other relevant provisons of the companies Act, 2013.

(vi) Cost Records

The company is maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act in respect of service carried out by the company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) Statutory Dues

According to the information and explanations given to us, in respect of statutory dues:

a) The Company has generally been regular in depositing its undisputed statutory dues including Provident Fund, Income-tax, Goods and Service Tax, Customs duty, cess and other material statutory dues applicable to it to the appropriate authorities.

b) No undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.

c) Detail of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on 31 March, 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period/between various periods to which the amount relates	Amount involved (excluding interest and penalty ₹ in Lakhs)	Amount unpaid (excluding interest and penalty ₹ in Lakhs)
Central Excise Act, 1994	Excise Duty	High Court- Gujarat	FY 1986-1989 FY 2011-2015	6,936.92	6,908.27
		CESTAT-HO	FY 2009-2013	386.19	357.57
		Commissioner-Appeals	FY 1991-1995	80.20	80.20
Customs Act,1962	Custom Duty	CESTAT	FY 2017-2018	1,357.03	1,357.03
		Commissioner-Appeals	FY 2016-2018	10.32	9.55
Finance Act, 1994	Service Tax	Commissioner-Appeals	FY 2013-2018	162.65	150.45
		Supreme Court	FY 2010-2013	11.51	10.36
		CESTAT	FY 2005-2012 FY 2014-2016 FY 2016-2018	167.39	97.15
		Commissioner	FY 2013-2014	12.20	11.29
Gujarat Value added tax Act, 2003	Gujarat Value Added Tax	Joint/ Dy. Commissioner of Commercial Tax	FY 2006-2008 FY 2012-2013	999.14	917.14
		VAT Tribunal	FY 2009-2012	489.79	289.79
Central Sales Tax Act, 1956	Central Sales Tax	Additional Commissioner of Sales Tax, Delhi	FY 1998-1999	0.14	0.14
		Assistance Commissioner of Sales Tax, West Bengal	FY 1995-1996 FY 1997-1998	2.21	2.21
		Joint/ Dy. Commissioner of Commercial Tax, Gujarat	FY 2006-2008 FY 2014-2016	770.93	641.01
		Tribunal, Gujarat	FY 2008-2011	1,805.01	1,590.01
Bihar GST Act, 2017	Goods and Service Tax	Commissioner (Appeals)	FY 2018-2021	96.35	86.72

(viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of loans or borrowings to financial institutions & banks. The Company has not taken any loans or borrowings from Government and has not issued any debentures.

(ix) The Company has not raised money by way of initial public offer or further public offer (including debt instrument) any term loans during the period under audit therefore, paragraph 3 (ix) of the order is not applicable to the company.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.

(xi) According to information & explanations given to us, the managerial remuneration has been paid by the company to its directors during the year is in accordance with provisions of Section 197 of the Act.

(xii) The company is not a Nidhi Company and hence reporting under clause (xii) of the paragraph 3 of the order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all the transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

(xiv) During the year, company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore paragraph 3 (xiv) of the order is not applicable to the company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the company has not entered into any non-cash transactions with its directors or persons connected with him and hence paragraph 3 (xv) of the order is not applicable to the company.

(xvi) In our opinion and according to the information and explanations given to us, company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For T R Chadha & Co LLP
Firm's Reg. No-: 006711N/N500028
Chartered Accountants

Sd/-
Brijesh Thakkar
(Partner)
Membership No-135556

Place : Ahmedabad
Date : 27/05/2021

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED.

(Referred to in Paragraph 2(F) under the Heading of "Report on Other Legal and Regulatory Requirements" section of our Report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Financial Statements of Gujarat State Fertilizers and Chemicals Limited ("the Company") as of 31 March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on, "the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2021, based on, "the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For T R Chadha & Co LLP
Firm's Reg. No-: 006711N/N500028
Chartered Accountants

Sd/-
Brijesh Thakkar
(Partner)
Membership No-135556

Place : Ahmedabad
Date : 27/05/2021

BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in lakhs)

Particulars	Note	As at 31st March 2021	As at 31st March 2020
A. ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipments	5	2,79,517.93	2,89,129.14
(b) Capital work-in-progress	5	11,698.95	10,685.10
(c) Right of Use Assets	5	160.47	230.46
(d) Other Intangible assets	6	151.35	148.12
(e) Financial Assets			
(i) Investments	7	4,28,361.57	2,02,340.25
(ii) Others financial assets	8	2,940.04	3,000.06
(f) Income tax assets (Net)	23	7,440.31	15,121.97
(g) Deferred tax assets (Net)	23	-	6,762.92
(h) Other non current assets	9	30,718.57	32,287.45
		7,60,989.19	**5,59,705.47**
2. Current assets			
(a) Inventories	10	90,804.10	1,26,263.81
(b) Financial Assets			
(i) Trade receivable	11	47,857.30	89,171.80
(ii) Government subsidies receivable	12	53,554.80	1,83,104.24
(iii) Cash and cash equivalents	13	19,937.62	1,429.04
(iv) Bank balances other than (iii) above	14	1,271.70	1,092.25
(v) Loans	15	21,408.31	19,226.97
(vi) Others financial assets	16	86,838.64	886.69
(c) Other current assets	17	14,460.43	20,844.65
		3,36,132.90	**4,42,019.45**
3. Assets held for sale	18	**478.98**	**703.98**
TOTAL ASSETS		**10,97,601.07**	**10,02,428.90**

BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in lakhs)

Particulars	Note	As at 31st March 2021	As at 31st March 2020
B. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	19	7,969.55	7,969.55
(b) Other Equity	20	9,06,445.13	6,71,815.04
		9,14,414.68	**6,79,784.59**
LIABILITIES			
1. Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	-	9,333.33
(b) Provisions	22	65,159.88	80,145.76
(c) Deferred tax liabilities (Net)	23	23,973.92	-
		89,133.80	**89,479.09**
2. Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	3,500.97	1,41,241.45
(ii) Trade payables	25		
- Total outstanding dues of MSMED		315.84	494.13
- Total outstanding dues of creditors other than MSMED		44,929.41	40,203.20
(iii) Other financial Liabilities	26	25,647.91	29,578.47
(b) Other current liabilities	27	6,194.10	7,818.90
(c) Provisions	28	13,207.05	13,330.00
(d) Current tax liabilities (Net)	23	257.31	499.07
		94,052.59	**2,33,165.22**
TOTAL EQUITY & LIABILITIES		**10,97,601.07**	**10,02,428.90**
See accompanying notes forming part of the financial statements	1 to 49		

In terms of our report attached

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No: 006711N / N500028

Brijesh Thakkar
Partner
Membership No: 135556

Mukesh Puri
Managing Director

Jayaben Thakkar
Director

V. D. Nanavaty
ED (Finance) & CFO

V. V. Vachhrajani
Company Secretary

Gandhinagar
27th May, 2021

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in lakhs)

Particulars	Note	Year Ended 31st March	
		2021	2020
I Income			
Revenue from operations	29	7,49,960.93	7,62,082.43
Other income	30	18,333.66	10,919.01
Total income		**7,68,294.59**	**7,73,001.44**
II Expenses			
Cost of materials consumed	31	3,95,174.89	3,59,702.25
Purchase of stock in trade		54,112.14	1,41,578.96
Changes in inventories of finished goods, work in process and stock in trade	32	30,157.07	10,219.04
Power and Fuel		64,998.14	65,231.30
Employee benefits expense	33	68,431.40	71,425.77
Finance costs	34	4,273.68	11,469.26
Depreciation and amortization expense		17,644.74	17,020.92
Other expenses	35	82,170.69	83,656.38
Total Expenses		**7,16,962.75**	**7,60,303.88**
III Profit before tax		**51,331.84**	**12,697.56**
IV Tax expense			
Current tax		7,084.57	-
Deferred tax	23	7,808.16	2,479.03
MAT credit recognised		(3,261.99)	-
Earlier Year Tax	23	(2,065.95)	348.89
V Profit for the year		**41,767.05**	**9,869.64**
VI Other Comprehensive Income			
(A) Items that will be reclassified to profit or loss		**-**	**-**
(B) Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		(931.03)	(30,926.63)
Income tax effect on above		325.34	10,807.00
Net fair value (loss) / gain on investments in equity instruments at FVTOCI		2,24,766.44	(28,392.23)
Income tax effect on above		(26,515.99)	2,211.04
Net other comprehensive income that will not be reclassified to profit or loss		**1,97,644.76**	**(46,300.82)**
VII Total Comprehensive Income for the year (V+VI)		**2,39,411.82**	**(36,431.18)**
Earnings per equity share (face value of ₹ 2/- each)			
Basic and Diluted Earnings per equity share:	36	**10.48**	**2.48**
See accompanying notes forming part of the financial statements	1 to 49		

In terms of our report attached

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No: 006711N / N500028

Brijesh Thakkar
Partner
Membership No: 135556

Gandhinagar
27th May, 2021

Mukesh Puri
Managing Director

V. D. Nanavaty
ED (Finance) & CFO

Jayaben Thakkar
Director

V. V. Vachhrajani
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in lakhs)

Particulars		Year Ended 31st March 2021	2020
A	**Cash Flow From Operating Activities :**		
	Profit Before Tax	51,331.84	12,697.56
	Adjustments for :		
	Depreciation and amortisation expense	17,644.74	17,020.92
	Amortisation of lease hold land	294.87	355.98
	Finance cost	4,273.68	11,469.26
	Interest income	(725.20)	(52.29)
	loss/ (Profit) on fixed assets sold	(4,343.04)	424.08
	Dividend income	(3,541.01)	(3,538.40)
	Impairment in value of Investment	548.07	870.03
	Provision for doubtful debts/advances	217.37	536.08
	Operating Profit before Working Capital Changes	65,701.32	39,783.21
	Movements in working capital:		
	Inventories	35,459.71	16,761.69
	Trade receivables, loans and advances and other assets	95,741.72	(12,029.80)
	Trade payables, other current liabilities and provision	(25,247.07)	(41,313.90)
	Cash Generated from Operations	1,71,655.68	3,201.20
	Direct taxes paid (net of refunds)	5,683.27	(5,569.04)
	Net Cash Flow from Operating Activities	1,77,338.95	(2,367.84)
B	**Cash Flow From Investing Activities :**		
	Purchase of property, plant & equipments (including CWIP & capital advances)	(8,822.99)	(30,167.44)
	Proceeds from sale of immovable property	4,200.24	-
	Purchase of non current investments	(1,802.95)	(73.28)
	Interest received	455.20	63.17
	Dividend received	3,541.01	3,538.40
	Net Cash Flow used in Investing Activities	(2,429.49)	(26,639.14)
C	**Cash Flow From Financing Activities**		
	Repayment of long term borrowings	(9,333.32)	(5,333.33)
	Net increase/(decrease) in short term borrowings	(1,37,740.48)	54,372.66
	Interest paid	(4,498.79)	(11,732.80)
	Dividend paid (including tax thereon)	(4,828.29)	(10,568.01)
Net Cash Flow from/ (used in) Financing Activities		(1,56,400.88)	26,738.52
Net Increase/ (Decrease) in Cash & Cash Equivalents		18,508.58	(2,268.46)
Cash and Cash Equivalents as at the beginning of the year		1,429.04	3,697.50
Cash and Cash Equivalents as at end of the year (Refer Note-13)		19,937.62	1,429.04
Notes:			
Components of Cash and cash equivalents			
Cash on hand		3.02	7.61
Balances with banks			
In current accounts		6,034.60	1,421.43
Liquid Deposits with Financial Institutions		13,900.00	-
Total Cash and cash equivalents		19,937.62	1,429.04
The Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7 on Cash Flows Statement.			
See accompanying notes forming part of the financial statements			

In terms of our report attached

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No: 006711N / N500028

Brijesh Thakkar
Partner
Membership No: 135556

Mukesh Puri
Managing Director

Jayaben Thakkar
Director

V. D. Nanavaty
ED (Finance) & CFO

V. V. Vachhrajani
Company Secretary

Gandhinagar
27th May, 2021

STATEMENT OF CHANGES IN EQUITY (SOCIE)

Note (a) : Equity share capital **(₹ in lakhs)**

Particulars	Amount
Balance as at April 01, 2019	7,969.55
Changes in equity share capital during the year	-
Balance as at March 31, 2020	7,969.55
Balance as at April 01, 2020	7,969.55
Changes in equity share capital during the year	-
Balance as at March 31, 2021	7,969.55

Note (b) : Other equity **(₹ in lakhs)**

Particulars	Reserves & Surplus					Items of OCI	Total Equity
	Capital reserve	Security premium	Capital redemption reserve	General reserve	Retained earnings	Equity Instruments through OCI	
Balance as at April 01, 2019	1,256.33	30,524.02	3,335.00	4,84,153.31	43,169.49	1,56,376.56	7,18,814.71
Profit for the year	-	-	-	-	9,869.64	-	9,869.64
Other comprehensive income for the year net of income tax	-	-	-	-	-	(26,181.19)	(26,181.19)
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	(20,119.63)	-	(20,119.63)
Total comprehensive income for the year	-	-	-	-	(10,249.99)	(26,181.19)	(36,431.18)
Dividends paid [Note 20]	-	-	-	-	(8,766.50)	-	(8,766.50)
Dividend Distribution Tax (DDT) [Note 20]	-	-	-	-	(1,801.98)	-	(1,801.98)
Transfer to General reserve	-	-	-	-	-	-	-
Balance as at March 31, 2020	1,256.33	30,524.02	3,335.00	4,84,153.31	22,351.02	1,30,195.36	6,71,815.04
Balance as at April 01, 2020	1,256.33	30,524.02	3,335.00	4,84,153.31	22,351.02	1,30,195.36	6,71,815.04
Profit for the year	-	-	-	-	41,767.05	-	41,767.05
Other comprehensive income for the year net of income tax	-	-	-	-	-	1,98,250.45	1,98,250.45
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	(605.69)	-	(605.69)
Total comprehensive income for the year	-	-	-	-	41,161.36	1,98,250.45	2,39,411.82
Dividends paid [Note 20]	-	-	-	-	(4,781.72)	-	(4,781.72)
Transfer to General reserve	-	-	-	23,000.00	(23,000.00)	-	-
Balance as at March 31, 2021	1,256.33	30,524.02	3,335.00	5,07,153.31	35,730.66	3,28,445.82	9,06,445.13

See accompanying notes forming part of the financial statements 1 to 49

In terms of our report attached

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No: 006711N / N500028

Brijesh Thakkar
Partner
Membership No: 135556

Gandhinagar
27th May, 2021

Mukesh Puri
Managing Director

Jayaben Thakkar
Director

V. D. Nanavaty
ED (Finance) & CFO

V. V. Vachhrajani
Company Secretary

Notes to the financial statements for the year ended March 31, 2021

1. Corporate Information

Gujarat State Fertilizers and Chemicals Limited "the Company" is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is principally engaged in production of fertilizers and chemicals. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Fertilizernagar - 391 750, Dist. Vadodara.

These financial statements were authorised for issuance by the Board of Directors of the Company in their meeting held on May 27, 2021.

2. Basis of preparation of financial statements

2.1) Basis of preparation and compliance with Ind AS

The standalone financial statements (financial statements) of the Company as at and for the year ended March 31, 2021 has been prepared in accordance with Indian Accounting standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ('Act') and the Companies (Indian Accounting Standards) Rules issued from time to time and other relevant provisions of the Companies Act, 2013 (collectively called as Ind AS).

2.2) Basis of measurement

The financial statements have been prepared on a going concern basis, using historical cost convention and on an accrual method of accounting, except for the following assets and liabilities which have been measured at fair value, as required by relevant Ind AS.

1. Derivative financial instruments
2. Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
3. Defined benefit plans

2.3) Functional and presentation currency

The financial statements are prepared in Indian Rupees, which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimals.

2.4) Current and non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is classified as current if it satisfies any of the following criteria:

a) It is expected to be realised or intended to sold or consumed in the Company's normal operating cycle,

b) It is held primarily for the purpose of trading,

c) It is expected to be realised within twelve months after the reporting period, or

d) It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Current liabilities include current portion of non-current financial liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

3. The Company has applied the following accounting policies to all periods presented in the financial statements.

3.1 Revenue recognition

The Company derives revenues primarily from manufacturing of Fertilizers and Chemical Products.

Revenue from Operations is recognised in the Statement of Profit and Loss when:

- The income generating activities have been carried out on the basis of a binding agreement.
- The income can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Company.
- Costs relating to the transaction can be measured reliably.

Revenue for all businesses is recognized upon transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for the goods and services.

Sale of fertilizer products is recognised net of returns and trade discounts. Sales exclude sales tax/value added tax/ GST collected on behalf of Government. Revenue is also recognised on sale of goods in case where the delivery is kept pending at the instance of the customer, as the performance obligation has been satisfied and control are transferred and customer takes title and accepts billing as per usual payment terms.

Sales of industrial products are accounted on the dispatch basis except export sales, which are recognised on the basis of bill of lading on satisfaction of performance and transfer of control.

The amounts receivable from various agencies are accounted for on accrual basis except interest on delayed payments, refunds from customs & excise authorities, insurance claims (other than marine claims), etc. where it is not possible to ascertain the income with reasonable accuracy or in absence of finality of the transaction.

Revenues in excess of invoicing are classified as contract assets (referred as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Subsidy income

Urea subsidy income is recognised on the basis of the rates notified from time to time by the Government of India on the quantity of fertilisers sold by the Company for the period for which notification has been issued, further adjusted for input price escalation/de-escalation estimated by management, based on prescribed norms as notified by Govt. of India.

Subsidy on Phosphatic and Potassic (P&K) fertilizers is recognized as per concession rates notified by the Government of India in accordance with Nutrient Based Subsidy Policy from time to time and Freight subsidy has been accounted for in line with the policy of the Government of India.

Subsidy on City Compost is recognized based on rates, as notified by the Government of India.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

Dividends

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Insurance Claims

Claims receivable on account of insurance are accounted for to the extent no significant uncertainty exist for the measurement and realisation of the amount.

Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

3.2 Taxes:

Tax expense comprises of current income tax & deferred tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in India where the entity operates and generates taxable income.

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Company recognizes tax credits in the nature of Minimum Alternate Tax (MAT) credit entitlement only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward, sufficient to utilize the MAT credit entitlement. The carrying amount of tax credit is reviewed at each reporting date as stated above.

3.3 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. The Company treats sale of the asset to be highly probable when:

- ➢ The appropriate level of management is committed to a plan to sell the asset,
- ➢ An active programme to locate a buyer and complete the plan has been initiated,
- ➢ The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- ➢ Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

3.4 Property, plant and equipment and intangible assets

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost. Otherwise, such items are classified as inventories. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Assets under erection / installation of the existing projects and on-going projects are shown as "Capital Work in Progress".

Capital advances given for procurement of Property, plant and equipment are treated as other non-current assets.

In the absence of availability of specific original cost in respect of a part of assets capitalised under turn-key contracts, the original value of such asset written / disposed off is estimated on the basis of its current cost adjusted for price and technological factors.

Major cost of civil works required as plant and machinery supports, on the basis of technical estimates, is considered as Plant & Machinery.

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Cost of intangible assets comprises of purchase price and attributable expenditure on making the asset ready for its intended use. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Research and Development

Capital expenditure on Research & Development activities is included in Property, plant and equipment to the extent it has alternative economic use. Revenue expenditure pertaining to research activity is charged under respective account heads in the statement of Profit & Loss.

Depreciation methods, estimated useful lives and residual value

Depreciation on Property, plant and equipment is provided on Straight Line Method as per the useful life prescribed in Schedule II to the Company's Act, 2013. Depreciation on additions to Property, plant and equipment and assets disposed off/discarded is charged on pro-rata basis. Depreciation on commissioning of plants and other assets of new projects is charged for the days they are actually available for use.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and estimated useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Leasehold land, other than that on perpetual lease, is amortized over the life of the lease.

Intangible assets are amortized over their estimated economic lives but not exceeding ten years on a straight-line basis.

The useful lives of the property, plant and equipment are as follows:

Assets	Estimated Useful life
Freehold Land	—
Leasehold Land	20 years
Buildings	30-60 years
Bridge, culverts,bunders,etc.	30 years
Roads	5-10 years
Plant and machinery	15-25 years
Furniture and fittings	10 years
Motor Vehicles	5-10 years
Railway sidings	15 years
Office equipment	5 years
Computers and Data Processing units	3-6 years
Laboratory equipment	10 years
Electrical Installation and Equipment	10 years
Library books	15 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.5 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is determined:

(i) In case of individual asset, at higher of the fair value less cost to sell and value in use; and

(ii) In case of cash-generating unit (a Company of assets that generates identified, independent cash flows), at the higher of the cash-generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.7 Leases

Transition

Effective April 01, 2019, the company adopted Ind As 116 "leases" and applied the standard to all applicable lease contracts existing on April 1, 2019 using the modified retrospective method with cumulative effect of initially applying the standard recognised on the date of initial application. Accordingly, company has not restated comparative information and recognised right of use assets at an amount equal to lease liability.

The Company's lease asset primarily consists of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Company as a lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. The higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and finance cost portion of lease payments have been classified as financing cash flows.

Company as a lessor

At the inception of the lease, the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income over the lease term on a straight-line basis.

3.8 Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, process chemicals, stores and spares, packing materials, trading and other products are determined on weighted average basis.

Net realisable value represents the estimated selling price (including subsidy income, where applicable) of inventories less all estimated costs of completion & costs necessary to make the sale.

3.9 Employee benefits

(i) Short-term employee benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

(ii) Post Employment benefits

(a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company has set up separate recognized Provident Fund trusts for all the units of the Company.

Contributions paid/payable for Provident Fund of eligible employees and National Pension Scheme is recognized in the statement of Profit and Loss each year. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trusts and the interest rate notified by Government.

Liability on account of such shortfall, if any, is provided for based on the actuarial valuation carried out as at the end of the year.

(b) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Post employment defined benefits plans comprise of gratuity, superannuation and Post Retirement Medical Benefit for eligible employees of the Company. Post employment benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The Company also contributes to a government administered Family Pension fund on behalf of its employees. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. Re-measurement in OCI is reflected immediately in retained earnings and is not reclassified to profit & loss.

(iii) Other long-term employee benefits

Other long-term employee benefits comprise of leave encashment for eligible employees of Company. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

3.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(A) Financial Assets

The Company determines the classification of its financial assets at initial recognition. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The financial assets are classified in the following measurement categories:

a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

b) Those to be measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss as incurred.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

(i) Amortised Cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

a) The asset is held within a business model with the objective of collecting the contractual cash flows, and

b) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost include loans receivable, trade and other receivables, and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement at fair value, the financial assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the Statement of Profit or Loss in other income.

(ii) Fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(iii) Financial assets at fair value through profit or loss

The Company classifies the following financial assets at fair value through profit or loss:

a) Debt investments that do not qualify for measurement at amortised cost;

b) Debt investments that do not qualify for measurement at fair value through other comprehensive income; and

c) Debt investments that have been designated at fair value through profit or loss.

Financial assets at fair value through profit or loss include financial assets held for trading, debt securities and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the Balance Sheet at fair value with net changes in fair value presented as finance costs in profit or loss if the same is considered as an adjustment to borrowing cost. Interests, dividends and gain/loss on foreign exchange on financial assets at fair value through profit or loss are included separately in other income.

If Company elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments shall continue to be recognised in profit or loss as other income when the Company's' right to receive payments is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss shall be recognised in other gain/ (losses) in the statement of profit or loss as applicable.

<u>Investments in subsidiaries, joint ventures and associates</u>

Investments in subsidiaries, joint ventures and associates is carried at deemed cost in the separate financial statements.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of Financial Assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance.

b) Trade receivables or any contractual right to receive cash or other financial asset that result from transactions that are within the scope of Ind AS 18.

An expected credit loss is the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the company expects to receive. The expected credit losses consider the amount and timing of payments and hence, a credit loss arises even if the Company expects to receive the payment in full but later than when contractually due. The expected credit loss method requires to assess credit risk, default and timing of collection since initial recognition. This requires recognising allowance for expected credit losses in profit or loss even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12 month expected credit losses or life time expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. '12 month expected credit losses' represent the expected credit losses resulting from default events that are possible within 12 months after the reporting date. 'Lifetime expected credit losses' represent the expected credit losses that result from all possible default events over the expected life of the financial asset.

Trade receivables are of a short duration, normally less than 12 months and hence the loss allowance measured as lifetime expected credit losses does not differ from that measured as 12 month expected credit losses. The Company uses the practical expedient in Ind AS 109 for measuring expected credit losses for trade receivables using a provision matrix based on ageing of receivables.

The Company uses historical loss experience and derived loss rates based on the past twelve months and adjust the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the ageing of the amounts that are past due and are generally higher for those with the higher ageing.

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recognised using the effective interest rate (EIR), which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial asset is recognised using the original EIR.

Dividends

Dividends are recognised as revenue when the right to receive payment is established.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(B) Financial Liabilities

The Company determines the classification of its financial liabilities at initial recognition.

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. Loans and borrowings, payables are subsequently measured at amortised cost where as derivatives are measured at fair value through profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities to hedge risks which are not designated as hedges. At initial recognition, the Company measures financial liabilities at its fair value. Financial liabilities at fair value through profit and loss are carried in the Balance Sheet at fair value with changes recognised in the Statement of Profit and Loss.

Financial liabilities measured at amortised cost

Financial liabilities are initially recognised at fair value, net of transaction cost incurred and are subsequently measured at amortised cost, using the EIR method. Any difference between the proceeds net of transaction costs and the amount due on settlement or redemption of borrowings is recognised over the term of the borrowing.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest charge over the relevant effective interest rate period. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(C) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counter party.

(D) Derivative financial instruments

The Company's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives consistent with the Company's risk management strategy. Changes in values of all derivatives of a financing nature are included within financing costs if the same is considered as adjustment to borrowing cost in the Statement of Profit and Loss whereas other foreign exchange fluctuation is disclosed under other expenses. The Company does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date.

(E) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

3.11 Foreign currencies

(a) Functional and presentation currency

The financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency. Each entity in the Company determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of each entity are measured using that functional currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Profit and Loss within 'Finance costs'. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss within 'Other operating expenses'.

3.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

3.13 Segment accounting:

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocated to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

The Company has identified two reportable business segments i.e. Fertilizer products and Industrial products. The Company operates mainly in Indian market and there are no reportable geographical segments.

3.14 Provisions, Contingent liabilities, Contingent assets and Commitments: General

Provisions are recognised only when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;

A present obligation arising from the past events, when no reliable estimate is possible;

A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

3.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3.16 Cash flow statement

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals of accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and finance activities of the Company are segregated.

4. Critical and significant accounting judgements, estimates and assumptions

4.1 Critical estimates and judgements

The following are the critical judgements, apart from those involving estimations that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Useful lives of property, plant and equipment and intangible assets:

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2021 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

Allowance for expected credit losses:

Note 41 describes the use of practical expedient by computing the expected credit loss allowance for trade receivables other than subsidy receivables based on provision matrix. The expected credit allowance is based on the aging of the days receivables are due and the rates derived based on past history of defaults in the provision matrix. As regards subsidy receivables, the Company does not believe that there is any credit risk as dues are receivable from the Government and hence no allowance for expected credit loss is made.

Dismantling cost of property, plant and equipment:

Note 22 describes assets retirement obligation on estimate basis for property, plant and equipment. The management estimates dismantling cost considering size of the asset and its useful life in line with industry practices.

Stores and spares inventories:

The Company's manufacturing process is continuous and highly mechanical with wide range of different types of plant and machineries. The Company keeps stores and spares as standby to continue the operations without any disruption. Considering wide range of stores and spares and long lead time for procurement of it and based on criticality of spares, the Company believes that net realizable value would be more than cost.

Fair value of investments:

The Company has invested in the equity instruments of various companies. However, the percentage of shareholding of the Company in some of such investee companies is low and hence, it has not been provided with future projections including projected profit and loss account by those investee companies. Hence, the valuation exercise carried out by the Company with the help of an independent valuer has estimated the fair value at each reporting period based on available historical annual reports and other information in the public domain. In case of other companies, where there are no comparable companies' valuations available (also includes start-up companies) and no further information available for future projections, capacity utilisation, commencement of operations, etc., the method of valuation followed is cost approach. The Company evaluates the aforesaid position at each period end.

Income taxes:

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

4.2. Significant accounting judgements, estimates and assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

Determination of lease term & discount rate:

Ind AS 116 leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The company makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the company considers factor such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the company's operations taking into account the location of the underlying asset and availability of the suitable alternatives. The lease term in future period is reassessed to ensure that the lease term reflects the current economic circumstances.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based on its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow model. The cash flows are derived from the budget for the next five years and do not include activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the Cash Generating Unit being tested. The recoverable amount is sensitive to the discount rate used for the Discounted Cash Flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

The cost of the defined benefit plans viz. gratuity, superannuation for the eligible employees of the Company are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rate.

Further details about gratuity obligations are given in Note 37.

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Notes to the Financial Statements

5. (i) Property, Plant and Equipment

(₹ in lakhs)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-20	Additions	Deductions/ Adjustments	As at 31-Mar-21	As at 01-Apr-20	Charge for the year	Deductions/ Adjustments	As at 31-Mar-21	Balance As at 31-Mar-21	Balance As at 31-Mar-20
Freehold land	3,242.89		0.63	3,242.26	-	-	-	-	3,242.26	3,242.89
Leasehold land	1,640.56	957.43		2,597.99	59.83	119.58	-	179.41	2,418.58	1,580.73
Buildings	19,941.04	844.10	19.39	20,765.75	2,855.95	696.50	15.16	3,537.29	17,228.46	17,085.09
Bridge, culverts,bunders,etc.	0.18	-	-	0.18	0.09	0.02	-	0.11	0.07	0.09
Roads	415.45	26.10	-	441.55	75.58	33.19	-	108.77	332.78	339.87
Plant and machinery	3,01,268.82	5,206.19	1,010.39	3,05,464.62	49,400.91	14,675.84	932.77	63,143.98	2,42,320.64	2,51,867.91
Furniture and fittings	975.57	203.90	16.58	1,162.89	142.99	120.92	15.57	248.34	914.55	832.58
Motor Vehicles	240.01	5.06	0.32	244.75	147.81	14.17	0.30	161.68	83.07	92.20
Railway sidings	2,208.14	-	-	2,208.14	559.62	121.60	-	681.22	1,526.92	1,648.52
Office equipment	835.11	217.84	21.62	1,031.33	507.11	102.32	20.64	588.79	442.54	328.00
Computers and Data Processing units	557.88	246.34	17.54	786.68	212.88	119.37	16.66	315.59	471.09	345.00
Laboratory equipment	1,573.10	28.84	24.23	1,577.71	372.42	157.38	20.10	509.70	1,068.01	1,200.68
Electrical Installation and Equipment	13,049.79	141.58	103.49	13,087.88	2,491.99	1231.63	98.31	3,625.31	9,462.57	10,557.80
Library books	16.96	-	-	16.96	9.18	1.39	-	10.57	6.39	7.78
TOTAL	3,45,965.50	7,877.38	1,214.19	3,52,628.69	56,836.36	17,393.91	1,119.51	73,110.76	2,79,517.93	2,89,129.14
Capital work in progress									**11,698.95**	**10,685.10**

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-19	Additions	Deductions/ Adjustments	As at 31-Mar-20	As at 01-Apr-19	Charge for the year	Deductions/ Adjustments	As at 31-Mar-20	Balance As at 31-Mar-20	Balance As at 31-Mar-19
Freehold land	551.47	2,691.42	-	3,242.89	-	-	-	-	3,242.89	551.47
Leasehold land	705.30	935.26	-	1,640.56	25.60	34.23	-	59.83	1,580.73	679.70
Buildings	18,717.76	1,223.28	-	19,941.04	2,174.89	681.06	-	2,855.95	17,085.09	16,542.87
Bridge, culverts,bunders,etc.	0.18	-	-	0.18	0.08	0.01	-	0.09	0.09	0.10
Roads	409.28	6.17	-	415.45	44.80	30.78	-	75.58	339.87	364.48
Plant and machinery	2,86,196.66	18,043.33	2,971.17	3,01,268.82	37,650.04	14,275.01	2,524.14	49,400.91	2,51,867.91	2,48,546.62
Furniture and fittings	927.23	56.75	8.41	975.57	33.21	112.85	3.07	142.99	832.58	894.02
Motor Vehicles	240.49	10.83	11.31	240.01	135.34	22.98	10.51	147.81	92.20	105.15
Railway sidings	2,122.13	86.01	-	2,208.14	442.11	117.51	-	559.62	1,648.52	1,680.02
Office equipment	784.42	68.79	18.10	835.11	417.33	106.90	17.12	507.11	328.00	367.09
Computers and Data Processing units	524.40	107.30	73.82	557.88	186.20	96.81	70.13	212.88	345.00	338.20
Laboratory equipment	1,531.20	54.65	12.75	1,573.10	228.08	156.12	11.78	372.42	1,200.68	1,303.12
Electrical Installation and Equipment	11,069.23	1,980.56	-	13,049.79	1,421.12	1,070.87	-	2,491.99	10,557.80	9,648.11
Library books	16.96	-	-	16.96	7.67	1.51	-	9.18	7.78	9.29
TOTAL	3,23,796.71	25,264.35	3,095.56	3,45,965.50	42,766.47	16,706.64	2,636.75	56,836.36	2,89,129.14	2,81,030.24
Capital work in progress									**10,685.10**	**18,702.38**

5. (ii) Right of Use Assets

(₹ in lakhs)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-20	Additions	Deductions/ Adjustments	As at 31-Mar-21	As at 01-Apr-20	Charge for the year	Deductions/ Adjustments	As at 31-Mar-21	Balance As at 31-Mar-21	Balance As at 31-Mar-20
Leasehold Building	373.25	93.20	70.70	395.75	142.79	142.21	49.72	235.28	160.47	230.46
TOTAL	373.25	93.20	70.70	395.75	142.79	142.21	49.72	235.28	160.47	230.46

(₹ in lakhs)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-19	Additions	Deductions/ Adjustments	As at 31-Mar-20	As at 01-Apr-19	Charge for the year	Deductions/ Adjustments	As at 31-Mar-20	Balance As at 31-Mar-20	Balance As at 31-Mar-19
Leasehold Building	-	375.62	2.37	373.25	-	143.60	0.81	142.79	230.46	-
TOTAL	-	375.62	2.37	373.25	-	143.60	0.81	142.79	230.46	-

6. Intangible assets

(₹ in lakhs)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-20	Additions	Deductions/ Adjustments	As at 31-Mar-21	As at 01-Apr-20	Charge for the year	Deductions/ Adjustments	As at 31-Mar-21	Balance As at 31-Mar-21	Balance As at 31-Mar-20
Computer software	1,292.55	111.83	-	1,404.38	1,144.43	108.61	-	1,253.04	151.35	148.12
TOTAL	1,292.55	111.83	-	1,404.38	1,144.43	108.61	-	1,253.04	151.35	148.12

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-19	Additions	Deductions/ Adjustments	As at 31-Mar-20	As at 01-Apr-19	Charge for the year	Deductions/ Adjustments	As at 31-Mar-20	Balance As at 31-Mar-20	Balance As at 31-Mar-19
Computer software	1,270.56	21.99	-	1,292.55	973.74	170.69	-	1,144.43	148.12	296.82
TOTAL	1,270.56	21.99	-	1,292.55	973.74	170.69	-	1,144.43	148.12	296.82

Notes

1 Asset acquisition includes R&D assets of ₹ 61.36 lakhs (previous year ₹ 28.66 lakhs).

2 The Company has leased a portion of its land to Bank of Baroda for bank premises at Fertilizernagar and Sikka and Gas Authority of India Ltd. (GAIL) for establishment of CNG pumping station.

3 The Company established Sikka Jetty at its own cost, which is in operation since 1987. After due discussion with Gujarat Maritime Board (GMB), a consensus was arrived at establishing ownership of jetty with the Company. Thereafter, in terms of resolution passed by GMB, the ownership of the jetty at Sikka was transferred to the Company. However, during 1994, GMB has reversed its earlier decision not supported by resolution and contended that the ownership of the jetty rests with GMB. The Company has made representation to the appropriate authority with regards to the ownership of the jetty with the Company.

The matter of deciding the status of Jetty was under examination at GMB & Government of Gujarat levels since long back. Various meetings were also held and after due diligence on the matter, it is decided by the Board of GMB supported by a resolution to assign the status of Captive Jetty to sikka jetty and the Company has to sign Captive Jetty Agreement with GMB. The matter is under discussion with GMB authorities. At present the Company is in possession of the Jetty and continues to be the owner of the Jetty pending signing of the Agreement.

Notes to the Financial Statements

7. Non-current investments

(₹ in lakhs)

Praticulars		As at 31-03-2021	As at 31-03-2020
Investments in equity shares of Associates measured at cost			
14,302	shares of Vadodara Enviro Channel Ltd. - ₹ 10 each*	-	-
12,50,000	shares of Gujarat Green Revolution Company Ltd. - ₹ 10 each	125.00	125.00
1,63,34,558	Shares of Karnalyte Resources Inc - Canadian Dollar (CAD)	4,064.38	4,064.38
	Less : Provision for Impairment (Note - f)	1,418.10	870.03
		2,771.28	**3,319.35**
Investments in equity shares of subsidiary measured at cost			
1,99,99,994	shares of GSFC Agrotech Ltd. - Rs. 10 each (1,52,00,000 shares subscribed during the year)	2,000.00	480.00
12,00,000	shares of Vadodara Jal Sanchay Private Limited. - ₹ 10 each (12,00,000 shares Subscribed during the year)	120.00	-
12,00,000	shares of Gujarat Port and Logistics Company Limited. - ₹ 10 each (12,00,000 shares Subscribed during the year)	120.00	-
		2,240.00	**480.00**
Unquoted equity shares of other companies measured at fair value through OCI			
22,50,000	Shares of Indian Potash Limited - ₹ 10 each	17,857.35	12,115.35
12,26,31,575	Shares of Gujarat Chemical Port Terminal Co. Ltd. - ₹ 1 each	25,740.37	23,263.21
	1 Share of Gujarat State Electricity Corporation Ltd – ₹ 10 each (Note - b)	-	-
2,35,00,000	Shares of Gujarat State Petroleum Corporation Limited – ₹ 1 each	2,319.45	2,023.35
41,79,848	Shares of Tunisian Indian Fertilizers (TIFERT s.a.) - TND 10 each (Note - c)	-	-
60,000	Shares of Gujarat Venture Finance Limited – ₹ 10 each	115.27	101.54
50,000	Shares of Biotech Consortium India Limited – ₹ 10 each	21.07	20.57
1,15,000	Shares of Gujarat Data Electronics Limited - ₹ 10 each	-	-
		46,053.51	**37,524.02**
Quoted equity shares of other companies measured at fair value through OCI			
3,07,79,167	Shares of Gujarat Narmada Valley Fertilizers Co. Ltd. - ₹ 10 each	92,399.06	35,303.70
2,23,62,784	Shares of Gujarat Industries Power Company Ltd. - ₹ 10 each	16,939.81	11,159.03
16,55,040	Shares of Gujarat Alkalies & Chemicals Ltd. - ₹ 10 each	5,706.58	3,690.74
4,69,14,475	Shares of Gujarat Gas Ltd. - ₹ 2 each	2,57,771.58	1,08,302.07
9,35,600	Shares of Gujarat State Financial Corporation - ₹ 10 each	-	-
11,36,000	Shares of Bandhan Bank Limited - ₹ 10 each	3,849.90	2,314.60
5,49,440	Shares of Industrial Development Bank of India - ₹ 10 each	211.81	106.04
5,79,000	Shares of Mangalore Chemicals & Fertilizers Ltd. - ₹ 10 each	418.04	140.70
		3,77,296.78	**1,61,016.88**
Total FVTOCI Investments		**4,23,350.29**	**1,98,540.90**
Other equity investments			
Tunisian Indian Fertilizers (TIFERT) (Note - e)		**-**	**-**
TOTAL INVESTMENTS		**4,28,361.57**	**2,02,340.25**
Aggregate book value of Quoted Investments		3,77,296.78	1,61,016.88
Aggregate market value of Quoted Investments		3,77,296.78	1,61,016.88
Aggregate carrying value of Unquoted Investments		51,064.79	41,323.37
Category-wise other investments-as per Ind AS 109 classification			
Particulars		**31/03/2021**	**33/03/2020**
Financial assets carried at fair value through profit or loss (FVTPL)		-	-
Financial assets carried at amortised cost		5,011.28	3,799.35
Financial assets measured at FVTOCI		4,23,350.29	1,98,540.90
TOTAL INVESTMENTS		**4,28,361.57**	**2,02,340.25**

7. Non-current investments (Conted.)

Notes:

** Less than a Thousand*

a) There is no change in the no of shares compare to previous year, except where specifically mentioned above under each case.

b) As per Notification of Govt of Gujarat, Bhavnagar Energy Company Ltd.(BECL) is Merged with Gujarat State Electricity Corpo. Ltd.(GSECL) As per the Merger scheme, the company has received 1 No of share of GSECL in exchange of 7,12,20,000 No of shares of BECL. The Fair Value of said investment is ₹ Nil as on 31st March 2021 & 31st March 2020.

c) The equity shares held by the Company in Tunisian Indian Fertilizers S.A., Tunisia (TIFERT) have been pledged to secure the obligations of TIFERT to their lenders.

d) Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity securities. Refer note 41 for determination of their fair values.

e) The company has provided a loan of USD 2.50 Mn to TIFERT for procurement of critical spares and equipments. Provided loan carries an interest of daily average LIBOR plus a margin of 225 basis points. It was provided with a condition of compulsory conversion in equity sharesof TIFERT after 3 years from the date of agreement however the term of loan has been extended for further 2 years by Sponsors on request of TIFERT. Hence, Principal amount of the loan along with unpaid interest will be converted into equity shares of TIFERT at face value after 5 years from the date of agreement and accordingly the same has been classified as Investment, as in substance the nature is of the investment. The Fair Value of said loan is ₹ Nil as on 31st March 2021 & 31st March 2020

f) Impairment Loss of ₹ 548.07 Lakhs has been recognised in the carrying value of investment in Karnalyte Resources Ltd. during FY 2020-21 (₹ 870.03 Lakhs during FY 2019-20) under the head "Other Expenses" in Profit and Loss Account, taking into consideration consistent operating losses booked by the company and its low market capitalisation. As share valuation has been carried out considering the Replacement cost method, Investment is categorised at Level 3 of the fair value hierarchy.

8. Other non-current financial assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good		
Other deposits	2,940.04	3,000.06
Unsecured, considered doubtful		
Deposits with companies & others	102.70	102.70
Less: Allowance for doubtful deposits	(102.70)	(102.70)
TOTAL	**2,940.04**	**3,000.06**

9. Other non current assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital Advances*	30,557.26	31,242.46
Prepaid Expenses	5.08	5.70
Prepayment for Leasehold Land	-	883.06
Others	156.23	156.23
TOTAL	**30,718.57**	**32,287.45**

*Capital advance as on 31st March,2021 includes ₹ 28,281.51 lakhs (₹ 28,576.38 lakhs as at 31st March,2020) advance for leasehold land pending execution of lease deed towards plot in Dahej.

10. Inventories

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Raw materials	22,675.10	25,091.08
Raw materials in Transit	-	4,783.75
Work-in-Process	1,445.55	2,009.54
Finished goods	43,914.64	50,494.23
Stock in trade	1,419.62	24,433.11
Stores and spares (including packing material)	21,349.19	19,452.10
TOTAL	**90,804.10**	**126,263.81**

11. Trade receivables

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured, considered good	781.32	1,167.33
Unsecured, considered good	47,075.98	88,004.47
Unsecured, credit impaired	6,688.28	7,413.31
TOTAL	**54,545.58**	**96,585.11**
Less: Allowance for doubtful debts (including ECL)	6,688.28	7,413.31
TOTAL	**47,857.30**	**89,171.80**

The average credit period on sale of goods is 30 to 90 days. No interest is charged on trade receivables up to the expiry of the credit period. Thereafter, interest is charged at 12% per annum on the outstanding balance.

The company has six customers (GSFC Agrotech Limited, JCT Ltd, SRF Ltd, GPP Ltd, MP ST.CO-OP.MKT.FED.LTD & KRUSHNA GODAVARI KHATE) which represents more than 5% of the total balance of trade receivables.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Refer note 41 for the provision matrix at the end of the reporting period, ageing of receivable and movement in the expected credit loss allowance.

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. Refer note 41 for the credit risk management by the Company.

The above balances include trade receivables from related parties ₹ 6456.39 Lakhs (₹ 10109.62 Lakhs as on 31 March 2020) Refer note 39.

12. Government subsidies receivable

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Subsidy from Government of India under New Urea Policy/Nutrient Based Subsidy Scheme		
Subsidy Receivable from Government	54,013.09	183,562.53
Less: Allowance for doubtful debts	458.29	458.29
TOTAL	**53,554.80**	**183,104.24**

Notes to the Financial Statements

13. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash and cash equivalents		
Cash on hand	3.02	7.61
Balances with banks		
In current accounts	6,034.60	1,421.43
Liquid Deposits with Financial Institutions	13,900.00	-
	19,937.62	**1,429.04**

14. Other bank balances

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
In Unclaimed dividend account-restricted	498.25	544.82
In Deposit accounts (original maturity more than three months)	773.45	547.43
TOTAL	**1,271.70**	**1,092.25**

If the dividend has not been claimed within 30 days from the date of its declaration, the Company is required to transfer the total amount of the dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in a scheduled bank to be called "Unpaid Dividend Account". The unclaimed dividend lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration. Company has transferred Unclaimed Dividend upto FY 2012 – 2013 to IEPF upto March 31, 2021.

15. Loans

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured, considered good		
Loans to employees*	20,449.69	18,254.54
Unsecured, considered good		
Advances to employees	54.07	58.83
Other loans to employees	580.66	836.57
Interest accrued	284.19	14.19
Others	39.70	62.84
	21,408.31	**19,226.97**

Notes:

* The loans are secured by mortgage of the underlying assets and are repayable on demand.

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counter parties. These financial assets are carried at amortised cost.

16. Other current financial assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Financial assets at amortised cost		
Deposits with Financial Institutiions	85,800.00	-
Others	1,038.64	886.69
TOTAL	**86,838.64**	**886.69**

17. Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good		
Balances with govt. agencies	5,825.99	9,970.42
Advances to suppliers*	7,438.44	8,872.06
Prepaid expenses	914.40	126.19
Prepayment for Lease hold lands	281.60	355.98
Advance Paid Towards Equity Contribution	-	1,520.00
TOTAL	**14,460.43**	**20,844.65**

* includes advances to related parties ₹ 5474.21 lakhs (₹ 7242.80 lakhs as at 31st March,2020).

18. Assets held for sale

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Assets classified as held for sale*	478.98	703.98
TOTAL	**478.98**	**703.98**

* Expected net realizable value is higher than carrying amount.

- The Company disposed off plant and machinery having carrying value of ₹ 225.01 Lakhs for realised value of ₹ 293.40 Lakhs.The Company expects to sell remaining plant and machinery amounting to ₹ 75.25 Lakhs in near future. There is no cost to sell the asset and hence the same is not presented seperately under liabilities.

- Company acquired possession of Residential Property amounting to ₹ 403.72 Lakhs located at New Delhi against outstanding receivables in earlier years. Now the company has entered into an Agreement to Sell this property against consideration of ₹ 410.00 Lakhs.

Notes to the Financial Statements

19. Share Capital

(₹ in lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of shares Refer Note (a) below	Amount	Number of shares Refer Note (a) below	Amount
Authorised				
Equity Shares of ₹ 2/- each	1,00,00,00,000	20,000.00	1,00,00,00,000	20,000.00
Redeemable Cumulative Preference Shares of ₹100 each	1,60,00,000	16,000.00	1,60,00,000	16,000.00
		36,000.00		36,000.00
Issued, Subscribed and Paid up:				
Issued				
Equity Shares: Face value of ₹ 2/- each				
Shares outstanding at beginning of the year	39,91,21,850	7,982.44	39,91,21,850	7,982.44
Shares outstanding at year end	39,91,21,850	7,982.44	39,91,21,850	7,982.44
Subscribed				
Equity Shares: Face value of ₹ 2/- each				
Shares outstanding at beginning of the year	39,90,69,685	7,981.39	39,90,69,685	7,981.39
Shares outstanding at year end	39,90,69,685	7,981.39	39,90,69,685	7,981.39
Paid-up				
Equity Shares: Face value of ₹ 2/- each				
Shares outstanding at beginning of the year	39,84,77,530	7,969.55	39,84,77,530	7,969.55
Shares outstanding at year end	39,84,77,530	7,969.55	39,84,77,530	7,969.55
TOTAL	39,84,77,530	7,969.55	39,84,77,530	7,969.55

a) Reconciliation of Shares outstanding at the beginning and the end of the reporting period

(₹ in lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
At the beginning of the year	39,84,77,530	7,969.55	39,84,77,530	7,969.55
Issued / Reduction, if any during the year	-	-	-	-
Outstanding at the end of the year	39,84,77,530	7,969.55	39,84,77,530	7,969.55

b) Rights, preferences and restrictions attached to shares

Equity shares

The Company has one class of equity shares having a par value of ₹ 2 each. Each shareholder is eligible for one vote per share held. The dividend proposed by Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Shareholders holding more than 5% of equity share capital

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of shares	Percentage of holding	Number of shares	Percentage of holding
Gujarat State Investments Limited	15,07,99,905	37.84	15,07,99,905	37.84
Life Insurance Corporation of India	3,17,78,658	7.98	3,17,97,658	7.98
Fidelity Puritan Trust-Fidelity Low priced stock fund	2,85,00,000	7.15	2,85,00,000	7.15

d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

e) Calls Unpaid: NIL, Forfeited Shares: ₹ 11.84 Lakhs

20. Other equity

(₹ in lakhs)

Particulars	Reserves & Surplus					Items of OCI	
	Capital reserve	Security premium	Capital redemption reserve	General reserve	Retained earnings	Equity Instruments through OCI	Total Equity
Balance as at April 01, 2019	**1,256.33**	**30,524.02**	**3,335.00**	**4,84,153.31**	**43,169.49**	**1,56,376.56**	**7,18,814.71**
Profit for the year	-	-	-	-	9,869.64	-	9,869.64
Other comprehensive income for the year net of income tax	-	-	-	-	-	(26,181.19)	(26,181.19)
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	(20,119.63)	-	(20,119.63)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(10,249.99)**	**(26,181.19)**	**(36,431.18)**
Dividends paid [Note 20]	-	-	-	-	(8,766.50)	-	(8,766.50)
Dividend Distribution Tax (DDT) [Note 20]	-	-	-	-	(1,801.98)	-	(1,801.98)
Transfer to General reserve	-	-	-	-	-	-	-
Balance as at March 31, 2020	**1,256.33**	**30,524.02**	**3,335.00**	**4,84,153.31**	**22,351.02**	**1,30,195.36**	**6,71,815.04**
Balance as at April 01, 2020	**1,256.33**	**30,524.02**	**3,335.00**	**4,84,153.31**	**22,351.02**	**1,30,195.36**	**6,71,815.04**
Profit for the year	-	-	-	-	41,767.05	-	41,767.05
Other comprehensive income for the year net of income tax	-	-	-	-	-	1,98,250.45	1,98,250.45
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	(605.69)	-	(605.69)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**41,161.36**	**1,98,250.45**	**2,39,411.82**
Dividends paid [Note 20]	-	-	-	-	(4,781.72)	-	(4,781.72)
Transfer to General reserve	-	-	-	23,000.00	(23,000.00)	-	-
Balance as at March 31, 2021	**1,256.33**	**30,524.02**	**3,335.00**	**5,07,153.31**	**35,730.66**	**3,28,445.82**	**9,06,445.13**

Distributions made and proposed

(₹ in lakhs)

Particulars	Amount
Cash dividends on equity shares declared and paid:	
Final dividend for the year ended on 31 March 2020: ₹ 1.20 per share (31 March 2019: ₹ 2.20 per share)	4,781.72
Total cash dividends declared and paid	**4,781.72**
Proposed dividends on Equity shares:	
Final dividend for the year ended on 31 March 2021: ₹ 2.20 per share (31 March 2020: ₹ 1.20 per share)	8,766.51
Total Proposed dividends	**8,766.51**
Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability	

1. **Capital Reserve:** This reserve has been created from amounts forfeited on shares not fully paid up, scheme of capital subsidy for industries in backwards areas, etc. It is not available for distribution of dividend.
2. **Securities Premium:** The amount received in excess of face value of the Rights Equity shares issued have been recognised in Share Premium Reserve, etc. It is not available for distribution of dividend.
3. **Capital Redemption Reserve:** Capital Redemption Reserve has been created against the redemption of preference shares in earlier years. It is not available for distribution of dividend.
4. **General Reserve:** General Reserve represents a reserve other than capital reserve which is not earmarked for a specific purpose.
5. **Retained Earnings:** Retained Earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.
6. **Other comprehensive income (OCI):** OCI comprises items of income and expenses (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by Indian Accounting Standards. The components of OCI include: re-measurements of defined benefit plans, gains and losses arising from investment in equity instruments.

Notes to the Financial Statements

21. Long term borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured		
Term loan from bank*	-	9,333.33
TOTAL	**-**	**9,333.33**

Note:

During the FY 2020-21, the company has pre-paid outstanding balance of ₹ 9333.33 Lakhs against term loan taken from EXIM bank for 40,000 MTPA Melamine III project.

22. Long term provisions

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for employee benefits		
Provision for Gratuity (Refer Note 37)	11,094.13	16,254.74
Provision for Pension (Refer Note 37)	23,724.18	34,068.06
Provision for Compensated absences	22,922.86	23,137.67
Provision for Post Retirement Medical Benefit Scheme (PRMBS) (Refer Note 37)	5,218.68	4,652.65
Other Provisions		
Provision for Asset Retirement Obligation	2,200.03	2,032.64
TOTAL	**65,159.88**	**80,145.76**

Movement in provision for Asset Retirement Obligation:

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at Beginning of Year	2,032.64	1,808.24
Additional provision recognised	167.39	224.40
Provision Utilized	-	-
Balance at Closing of Year	2,200.03	2,032.64

Notes to the Financial Statements

23.

A Income tax asset (net)

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance payment of Income Tax (net)	**7,440.31**	**15,121.97**

B Current tax liabilities (net)

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Income Tax (net)	257.31	499.07

C Deferred tax liabilities (net)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Statement of Profit & loss		
Profit & loss section		
Current income tax charge (net of MAT credit entitlement)	3,822.58	-
Deferred tax relating to origination & reversal of temporary differences	7,808.16	2,479.02
Earlier Year Tax	(2,065.95)	348.89
Income tax expense reported in the statement of profit or loss	**9,564.79**	**2,827.91**
(b) Other comprehensive income section		
Unrealised (gain)/loss on FVTOCI equity securities	26,515.99	(2,211.04)
Net loss/(gain) on remeasurements of defined benefit plans	(325.34)	(10,807.00)
Income tax charged to OCI	**26,190.65**	**(13,018.04)**
(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended		
Accounting profit before income tax	**51,331.84**	**12,697.56**
Statutory income tax rate	34.944%	34.944%
Tax at statutory income tax rate of 34.944%	**17,937.41**	**4,437.03**
Tax effects of :		
Income not subject to tax	(2,594.40)	(1,631.06)
Inadmissiable expenses or expenses treated seperately	12,724.59	13,997.25
Admissiable deductions	(19,292.08)	(16,080.12)
Deduction Under chapter - VI	(4,952.94)	(723.10)
Deferred tax on other items	7,808.16	2,479.02
Total Tax effects	**(6,306.67)**	**(1,958.01)**
Income tax expense	**11,630.74**	**2,479.02**
Earlier year tax	(2,065.95)	348.89
Income tax expense reported in statement of Profit & loss	**9,564.79**	**2,827.91**

(d) Deferred tax relates to the following: (₹ in lakhs)

	Balance sheet		Profit & loss	
	31-Mar-21	**31-Mar-20**	**2020-21**	**2019-20**
Property, plant and equipment	(57,163.53)	(56,501.48)	662.04	5,958.04
Expenses allowable for tax purpose when paid	5,652.93	11,295.56	5,642.62	(3,008.20)
Investments in Equity instruments	(5,196.63)	21,319.36	26,515.99	(2,211.04)
Fair valuation of deposits	0.30	0.36	0.06	0.05
Actuarial loss on Defined benefit plan	20,338.23	20,012.89	(325.34)	(10,807.00)
Fair valuation of Derivatives	(6.65)	(6.65)	-	-
Machinery Spares	1,464.17	1,464.17	-	-
Provision for PF Contribution	310.22	310.22	-	(310.22)
Allowance for doubtful debts	3,949.86	5,378.18	1,428.32	(75.11)
ARO provision-Windmill	465.29	440.46	(24.83)	(50.55)
ARO provision-Solar	7.32	3.42	(3.90)	(3.42)
Leasehold Building IND AS	(89.34)	14.98	104.32	(14.98)
ICDS Impact	112.88	112.41	(0.47)	(16.59)
Reclassification of MAT Credit entitlement	6,181.03	2,919.04	(3,261.97)	1,769.43
Deferred tax expense/(income)			**30,736.84**	**(8,769.59)**
Net deferred tax assets/(liabilities)	**(23,973.92)**	**6,762.92**		
Reconciliation of deferred tax liabilities (net):				
Opening Balance as at	**31-Mar-20**	**31-Mar-19**		
	6,762.92	**(2,006.67)**		
Tax income/(expense) during the period recognised in P&L	(7,808.16)	(2,479.02)		
Tax income / (Expense) MAT credit recognised in P&L	3,261.97	(1,769.43)		
Tax income/(expense) during the period recognised in OCI	(26,190.65)	13,018.04		
Closing balance as at	**(23,973.92)**	**6,762.92**		
	31-Mar-21	**31-Mar-20**		

Notes:

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes to the Financial Statements

24. Financial Liabilities- borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured		
Loans repayable on demand		
From Banks		
Cash credit account *	3,500.97	4,149.44
Unsecured		
Loans repayable on demand		
Short term working capital demand loan/over drafts from banks	-	21,186.61
Inter Corporate Deposits	-	54,000.00
Other loans and advances		
Commercial papers	-	30,000.00
Buyers credit and bill discounting facility	-	31,905.40
TOTAL	**3,500.97**	**141,241.45**

* The Cash credit facility from consortium of banks is secured by hypothecation of stock of raw materials, finished products, packing materials, general stores, spares, book debts etc. of the Company.

Interest rate details for short term borrowings:

(i) Cash credit accounts carrier interest rates ranging from 6.75% to 9.45% p.a.

(ii) Working capital demand loan carries interest rate ranging from 4.50% to 7.40% p.a.

(iii) Inter Corporate Deposits carries interest rates ranging from 3.34% to 7.00% p.a.

(iv) Commercial papers carries interest at ranging from 3.50% to 5.90% p.a.

(v) Buyers credit carries interest at ranging from 0.39% to 1.42% p.a.

25. Current financial liabilities-trade payables

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Due to Micro, Small and Medium Enterprises (MSMED)*	315.84	494.13
Others**	44,929.41	40,203.20
TOTAL	**45,245.25**	**40,697.33**

Particulars	As at 31st March, 2021	As at 31st March, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	315.84	494.13
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	NIL	NIL
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	NIL	NIL
(iv) The amount of interest due and payable for the year	NIL	NIL
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	NIL	NIL
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	NIL	NIL

*Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**The above balances include trade payables to related parties ₹ 1222.24 Lakhs (₹ 16.63 Lakhs as on 31 March 2020) Refer Note 39.

26. Other current financial liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Financial liabilities at fair value through profit & loss		
Derivatives not designated in hedging relationship		
Foreign exchange derivative contracts	59.05	28.28
Other financial liabilities at amortised cost		
Current maturities of long term debt	-	5,333.33
Interest accrued but not due on borrowings	0.47	225.58
Unclaimed dividend*	498.25	544.82
Deposits received	5,487.51	5,432.84
Liability towards employee benefits	8,556.87	5,401.93
Creditors for capital goods	10,777.28	12,330.71
Lease Liabilities**	175.77	246.47
Other payables	92.71	34.51
TOTAL	**25,647.91**	**29,578.47**

* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.

**** Details of Lease Liabilities :**

Movement of Lease Liabilities was as under:	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	246.47	-
Add: Additions (Transitional impact on adoption of Ind AS 116)	93.20	373.25
Add: Interest recognised during the year	29.73	42.86
Less: Deletion/Disposal	35.00	-
Less: Payment Made	158.63	169.64
Closing Balance	175.77	246.47

Contractual maturities of lease liabilities on an undiscounted basis:	As at 31st March, 2021	As at 31st March, 2020
- Less than one year	112.05	157.62
- One to Five years	63.72	88.85
Closing Balance	175.77	246.47

27. Other current liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advances from customers	3,193.54	1,707.39
Statutory dues	2,997.09	6,107.71
Income received in advance	3.47	3.80
TOTAL	**6,194.10**	**7,818.90**

28. Provisions

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for employee benefits		
Provision for Gratuity (Refer note 37)	2,394.23	2,382.35
Provision for Pension (Refer note 37)	5,609.22	5,833.69
Provision for Compensated absences*	4,057.87	3,989.48
Provision for PRMBS (Refer note 37)	257.97	236.72
Other Provision**	887.76	887.76
TOTAL	**13,207.05**	**13,330.00**

* The provision for Compensated absences pertains to accrued ordinary and sick leave entitlements. The change in carrying amount of the provision results from additional provision recognized net of benefits paid.

** Employees' Provident Fund Trust of the Company (GSFC-EPFT) is holding investments aggregating to ₹ 4,277 Lakhs in various debt securities issued by IL&FS Group, Dewan Housing Finance Corporation Ltd., Yes Bank Ltd. & Reliance Group. In view of uncertainties regarding recoverability of such investment, the Company has, as a matter of prudence, made a provision of ₹ 1,030 Lakhs upto 31st March,2021 (Current Year. ₹ Nil). In future company will make provision looking to the development in the matter.

29. Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Revenue from sale of products (including subsidy on fertilizers)		
- Manufactured / Generated products	6,68,958.63	6,15,813.88
- Traded products	81,002.30	1,46,268.55
Total	**7,49,960.93**	**7,62,082.43**
Revenue from operation above includes:-		
Subsidy from Government of India under New Urea Policy/Nutrient Based Subsidy Scheme		
Pertaining to current year	2,15,422.25	2,33,857.00
Pertaining to earlier years determined during current year	(663.61)	12,129.00
TOTAL	**2,14,758.64**	**2,45,986.00**

30. Other income

(₹ in lakhs)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Interest	2,377.04	1,985.79
Dividend from long term investments	3,541.01	3,538.40
Rent	165.36	171.29
Insurance claims	1,848.01	1,374.56
Excess provision no longer required	1,946.03	1,042.80
Scrap sales	1,010.32	542.78
Profit on sale of fixed assets	4,343.04	-
Miscellaneous income	3,102.85	2,263.39
TOTAL	**18,333.66**	**10,919.01**

Profit on Sale of Fixed Assets includes ₹ 4,199.61 Lakhs towards gain on compulsory acquisition of land.

31. Cost of material consumed

(₹ in lakhs)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Raw Materials		
Opening stock	29,874.83	35,213.05
Add: Purchases	3,87,975.16	3,54,364.03
Less: Closing stock	22,675.10	29,874.83
TOTAL	**3,95,174.89**	**3,59,702.25**

32. Changes in inventory of finished goods, work in process and stock in trade

(₹ in lakhs)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Opening stock		
Finished products	50,494.23	63,386.86
Stock in trade	24,433.11	22,234.85
Work-in-process	2,009.54	1,534.20
	76,936.88	**87,155.91**
Less: Closing stock		
Finished products	43,914.64	50,494.23
Stock in trade	1,419.62	24,433.11
Work-in-process	1,445.55	2,009.54
	46,779.81	**76,936.88**
(Increase) / Decrease	**30,157.07**	**10,219.04**

33. Employee benefit expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Salaries, wages, bonus	48,047.00	56,130.04
Contribution to provident, gratuity and superannuation (pension) funds (including provisions)	10,679.63	8,751.94
Staff Welfare expenses	9,704.77	6,543.79
TOTAL	**68,431.40**	**71,425.77**

- Employee benefit expenses includes R&D salary expenses of ₹ 1068.54 lakhs (previous year ₹ 1001.68 lakhs) (Refer note no. 42)

34. Finance costs

(₹ in lakhs)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Interest		
- borrowings	3,263.60	10,535.68
- others	619.13	464.92
Other borrowing cost	390.95	468.66
TOTAL	**4,273.68**	**11,469.26**

35. Other expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Consumption of stores and spare parts	10,472.73	12,747.32
Water	3,305.61	2,946.28
Packing expenses	9,595.13	8,464.38
Repairs to buildings	309.83	337.14
Repairs to machinery	6,689.80	6,249.08
Other repairs	556.61	673.99
Insurance	1,538.16	1,011.02
Rent, rates and taxes	324.42	2,121.97
Product transportation, distribution & loading & unloading charges	36,033.80	33,382.84
Depots and farm information centers expense	2,388.35	4,560.16
Marketing expense reimbursement, demonstration, extension services and publicity etc.	532.37	701.77
Foreign exchange gain/loss (net)	2,039.41	3,102.88
Directors sitting fees	12.48	8.90
Auditors' remuneration *	21.18	23.07
Cost auditors' fees	5.48	5.17
Loss on fixed assets sold/discarded	-	424.08
Allowance for doubtful debts	217.37	536.08
Amortisation of leasehold land	294.87	355.98
Donations and contributions	1,470.21	878.14
Miscellaneous	5,814.81	4,256.10
Impairment in value of Investment	548.07	870.03
TOTAL	**82,170.69**	**83,656.38**
Other expenses includes R&D expenses of ₹ 18.93 lakhs (previous year ₹ 13.13 lakhs) in respective heads (Refer note no. 42)		

*Auditors' remuneration

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Payment to Statutory Auditors:		
For Statutory audit	7.00	7.00
For Taxation matters	2.00	2.00
For other services (including Limited Review fees & certification)	11.52	12.42
For Reimbursement of expenses	0.66	1.65
	21.18	**23.07**

36. Earnings per share (EPS):

(₹ in lakhs)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
i. Profit attributable to Equity holders of the Company		
Profit attributable to equity holders of the Company		
Continuing operations	41,767.05	9,869.64
Discontinued operations	-	-
Profit attributable to equity holders of the Company for basic earnings	41,767.05	9,869.64
Effect of dilution	-	-
Profit attributable to equity holders of the Company adjusted for the effect of dilution	**41,767.05**	**9,869.64**
ii. Weighted average number of ordinary shares		
Issued ordinary shares	3,98,477,530	3,98,477,530
Effect of dilution	-	-
	3,98,477,530	3,98,477,530
Basic EPS (₹)	10.48	2.48
Diluted EPS (₹)	10.48	2.48
Nominal value per share (₹)	2.00	2.00

37. Employment benefit plans

a) The Company operates post employment and other long term employee benefits defined plans as follows:

I. Funded

i. Gratuity

ii. Pension

II. Unfunded

i. Post retirement medical benefit scheme

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk: The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest Risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

Longevity Risk: The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk: The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

b) Defined contribution plans:

Amount towards Defined Contribution Plans have been recognised under "Contributions to Providend, Gratuity and Superannuation Fund (pension) Funds (including provisions)" in Note : 33 ₹ 4077.89 lakhs for FY 2020-21 (₹ 4049.22 Lakhs for FY 2019-20).

37. Employment benefit plans (Contd...)

c) Details of funded & unfunded plans are as follows:

(₹ in lakhs)

Description	Pension		Gratuity	
	2020-21	2019-20	2020-21	2019-20
1. Changes In Present Value of obligation				
a. Obligation as at the beginning of the year	79,876.92	61,093.93	40,436.32	29,003.72
b. Current Service Cost	1,038.34	798.02	1,817.74	1,284.48
c. Interest Cost	5,263.89	4,752.04	2,765.84	2,232.93
d. Actuarial (Gain)/Loss	1,423.18	18,870.75	(545.82)	10,969.21
e. Benefits Paid	(9,520.71)	(5,637.82)	(4,916.53)	(3,054.02)
f. Obligation as at the end of the year	78,081.62	79,876.92	39,557.57	40,436.32
The defined benefit obligation is	Funded	Funded	Funded	Funded
2. Changes in Fair Value of Plan Assets				
a. Fair Value of Plan Assets as at the beginning of the year	39,975.19	37,243.76	21,799.23	21,476.75
b. Expected return on Plan Assets	2,634.36	2,896.82	1,491.07	1,654.18
c. Actuarial Gain/(Loss)	139.31	(170.10)	324.74	(8.02)
d. Contributions	15,520.08	5,642.52	7,370.68	1,730.34
e. Benefits Paid	(9,520.71)	(5,637.82)	(4,916.53)	(3,054.02)
f. Fair Value of Plan Assets as at the end of the year	48,748.23	39,975.19	26,069.19	21,799.23
3. Amount Recognised In The Balance Sheet				
a. Fair Value of Plan Assets as at the end of the year	48,748.23	39,975.19	26,069.19	21,799.23
b. Present Value of Obligation as at the end of the year	(78,081.62)	(79,876.92)	(39,557.57)	(40,436.32)
c. Amount recognised in the Balance Sheet	(29,333.39)	(39,901.74)	(13,488.38)	(18,637.09)
4. Expense recognised in P & L during the year				
a. Current Service Cost	1,038.34	798.02	1,817.74	1,284.48
b. Net Interest Cost	2,629.53	1,855.22	1,274.78	578.75
c. Expense recognised during the year	3,667.86	2,653.24	3,092.52	1,863.23
5. Expense recognised in OCI during the year				
a. Return on Plan Assets,Excluding Interest Income	(139.31)	170.10	(324.74)	8.02
b. Actuarial (Gain)/Loss recognised on Obligation	1,423.18	18,870.75	(545.82)	10,969.21
c. Net (Income)/Expense recognised during the year	1,283.87	19,040.85	(870.55)	10,977.23
6. Investment Details of Plan Assets				
Administered by LIC of India	100%	100%	100%	100%

d) Assumptions

(₹ in lakhs)

	Pension		Gratuity		PRMBS	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
a. Discount Rate (per annum)	6.49%	6.59%	6.85%	6.84%	6.91%	6.81%
b. Estimated Rate of return on Plan Assets (per annum)	6.49%	6.59%	6.85%	6.84%	NA	NA
c. Salary Escalation Rate (per annum)	NA	NA	NA	NA	NA	NA
d. Medical Cost Inflation (per annum)	NA	NA	NA	NA	4.00%	4.00%

37. Employment benefit plans (Contd...)

e. The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

f. The estimate of mortality rate during employment has been considered as per Indian Assured Lives Mortality (2006-08).

g. Provident Fund contributions are made to Trusts administered by the Company. The interest rate payable to the members of the Trusts shall not be lower than the statutory rate of interest declared by the Central Government under the Employees provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company.

Maturity Profile	Pension		Gratuity		PRMBS	
Projeted benefit payable in future year from the date of reporting	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1st Following year	9,258.84	9,062.84	5,144.22	5,040.86	257.96	236.72
2nd Following year	7,535.58	6,172.27	3,805.31	3,119.60	275.87	250.37
3rd Following year	12,857.72	11,280.78	6,183.63	5,260.30	297.49	265.79
4th Following year	10,321.03	11,927.10	5,011.09	6,071.63	315.12	284.92
5th Following year	8,470.70	10,537.22	4,131.62	4,902.16	330.43	299.73
Sum of year 6 to 10	37,778.58	37,430.80	18,436.29	18,919.52	1,862.67	1,672.81
Sum of year 11 and above	-	-	20,369.15	21,074.56	-	-

Description	PRMBS	
	2020-21	2019-20
1. Changes In Present Value of the defined benefit obligation		
a. Obligation as at the beginning of the year	4,889.38	4,049.84
b. Current Service Cost	199.69	182.27
c. Interest Cost	332.97	315.08
d. Actuarial (Gain)/Loss	517.72	908.56
e. Benefits Paid	(463.11)	(566.37)
f. Obligation as at the end of the year	5,476.65	4,889.38
The defined benefit obligation is	Unfunded	Unfunded
2. Amount Recognised In The Balance Sheet		
a. Fair Value of Plan Assets as at the end of the year	—	—
b. Present Value of Obligation as at the end of the year	(5,476.65)	(4,889.38)
c. Amount recognised in the Balance Sheet	(5,476.65)	(4,889.38)
3. Expense recognised in P & L during the year		
a. Current Service Cost	199.69	182.27
b. Interest Cost	332.97	315.08
c. Expense recognised during the year	532.66	497.35
4. Expense recognised in OCI during the year		
a. Return on Plan Assets,Excluding Interest Income	—	—
b. Actuarial (Gain)/Loss recognised on Obligation	517.72	908.56
c. Net (Income)/Expense recognised during the year	517.72	908.56

The expense is disclosed in Note No. 33 - “Employee Benefit Expenses”, Pension & Gratuity are disclosed in line item - Contribution to Provident Fund,and provision to Gratuity, Superannuation (Pension) Funds. Leave Encashment is disclosed in line item - Salaries, Wages and Bonus and PRMBS is disclosed in line item - Welfare funds.

37. Employment benefit plans (Contd...)

e) Effect of one percentage point change in the assumed Discount Rate

(₹ in lakhs)

Description	2020-21		
	Pension	Gratuity	PRMBS
a. One percentage point increase in Discount Rate	(3,573.77)	(1,957.92)	(598.10)
b. One percentage point decrease in Discount Rate	3,938.89	2,201.82	741.17
Effect of one percentage point change in the assumed Salary Escalation Rate			
a. One percentage point increase in Salary Escalation Rate	3,919.17	2,191.69	NA
b. One percentage point decrease in Salary Escalation Rate	(3,622.08)	(1,990.48)	NA
Effect of one percentage point change in the assumed medical inflation rate-Benefit Obligation			
a. One percentage point increase in medical inflation rate	NA	NA	756.26
b. One percentage point decrease in medical inflation rate	NA	NA	(618.48)

f) Details of funded & unfunded plans are as follows:

(₹ in lakhs)

Pension	2020-21	2019-20	2018-19	2017-18	2016-17
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
1 Present Value of Defined Benefit Obligation	78,081.62	79,876.92	61,093.93	61,080.53	58,669.04
2 Fair Value of Plan Assets	48,748.23	39,975.18	37,243.76	35,631.39	32,985.70
3 Status [Surplus/(Deficit)]	(29,333.39)	(39,901.74)	(23,850.18)	(25,449.14)	(25,683.34)
4 Experience Adjustment of Plan Assets [Gain/(Loss)]	139.31	(170.10)	(107.38)	323.70	116.31
5 Experience/Assumptions Adjustment of obligation [(Gain)/Loss]	1,423.18	18,870.75	303.51	1,858.06	7,958.89
Gratuity	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
1 Present Value of Defined Benefit Obligation	39,557.57	40,436.32	29,003.72	27,860.47	27,890.11
2 Fair Value of Plan Assets	26,069.19	21,799.23	21,476.75	21,376.92	19,143.29
3 Status [Surplus/(Deficit)]	(13,488.38)	(18,637.09)	(7,526.97)	(6,483.55)	(8,746.82)
4 Experience Adjustment of Plan Assets [Gain/(Loss)]	324.74	(8.02)	(70.52)	196.79	19.15
5 Experience/Assumptions Adjustment of obligation [(Gain)/Loss]	(545.82)	10,969.21	741.81	(1,134.55)	636.00
PRMBS	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
1 Present Value of Defined Benefit Obligation	5,476.65	4,889.38	4,049.84	4,037.11	3,947.53
2 Fair Value of Plan Assets	-	-	-	-	-
3 Status [Surplus/(Deficit)]	(5,476.65)	(4,889.38)	(4,049.84)	(4,037.11)	(3,947.53)
4 Experience Adjustment of Plan Assets [Gain/(Loss)]	-	-	-	-	-
5 Experience/Assumptions Adjustment of obligation [(Gain)/Loss]	517.72	908.56	63.38	122.04	362.45

Notes to the Financial Statements

38. Commitment and contingencies

a. Commitments

(₹ in lakhs)

Particulars	As at Mar-21	As at Mar-20
(i) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	10,038.45	6,897.18

b. Contingent liabilities

(₹ in lakhs)

Particulars	As at Mar-21	As at Mar-20
Claims against the Company not acknowledgement as debt		
(i) Excise and Customs duty	9,220.76	9,122.86
(ii) Central sales tax and value added tax	4,067.22	5,661.17
(iii) Income tax	16,340.32	16,260.73
(iv) Other claims by:		
- Income tax assessment orders contested	3,191.40	3,289.00
- Others	57,566.04	67,859.43
- Employees / ex-employees, contractual labour – pending before courts	Not ascertainable	Not ascertainable

In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute.

c. Contingent Assets

The Company does not have any contingent assets.

39. Related party transactions

(₹ in lakhs)

Name of the Party	Nature of Relationship	Nature of Transaction	2020-21	2019-20
GSFC Agrotech Limited	Subsidiary	Purchase of goods & Other expenses	1,256.94	2,294.52
		Sale of materials/Goods	32,299.87	29,101.75
		Commission income	59.00	473.85
		Rent receipt	6.24	9.15
		Reimbursement of expense	316.55	444.71
		Expenses recovered	746.02	1,180.49
		Equity contribution	-	1,520.00
		ICD Received	300.00	2,010.00
		ICD Repaid	300.00	2,010.00
		Interest expense on ICD	10.26	3.50
		Dividend Received	48.00	48.00
		Outstanding balance-Payable	-391.51	(1,721.98)
		Outstanding balance-Receivable	4,859.98	7,196.58
Vadodara Jal sanchay Private Limited	Subsidiary	Equity contribution	120.00	-
Gujarat Port & Logistic Company Limited	Subsidiary	Equity contribution	120.00	-
Vadodara Enviro Channel Ltd. (Erstwhile Effluent Channel Project Ltd.)	Associate	Usage of effluent channel	333.86	346.20
		Outstanding balance-Payable	(3.16)	17.15
Gujarat Green Revolution Company	Associate	Expenses recovered	223.39	336.22
		ICD Received	-	10,000.00
		ICD Repaid	10,000.00	-
		Interest expense on ICD	114.48	595.18
		Dividend Received	12.50	6.25
		Outstanding balance-Receivable	42.15	194.78
		Outstanding balance - loan (ICD)	-	10,000.00
Karnalyte Resources Inc.	Associate	Expenses recovered	25.14	156.04
		Provision for Investment	548.07	870.03
		Outstanding balance-Payable	-	-
		Outstanding balance-Receivable	-	39.89
Tunisian Indian Fertilizer Company (TIFERT)	Other related party	Purchase of Material	30,487.18	35,300.58
		Expenses recovered	-	38.80
		Provision for Investment	42.94	1,802.67
		Advance to vendor	5,474.21	7,242.80
		Outstanding balance-Receivable	1,521.01	2,497.07
GSFC Education society	Other related party	Donation Granted	450.65	563.17
		Outstanding balance-Payable	-	163.17
Gujarat State Petronet Ltd.	Other related party	Fees for Services	108.70	-
		Outstanding balance-payable	3.69	-
Gujarat Gas Ltd.	Other related party	Income from Other Services	59.05	-
		Dividend Received	586.43	
		Outstanding balance-payable	9.00	-
Chairman & Managing Director V D Nanavaty – ED (Finance) & CFO V V Vachhrajani, CS & SVP(Legal)	Key Management Personnel	Remuneration	176.43	178.45
		Loan Given	12.00	-
		Interest income	0.50	-
		Outstanding balance	11.31	-
Gujarat Alkalies and Chemicals Limited	Other related party	Purchase of Materials	1,537.21	1,824.15
		Sale of Product	245.10	835.89
		Expenses recovered	22.76	3.30
		Write-Off Of Bad Debt	6.95	-
		Outstanding balance-payable	73.82	118.75
		Dividend Received	132.40	132.40
		Outstanding balance-receivable	3.80	121.70

Gujarat Narmada Valley Fertilizers Company Limited	Other Related Party	Purchase of Materials	-	198.34
		Fees for Services	7.32	30.20
		Sale of Material	1,288.80	1,039.33
		Dividend Received	1,538.96	2,154.54
		Outstanding balance-Payable	0.30	0.62
		Outstanding balance-Receivable	15.37	53.50
Gujarat Industries Power Company Limited.	Other Related Party	Purchase of power	13,412.06	15,579.45
		Sale of power	154.61	107.27
		Dividend Received	648.52	648.52
		Expenses recovered	-	-
		Outstanding balance-Receivable	14.08	6.10
		Outstanding balance-Payable	5.18	863.97
Gujarat State Petroleum Corporation Ltd.	Other Related Party	Purchase of Gas	12,961.47	21,539.82
		Fees for Services	1.18	-
		Outstanding balance-payable	404.35	338.22
Indian Potash Ltd.	Other Related Party	Purchase of Material	16,085.36	9,829.51
		Dividend Received	56.25	33.75
		Outstanding balance-payable	1,119.71	236.73
The Fertilizer Association of India	Other Related Party	Fees for Services	14.64	37.33
		Outstanding balance-payable	0.85	-

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Related Party Transaction amounts shown in above table are inclusive of taxes.Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2020: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Transactions with key management personnel:

(₹ in lakhs)

Remuneration to key management personnel:	For the year ended	
	31-Mar-21	31-Mar-20
Short term employee benefits	155.64	157.52
Post employment benefits	10.60	10.67
Long-term employee benefits	10.19	10.26
Total	**176.43**	**178.45**

40. Segment information

For management purposes, the company is organised into business units based on its products and has two reportable segments, as follows:

1. **Fertilizer products** comprising of Urea, Ammonium Sulphate, Di-ammonium Phosphate, Ammonium Phosphate Sulphate, NPK (12:32:16), (10:26:26), traded fertilizer products etc.
2. **Industrial products** comprising of Caprolactam, Nylon-6, Nylon Chips, Melamine, Methanol, traded industrial products etc.

   The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the two operating segments. The CODM reviews revenue and gross profit as the performance indicator for both operating segments.

(₹ in lakhs)

		31-Mar-21	31-Mar-20
A]	SEGMENT REVENUE:		
1	TOTAL SEGMENT REVENUE		
	a) Fertilizer Products	5,72,897.84	6,06,123.01
	b) Industrial Products	1,77,063.09	1,55,959.42
	TOTAL	7,49,960.93	7,62,082.43
2	INTER SEGMENT REVENUE	-	-
3	EXTERNAL REVENUE (1 - 2)		
	a) Fertilizer Products	5,72,897.84	6,06,123.01
	b) Industrial Products	1,77,063.09	1,55,959.42
	TOTAL	7,49,960.93	7,62,082.43
B]	RESULT:		
1	Segment result		
	a) Fertilizer Products	34,667.80	31,121.50
	b) Industrial Products	12,554.31	(6,929.39)
	TOTAL	47,222.11	24,192.11
2	a) Unallocated income	13,546.32	7,322.15
	b) Unallocated expenses	(5,162.91)	(7,347.44)
3	Operating Profit (B1 + B2)	55,605.52	24,166.82
4	Finance Cost	(4,273.68)	(11,469.26)
5	Provision for Taxation:		
	Current Income Tax	(7,084.57)	-
	Deferred Tax (net)	(7,808.16)	(2,479.03)
	MAT credit recognised	3,261.99	-
	Earlier Year Tax	2,065.95	(348.89)
6	Net Profit	41,767.05	9,869.64
C]	OTHER INFORMATION:	31-Mar-21	31-Mar-20
1	Segment assets		
	a) Fertilizer Products	3,44,489.93	5,09,548.07
	b) Industrial Products	2,44,972.00	2,15,257.30
	TOTAL	5,89,461.93	7,24,805.37
2	Unallocated corporate assets	5,08,139.14	2,77,623.53
3	Total Assets	10,97,601.07	10,02,428.90
4	Segment Liabilities		
	a) Fertilizer Products	96,376.35	94,440.90
	b) Industrial Products	36,977.24	75,965.54
	TOTAL	1,33,353.59	1,70,406.44
5	Unallocated corporate liabilities	49,832.80	1,52,237.87
6	Total Liabilities	1,83,186.39	3,22,644.31

Notes to the Financial Statements

(₹ in lakhs)

		31-Mar-21	31-Mar-20
7	**Capital Expenditure**	**31-Mar-21**	**31-Mar-20**
	a) Fertilizer Products	3,757.39	10,007.28
	b) Industrial Products	2,065.77	1,919.80
	c) Corporate Capital Expenditure	3,273.10	2,619.66
	TOTAL	**9,096.26**	**14,546.74**
8	**Depreciation and Amortisation**		
	a) Fertilizer Products	8,801.44	8,062.95
	b) Industrial Products	8,694.46	8,693.87
	c) Unallocated corporate	148.84	264.10
	TOTAL	**17,644.74**	**17,020.92**
9	**Non-Cash expenses**		
	a) Fertilizer Products	8,378.61	27,324.23
	b) Industrial Products	4,886.92	18,915.28
	c) Unallocated non-cash expenses	604.15	274.73
	TOTAL	**13,869.68**	**46,514.24**

41. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The carrying value of financial instruments by categories as of 31st March, 2021 is as follows. (₹ in lakhs)

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Non-current investments	-	4,23,350.29	5,011.28	4,28,361.57	3,77,296.78	-	46,053.51	4,23,350.29
Other Non-current financial asset	-	-	2,940.04	2,940.04	-	-	-	-
Trade receivables	-	-	47,857.30	47,857.30	-	-	-	-
Government subsidy receivable	-	-	53,554.80	53,554.80	-	-	-	-
Cash and cash equivalents	-	-	19,937.62	19,937.62	-	-	-	-
Other bank balances	-	-	1,271.70	1,271.70	-	-	-	-
Current loans	-	-	21,408.31	21,408.31	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other Current financial asset	-	-	86,838.64	86,838.64	-	-	-	-
	-	4,23,350.29	2,38,819.69	6,62,169.98	3,77,296.78	-	46,053.51	4,23,350.29
Financial liabilities								
Non current borrowings	-	-	-	-	-	-	-	-
Current borrowings	-	-	3,500.97	3,500.97	-	-	-	-
Trade payables	-	-	45,245.25	45,245.25	-	-	-	-
Other current financial liabilities	-	-	25,588.86	25,588.86	-	-	-	-
Derivative financial instruments	59.05	-	-	59.05	-	59.05	-	59.05
	59.05	-	74,335.08	74,394.13	-	59.05	-	59.05
The carrying value of financial instruments by categories as of 31 st March, 2020 is as follows.								(₹ in lakhs)
Financial assets								
Non-current investments	-	1,98,540.90	3,799.35	2,02,340.25	1,61,016.88	-	37,524.02	1,98,540.90
Other Non-current financial asset	-	-	3,000.06	3,000.06	-	-	-	-
Trade receivables	-	-	89,171.80	89,171.80	-	-	-	-
Government subsidy receivable	-	-	1,83,104.24	1,83,104.24	-	-	-	-
Cash and cash equivalents	-	-	1,429.04	1,429.04	-	-	-	-
Other bank balances	-	-	1,092.25	1,092.25	-	-	-	-
Current loans	-	-	19,226.97	19,226.97	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other Current financial asset	-	-	886.69	886.69	-	-	-	-
	-	1,98,540.90	3,01,710.40	5,00,251.30	1,61,016.88	-	37,524.02	1,98,540.90
Financial liabilities								
Non current borrowings	-	-	9,333.33	9,333.33	-	-	-	-
Current borrowings	-	-	1,41,241.45	1,41,241.45	-	-	-	-
Trade payables	-	-	40,697.33	40,697.33	-	-	-	-
Other current financial liabilities	-	-	29,550.19	29,550.19	-	-	-	-
Derivative financial instruments	28.28	-	-	28.28	-	28.28	-	28.28
	28.28	-	2,20,822.30	2,20,850.58	-	28.28	-	28.28

B. Measurement of fair values & Sensitivity Analysis

i) Valuation techniques and significant unobservable inputs

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial instruments measured at fair value

Financial assets / financial liabilities	Fair Value (₹ In Lakhs) as at		Fair Value hierarchy	Valuation technique(s) and key input(s)
	31-03-2021	31-03-2020		
1) Investments in equity instruments at FVTOCI (quoted) (see note 7)	Listed equity securities in various companies engaged in fertilizer, chemicals,finance, gas, power and mining industry aggregate fair value of ₹ 3,77,296.78	Listed equity securities in various companies engaged in fertilizer, chemicals,finance, gas, power and mining industry aggregate fair value of ₹ 1,61,016.88	Level 1	Quoted bid prices in an active market

Particulars	Valuation technique(s) & key input(s)	Fair Value (Rs. In Lakhs) as at		Fair Value hierarchy	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
		31/03/2021	31/03/2020			
2) Investments in equity instruments at FVTOCI (unquoted) (see note 7)	Market Approach-Comparable companies-In this approach, the value of shares / business of a company is determined based on market multiples of publicly traded comparable companies.	Investment in companies engaged in business of storage facilities - aggregate fair value of ₹ 25,740.37	Investment in companies engaged in business of storage facilities - aggregate fair value of ₹ 23,263.21	Level 3	Market Multiple Discount ranging from 15% to 25% (As at 31.3.20 from 15% to 25%)	Increasing/Decreasing the Market Multiples by probability weighted range, would change the FV by +INR 3,961.00 lakhs & -INR 3,715.74 lakhs (As at 31.3.20 +INR 3,838.37 lakhs & -INR 1,054.63 lakhs)
	The appropriate multiple is generally based on performance of listed companies with similar business model and size (Refer note 1 below).	Investment in companies engaged in business of fertilizers industry - aggregate fair value of ₹ 17,857.35	Investment in companies engaged in business of fertilizers industry - aggregate fair value of ₹ 12,115.35		Discount to EV/EBITDA Multiple ranging from -0.50% to 0.50% (As at 31.3.20 from -0.5% to 0.5%)	Increasing/Decreasing the Discounting Factor by probability weighted range, would change the FV by +INR 275.63 lakhs & -INR 284.18 lakhs (As at 31.3.20 +INR 566.55 lakhs & -INR 566.55 lakhs)
	Income Approach- In this approach, discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee.	Investment in company engaged in fertilizer industry - aggregate fair value of ₹ NIL	Investment in company engaged in fertilizer industry - aggregate fair value of ₹ NIL	Level 3	Growth Rate ranging NIL (As at 31.3.20 NIL) Discounting Factor ranging NIL (As at 31.3.20 NIL)	Increasing/Decreasing the Growth Rate & Discounting Factor by probability weighted range, would change the FV by NIL. (As at 31.3.20 NIL)
	(Refer note below).	Investment in company engaged in the business of gas marketing - aggregate fair value of ₹ 2,319.45	Investment in company engaged in the business of gas marketing - aggregate fair value of ₹ 2,023.35	Level 3	10% +/- over base value.	10% increase/Decrease over base value, would change FV by +INR 326.65 lakhs & -INR 329.00 lakhs. (As at 31.3.20 +INR 338.40 lakhs & -INR 336.05 lakhs)
	Note : Under this method the value of each business/assets/investment has been arrived separately and total value estimate for the company presented as the sum of all its business/assets/investment. The Comparable Companies Multiple ("CCM") Method under Market Approach is used for Gas Marketing business, Other E&P Blocks business & KG Block PI business. The investee has various investments in subsidaries and Associates companies. Each of these subsidiary and associate companies have been separately valued using market price method, CCM method and Cost of Investment method and applied the investee's stake percentage to arrive at the fair value of investee's investment in these subsidiaries / associate companies. Under the market price method, the valuation is derived from the quoted market price of the share of the company as at the valuation date. Under the NAV method, the valuation is derived by calculating the net assets value of the investee as at the valuation date.					
	Cost Approach- Net Asset Value - In this approach, total value is based on the sum of net asset value as recorded on the balance sheet.A net asset methodology is most applicable for businesses where the value lies in the underlying assets and not the ongoing operations of the business. (Refer note 1 and 2 below).	Investment in companies engaged in power and finance industry - aggregate fair value of ₹ 136.34	Investment in companies engaged in power and finance industry - aggregate fair value of ₹ 122.11	Level 3	Discount to Book Value ranging from 15% to 30% (As at 31.3.20 from 15% to 30%)	Increasing/Decreasing the Discounting Factor by probability weighted range, would change the FV by +INR 15.85 lakhs & -INR 15.00 lakhs (As at 31.3.20 +INR 14.21 lakhs & -INR 13.44 lakhs)

Note 1 : The Company has invested in the equity instruments of various companies. However, the percentage of shareholding of the Company in such investee companies is very low and hence, it has not been provided with future projections including projected profit and loss account by those investee companies. Hence, the independent valuer appointed by the Company has estimated fair value based on available historical Annual Reports of such companies and other information as available in the public domain. Since the future projections are not available, discounted cashflow approach for fair value determination has not been followed.

Note 2 : In case of some companies, there are no comparable companies valuations available and some are recent start up companies. In light of no information available for future projections, capacity utilisation, commencement of operations, etc., the valuation is based on cost approach.

ii) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during 2020-21 and 2019-20.

iii) Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

(₹ in lakhs)

Paticulars	Equity securities
Opening Balance (1 April 2020)	37,524.02
Net change in fair value (unrealised)	8,529.49
Purchases	-
Closing Balance (31 March 2021)	**46,053.51**

Transfer out of Level 3

There were no movement in level 3 in either directions during the year 2020-21 and 2019-20.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through a Financial risk management committee, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Audit cum finance committee and Board of Directors. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit cum finance committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Company's exposure to credit is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Revenue department has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Board of Directors.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Company may have a secured claim. The Company does not otherwise require collateral in respect of trade and other receivables.

The company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The provision matrix of ECL at the end of reporting period is as follows.

Particulars	Expected credit loss %
Within the credit Period	0.03%
1-90 days past due	0.32%
91-180 days past due	1.42%
181-270 days past due	5.18%
270-360 days past due	12.69%
360-450 days past due	26.62%
450-540 days past due	45.89%
540-630 days past due	63.96%
630-720 days past due	100.00%
More than 720 days past due	100.00%

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

(₹ in lakhs)

Particulars	Carrying amount	
	March 31, 2021	March 31, 2020
Neither past due nor impaired	57,636.59	87,323.40
Past due 1–30 days	1,353.00	11,633.16
Past due 31–90 days	18,873.03	36,361.45
Past due 91 days and above	23,549.48	136,958.03
	1,01,412.10	**272,276.04**

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

Movement in expected credit loss allowance (₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	7,871.62	7,908.78
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses Past due 31–90 days	(725.05)	(37.16)
	7,146.57	7,871.62

During the year 2020-21 and 2019-20, impairment provision was reduced by INR 725.05 Lakhs and INR 37.16 Lakhs respectively

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 19937.62 Lakhs at March 31, 2021 (₹ 1429.04 Lakhs at March 31, 2020). The cash and cash equivalents are held with approved scheduled banks.

Derivatives

The derivatives deals are done with AD category banks in OTC market and registered brokers in ETCD market.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Financing facilities: (₹ in lakhs)

Particulars	As at 31-03-2021	As at 31-03-2020
a) Secured cash credit, reviewed annually		
- amount used	3,500.97	4,149.44
- amount unused	42,999.03	42,419.05
b) Secured term loan		
- amount used	-	14,666.66
- amount unused	-	-
c) Unsecured bill acceptance facility		
- amount used	-	31,905.40
- amount unused	-	-
d) Unsecured commercial papers		
- amount used	-	30,000.00
- amount unused	1,00,000.00	70,000.00
e) Unsecured working capital demand loan		
- amount used	-	14,686.61
- amount unused	55,000.00	40,313.39
f) Unsecured Inter-Corporate Loan Facility		
- amount used	-	54,000.00
- amount unused	-	46,000.00
g) Unsecured bank overdraft facility/WCDL Facility		
- amount used	-	6,500.00
- amount unused	14,500.00	8,000.00

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in lakhs)

March 31, 2021	Contractual cash flows					
	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
INR						
Non-derivative financial liabilities						
Term loans from banks	-	-	-	-	-	-
Working capital loans from banks	3,500.97	3,500.97	3,500.97	-	-	-
Trade payables	45,245.25	45,245.25	45,245.25	-	-	-
Other current financial liabilities	25,588.86	25,588.86	25,588.86	-	-	-
Derivative financial liabilities						
Derivative contracts						
- Outflow	59.05	59.05	59.05	-	-	-

March 31, 2020	Contractual cash flows					
	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	14,666.66	14,666.66	5,333.33	5,333.33	4,000.00	-
Working capital loans from banks	141,241.45	141,241.45	141,241.45	-	-	-
Trade payables	40,697.33	40,697.33	40,697.33	-	-	-
Other current financial liabilities	24,216.86	24,216.86	24,216.86	-	-	-
Derivative financial liabilities						
Derivative contracts						
- Outflow	28.28	28.28	28.28	-	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of company's investments. Thus, company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to control the financial risks associated with the Foreign Exchange/Currency rate movements through a sophisticated Foreign Exchange Risk Management System.

Currency risk

The Company is exposed to currency risk on account of its import payables and borrowings in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts, Options and futures to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The company is using derivative instruments which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

Exposure to currency risk

The currency profile of financial assets and financial liabilities was as below: (₹ in lakhs)

Particulars	March 31, 2021 INR	March 31, 2021 USD[1]	March 31, 2021 CAD[1]	March 31, 2021 Others[1]
Financial assets				
Cash and cash equivalents	19,937.62	-	-	-
Other bank balances	1,271.70	-	-	-
Non-current investments	425,715.29	-	2,646.28	-
Current loans and advances	21,408.31	-	-	-
Trade and other receivables	97,230.18	2,738.47	-	1,443.44
Derivative assets	-	-	-	-
Other Non-Current financial assets	2,940.04	-	-	-
Other Current financial assets	86,838.64	-	-	-
	655,341.78	**2,738.47**	**2,646.28**	**1,443.44**
Financial liabilities				
Long term borrowings	-	-	-	-
Short term borrowings	3,500.97	-	-	-
Trade and other payables	33,321.40	11,657.02	6.39	260.44
Derivative liabilities	-	59.05	-	-
Other Current financial liabilities	25,588.86	-	-	-
	62,411.23	**11,716.07**	**6.39**	**260.44**

(₹ in lakhs)

Particulars	March 31, 2020 INR	March 31, 2020 USD[1]	March 31, 2020 CAD[1]	March 31, 2020 Others[1]
Financial assets				
Cash and cash equivalents	1,429.04	-	-	-
Other bank balances	1,092.25	-	-	-
Non-current investments	199,145.90	-	3,194.35	-
Current loans and advances	19,226.97	-	-	-
Trade and other receivables	268,414.18	3,841.98	-	19.88
Other non current financial assets	3,000.06	-	-	-
Other Current financial assets	886.69	-	-	-
	493,195.09	**3,841.98**	**3,194.35**	**19.88**
Financial liabilities				
Long term borrowings	9,333.33	-	-	-
Short term borrowings	109,336.05	31,905.40	-	-
Trade and other payables	35,991.85	4,621.92	-	83.56
Derivative liabilities	-	28.28	-	
Other Current financial liabilities	28,784.82	5.43	-	759.94
	183,446.05	**36,561.03**	**-**	**843.50**

1 - The figures are in INR Equivalent of respective currency

The following significant exchange rates have been applied during the year.

INR	Year-end spot rate	
	March 31, 2021	March 31, 2020
USD	73.50	75.39
CAD	58.82	53.49

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in lakhs)

	31 March 21		31 March 20	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
10% movement				
USD	220.12	204.01	(1,424.11)	(1,132.77)
CAD	264.63	(264.63)	319.44	(319.44)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. Company has repaid all long term borrowings during the FY 20-21 as follows :

(₹ in lakhs)

Particulars	Nominal amount in INR	
	March 31, 2021	March 31, 2020
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	-	14,666.67
Total	**-**	**14,666.67**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Interest Rate would have affected the finance cost, equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	31 March 21		31 March 20	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
1% movement				
Interest cost	-	-	146.67	(146.67)

Capital Management

The Company manages its capital to ensure that it will be able to continue as a Going Concern while maximising the return to stakeholders through optimisation of the Debt and Equity Balance.

Further, the Company was also subject to externally imposed capital requirement as part of its debt covenant for Term Loan for Melamine III plant, viz maintaining minimum Net Fixed Assets Coverage Ratio (of Melamine III Plant Assets) of 1.25 times throughout the currency of the loan.

The loan has been fully paid up during FY 20-21

(₹ in lakhs)

Particulars	INR	
	31st March, 2021	31st March, 2020
Net Fixed Assets (Melamine-III)	73,927.60	77,295.70
Total Debt (Melamine-III)	-	14,666.67
Net Fixed Asset Coverage Ratio	N.A.	5.27

42. Research & Development Expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Capital*	61.36	28.66
Recurring**	1,087.47	1014.81
Total	**1,148.83**	**1,043.47**
*Capital Expenses included in PPE Note No. 5	61.36	28.66
**Recurring Expenses included in		
Note No. 33 Employee Benefit expenses	1,068.54	1,001.68
Note No. 35 Other expenses	18.93	13.13

43. Corporate Social Responsibility

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Prescribed CSR expenditure @ 2%	792.14	990.13
Actual expenditure	1,591.52	990.00
Overspent Amount	799.25	-0.13

44. Details on derivative instruments and unhedged foreign currency exposure

(I) (a) There are no outstanding forward exchange contracts as on 31 March, 2021

(b) Currency Futures (other than forward exchange contracts stated above) which are not intended for trading or speculative purposes but for hedge purposes to hedge against fluctuations in changes in exchange rate.

Currency	Amount (in Mn)	Buy / Sell	Cross currency
USD	14.00	Buy	Rupees
USD	(44.00)	Buy	Rupees

Note: Figures in brackets relate to the previous year

(II) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise, represented in equivalent USD: USD 0.06 Mn (As at March 31, 2020: USD 9.16 Mn)

45. Leases

(i) The Company has taken various warehouses, godowns, guesthouses and office premises under operating lease or rental agreements. Effective 1st April, 2019, the company has adopted Ind AS 116 and applied to its leases, retrospectively, with the cumulative effect of initially applying the standard on the date of initial application (April 01, 2019). Accordingly, the Company has not restated comparative information and recognized right-of-use assets at an amount equal to the lease liability. Refer Note 5(ii) for details of right-of-use assets and Note 26 for details of Lease Liability. Interest on lease liability Rs 29.73 Lakhs in FY 2020-21 (Rs 42.86 Lakhs in FY 2019-20) has been included in Finance Costs and depreciation on right-of-use assets has been included in Depreciation and amortization expense for the year.

(ii) Rent income includes lease rentals received towards office premises and land leased out for gas station. Such operating lease is generally for a period of three to four years. There are no restrictions imposed by lease arrangements.

46. Ind As 115 : Revenue from Contracts with Customers

The Company generates revenue primarily from manufacturing of Fertilizers and Chemical Products. The Company has recognised revenue by satisfying its performance obligations at a point of time basis. The revenue from contracts with customers to the amounts disclosed as total revenue are as under: **(₹ in lakhs)**

Particulars	Year end 31st March, 2021	Year end 31st March, 2020
Revenue from Contract with Customers	5,35,202.29	516,096.43
Revenue from Subsidy from Government	2,14,758.64	245,986.00
Total Revenue	**7,49,960.93**	**762,082.43**

The disaggregation of Total Revenue is as under:

(A) Revenue – Segment-wise **(₹ in lakhs)**

Particulars	Year end 31st March, 2021	Year end 31st March, 2020
Fertilizer Products	5,72,897.84	606,123.01
Industrial Products	1,77,063.09	155,959.42
Total Revenue	**7,49,960.93**	**762,082.43**

(B) Revenue – Activity-wise **(₹ in lakhs)**

Particulars	Year end 31st March, 2021	Year end 31st March, 2020
Revenue generated from Manufacturing Activity	6,68,958.63	615,813.88
Revenue generated from Trading Activity	81,002.30	146,268.55
Total Revenue	**7,49,960.93**	**762,082.43**

(C) Contract Liability: **(₹ in lakhs)**

Particulars	Year end 31st March, 2021	Year end 31st March, 2020
Opening Balance of Contract Liability	1,707.39	1,543.87
Revenue Recognised from the opening balance of contract liability	1,707.39	1,543.87
Current year Contract liability - Carried Forward	3,193.54	1,707.39
Closing Balance of Contract Liability	3,193.54	1,707.39

The nature of services and its disclosure of timing of satisfaction of performance obligation is mentioned in para 3.1 of Note No 3.There are no contract assets in the Balance Sheet.Contract Liabilities in the Balance Sheet constitutes advance payments and billings in excess of revenue recognised. The Company expects to recognise such revenue in the next financial year.There were no significant changes in contract liabilities during the reporting period except amount as mentioned in the table and explanation given above.Under the payment terms generally applicable to the Company's revenue generating activities, prepayments are received only to a limited extent. Typically, payment is due upon or after completion of delivery of the goods.

47. Disclosure as per regulation 34(3) and 53(f) of Securities and Exchange Board of India (listing obligations and disclosures requirements) regulations, 2015:

Loans & Advances in the nature of loans to subsidiaries is ₹ Nil (PY: ₹ Nil)

48. Impact of Covid-19 Pandemic

In assessing the recoverability of receivables and certain investments, the company has considered internal and external information up to the date of approval of these financial statements and economic forecasts. Based on current indicators of future economic conditions, the company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the company will continue to closely monitor any material changes to future economic conditions.

49. Other Matters

(i) With respect to Fibre Unit and Polymer Unit, the Net Realizable Value is higher compared to its carrying value as on March 31, 2021.

(ii) The previous year's figures have been re-casted, regrouped and rearranged, whenever necessary to confirm to this year's classifications.

(iii) Balances of Sundry Creditors, Sundry Debtors, Loans & advances, etc. are subject to confirmation and reconciliation.

Signatures to Notes 1 to 49 forming the part of the Financial Statements.

In terms of our report attached

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No: 006711N / N500028

Brijesh Thakkar
Partner
Membership No: 135556

Gandhinagar
27th May, 2021

Mukesh Puri
Managing Director

V. D. Nanavaty
ED (Finance) & CFO

Jayaben Thakkar
Director

V. V. Vachhrajani
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of Gujarat State Fertilizers & Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

Auditor's Opinion

We have audited the accompanying consolidated financial statements of **Gujarat State Fertilizers & Chemicals Limited** (hereinafter referred to as "the Parent") and its subsidiary companies (the Parent and its subsidiaries together referred as "the Group"), and its associates, comprising the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind As") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2021, the consolidated profit, consolidated total comprehensive losses, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Evaluation of uncertain tax positions: The Group has material uncertain tax positions for liability of ₹ **29,628.30 Lakhs** including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 38 to the Consolidated Financial Statements.	***Principal Audit Procedures*** We evaluated the related accounting policy for provisioning for tax exposures. We have obtained details of completed tax assessments and demands upto the year ended March 31, 2021 from management. We evaluated auditee's response / opinion taken from various tax experts by auditee to challenge the underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at March 31, 2021 to evaluate whether any change was required to management's position on these uncertainties. We evaluated the adequacy of disclosures in the financial statements.

	Based on the above procedures performed, the results of management's assessment were considered to be consistent with the outcome of our procedures.
Impairment of property, plant and equipment: Group has discontinued its operations at Fiber & Polymer unit due to non-viability of its products. Carrying Value of the assets of the Fiber & Polymer unit as on 31st March 2021 works out to **₹ 5,593.46 Lakhs & ₹ 252.81 Lakhs** respectively**.** We have considered this issue to be a key audit matter because the analysis performed by management requires the use of complex estimates and judgments regarding the future earnings performances \ recoverable amount of the CGUs to which the aforementioned assets belong.	***Principal Audit Procedures*** We evaluated the management's various viable proposals, impairment calculations, assessing the net recoverable value of the CGU used in the models, and the process by which they were drawn up, including comparing them to the latest circle rates of the Land, and testing the underlying calculations. Based on our audit procedures, we found management's assessment in determining the carrying value of the property, plant and equipment of Fiber and Polymer unit to be reasonable. Refer Notes 49(i) to the Consolidated Financial Statements.
Assessment of implications of Government policies/notifications on recognition of subsidy revenue and its recoverability: During the year, Group has recognised subsidy revenue amounting to **₹ 2,14,758.64 Lakhs** and the aggregate amount of subsidy receivable as at March 31, 2021 is **₹ 50,901.92 Lakhs**. The amount of subsidy income and the balance receivable are significant to the Financial Statements. We focused on this area since the recognition of subsidy revenue and the assessment of recoverability of the related subsidy receivables is subject to significant judgements of the management. The areas of subjectivity and judgement include interpretation and satisfaction of conditions specified in the notifications / policies in the estimation of timing and amount of recognition of subsidy revenue, likelihood of recoverability and allowance if any in relation to the outstanding subsidy receivables.	***Principal Audit Procedures*** • We understood and evaluated the design and tested the operating effectiveness of controls as established by management in recognition of subsidy revenue and assessment of the recoverability of outstanding subsidy. • We evaluated the management's assessment regarding reasonable certainty of complying with the relevant conditions as specified in the notifications / policies. We also reviewed the calculation of urea concession income including escalation / de-escalation adjustments as per relevant policy parameters in this regard. • We assessed the reasonableness of the recoverability of subsidy receivable by reviewing the management's analysis and information used to determine the recoverability of subsidy receivable, ageing of receivables and historical collection trends and evaluated adequacy of disclosures in the Consolidated Financial Statements. Based on the above procedures performed, the management's assessment of implications of government notifications / policies on recognition of subsidy revenue and its recoverability was considered to be reasonable.
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers": Group primarily manufactures and sells a number of fertilizer and chemical products to its customers, mainly through its own distribution network. Sales contracts specifically w.r.t Bill and Hold transaction contains constructive obligation for transfer of control to the buyer. As per the terms of the contract with the customers, Group use to recognize the sale based on the invoicing and	***Principal Audit Procedures*** Our audit procedure focused on transactions occurring within proximity of the year end in the Fertilizer segment, obtaining evidence to support the appropriate timing of revenue recognition based on terms and conditions set out in sales contracts, delivery documents and dealers' confirmation. Based on the above procedures performed, we found management's assessment in recognizing the revenue for Bill & Hold transactions are to be reasonable.

considering the transfer of control and other criteria set out in para B81 of Ind AS 115. Refer Notes 46 to the Consolidated Financial Statements.	

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Parent's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Board's Report and Annexure to Board's Report, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its Associates in accordance with Ind As and the accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) The consolidated financial statements includes the unaudited/unreviewed financial statements/financial information of 4 subsidiaries, whose financial statement/financial information reflects total assets of **₹ 15,828.42 Lakhs** as at 31 March, 2021, total revenue of **₹ 45,777.23 Lakhs**, total net profit after tax of **₹ 1,072.21 Lakhs** and total comprehensive income of **₹ 1,072.21 Lakhs** for the year ended 31 March, 2021 respectively and net cash inflow of **₹ 1,585.91 Lakhs** for the year ended on 31 March, 2021 as considered in the financial statement. The consolidated financial statements also include associate profit after tax of **₹ 65.09 Lakhs** and total comprehensive income of **₹ 64.20 Lakhs** for the year ended 31 March, 2021, as considered in the statement of respect of 3 associates whose financial statements/financial information have not been audited by us. This financial statements/financial information are unaudited/unreviewed and have been furnished to us by the Management and our opinion on the consolidated financial statements/financial information, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is solely based on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statements / financial information are not material to the Group.

   Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements of the subsidiary and the other financial information of associate companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

   (c) The Consolidated Balance Sheet, the Consolidated statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

   (e) On the basis of the written representations received from the directors of the Parent & Subsidiary companies as on March 31, 2021 taken on record by the Board of Directors of the Parent / Subsidiary Company incorporated in India, none of the directors of these entities is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statement and the operating effectiveness of such controls, refer to our Report in "**Annexure A**", which is based on the auditor's report of the Parent Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for reasons stated therein.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as referred to in Note 38 to the consolidated financial statements.

      ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary company incorporated in India.

For T R Chadha & Co LLP
Firm's Reg. No-: 006711N/N500028
Chartered Accountants

Sd/-
Brijesh Thakkar
(Partner)
Membership No-135556
UDIN: 21135556AAAAGT8692

Place : Ahmedabad
Date : 27/05/2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED.

(Referred to in Paragraph 1(f) under the Heading of "Report on Other Legal and Regulatory Requirements" section of our Report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Parent Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of **GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED** (hereinafter referred to as "the Parent Company") and its subsidiary Companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its Subsidiaries companies which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial control with reference to financial statements of the Parent and its subsidiary companies, which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the other auditor of the subsidiary companies incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial with reference to financial statements of the Parent and its subsidiary companies incorporated in India.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditor, as referred to in the Other Matters paragraph below, the Parent and its subsidiary Companies which are incorporated in India, have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements established by the respective companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to consolidated / standalone financial statements of subsidiary companies which are incorporated in India, is based solely on the corresponding reports of the auditor of such company.

Our opinion is not modified in respect of the above matter.

For T R Chadha & Co LLP
Firm's Reg. No-: 006711N/N500028
Chartered Accountants

Sd/-
Brijesh Thakkar
(Partner)
Membership No-135556

Place : Ahmedabad
Date : 27/05/2021

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in lakhs)

Particulars	Note	As at 31st March 2021	As at 31st March 2020
A. ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipments	5	2,80,128.84	2,89,801.14
(b) Capital work-in-progress	5	11,726.86	10,705.50
(c) Right of Use Assets	5	160.47	230.46
(d) Other Intangible assets	6	157.75	158.20
(e) Financial Assets			
(i) Investments	7	4,33,066.70	2,08,741.19
(ii) Others financial assets	8	2,941.57	3,007.28
(f) Income tax assets (Net)	23	7,440.31	15,121.97
(g) Deferred tax assets (Net)	23	-	5,272.26
(h) Other non current assets	9	30,718.57	32,287.45
		7,66,341.07	**5,65,325.45**
2. Current assets			
(a) Inventories	10	99,657.37	1,37,368.75
(b) Financial Assets			
(i) Trade receivable	11	46,833.57	84,977.36
(ii) Government subsidies receivable	12	50,901.92	1,79,119.00
(iii) Cash and cash equivalents	13	23,498.95	3,404.47
(iv) Bank balances other than (iii) above	14	1,281.70	1,361.43
(v) Loans	15	21,430.87	19,229.80
(vi) Others financial assets	16	86,878.99	964.21
(c) Other current assets	17	14,849.23	19,820.83
		3,45,332.60	**4,46,245.85**
3. Assets held for sale	18	**478.98**	**703.98**
TOTAL ASSETS		**11,12,152.65**	**10,12,275.29**

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in lakhs)

Particulars	Note	As at 31st March 2021	As at 31st March 2020
B. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	19	7,969.55	7,969.55
(b) Other Equity	20	9,16,050.42	6,78,175.24
(c) Non Controlling Interest		157.71	128.52
		9,24,177.68	**6,86,273.31**
LIABILITIES			
1. Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	-	9,333.33
(b) Provisions	22	65,159.88	80,145.76
(c) Deferred Subsidy Income		93.81	105.03
(d) Deferred tax liabilities (Net)	23	24,005.01	-
		89,258.70	**89,584.12**
2. Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	3,500.97	1,41,241.45
(ii) Trade payables	25	-	-
- Total outstanding dues of MSMED		801.30	809.66
- Total outstanding dues of creditors other than MSMED		48,660.32	42,757.80
(iii) Other financial Liabilities	26	26,054.47	29,783.04
(b) Other current liabilities	27	6,216.35	7,954.67
(c) Provisions	28	13,207.05	13,337.18
(d) Current tax liabilities (Net)	23	275.81	534.06
		98,716.27	**2,36,417.86**
TOTAL EQUITY & LIABILITIES		**11,12,152.65**	**10,12,275.29**
See accompanying notes forming part of the consolidated financial statements	1 to 51		

In terms of our report attached

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No: 006711N / N500028

Brijesh Thakkar
Partner
Membership No: 135556

Gandhinagar
27th May, 2021

Mukesh Puri
Managing Director

Jayaben Thakkar
Director

V. D. Nanavaty
ED (Finance) & CFO

V. V. Vachhrajani
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in lakhs)

Particulars	Note	Year Ended 31st March	
		2021	2020
I Income			
Revenue from operations	29	7,63,406.14	7,79,797.79
Other income	30	18,317.73	10,651.06
Total income		**7,81,723.87**	**7,90,448.85**
II Expenses			
Cost of materials consumed	31	3,95,179.76	3,59,718.06
Purchase of stock in trade		59,867.87	1,43,126.71
Changes in inventories of finished goods, work in process and stock in trade	32	32,422.71	21,618.60
Power and Fuel		65,010.24	65,253.35
Employee benefits expense	33	69,560.90	72,883.58
Finance costs	34	4,299.52	11,479.74
Depreciation and amortization expense		17,719.57	17,094.87
Other expenses	35	84,234.70	85,476.16
Total Expenses		**7,28,295.27**	**7,76,651.07**
III Profit before exceptional items and tax (I-II)		**53,428.60**	**13,797.78**
IV Share of profit of Associates		65.09	293.96
V Profit before tax		**53,493.69**	**14,091.74**
VI Tax expense			
Current tax		7,462.28	299.45
Deferred tax	23	6,348.61	2,478.95
MAT credit recognised		(3,261.99)	-
Earlier Year Tax	23	(2,065.95)	348.89
VII Profit for the year		**45,010.73**	**10,964.45**
VIII Other Comprehensive Income			
(A) Items that will be reclassified to profit or loss		-	-
(B) Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		(931.92)	(30,929.40)
Income tax effect on above		325.34	10,807.00
Net fair value (loss) / gain on investments in equity instruments at FVTOCI		2,24,766.44	(28,392.23)
- Income tax effect on above		(26,515.99)	2,211.04
Net other comprehensive income that will not be reclassified to profit or loss		**1,97,643.87**	**(46,303.59)**
IX Total Comprehensive Income for the year (VII+VIII)		**2,42,654.60**	**(35,339.14)**
Net Profit attributable to :			
(a) Owners of the company		45,013.03	10,959.05
(b) Non Controlling Interest		(2.29)	5.40
Other Comprehensive Income attributable to :			
(a) Owners of the company		1,97,643.87	(46,303.59)
(b) Non Controlling Interest		-	-
Total Comprehensive Income attributable to :			
(a) Owners of the company		2,42,656.90	(35,344.54)
(b) Non Controlling Interest		(2.29)	5.40
Earnings per equity share (face value of ₹ 2/- each)			
Basic and Diluted Earnings per equity share:	36	**11.30**	**2.75**
See accompanying notes forming part of the financial statements	1 to 51		

In terms of our report attached

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Membership No: 135556

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2021

(₹ in lakhs)

Particulars	Year Ended 31st March	
	2021	2020
A Cash Flow From Operating Activities :		
Profit Before Tax	53,493.69	14,091.73
Adjustments for :		
Depreciation and amortisation expense	17,719.57	17,094.87
Amortisation of lease hold land	294.87	355.98
Share of Profit of Associates	(65.09)	(293.96)
Finance cost	4,273.68	11,469.26
Interest income	(787.83)	(133.37)
loss/ (Profit) on fixed assets sold	(4,343.04)	424.08
Dividend income	(3,493.01)	(3,490.40)
Impairment in value of Investment	548.07	870.03
Provision for doubtful debts/advances	217.37	536.08
Operating Profit before Working Capital Changes	67,858.28	40,924.30
Movements in working capital:		
Inventories	37,711.38	28,155.56
Trade receivables, loans and advances and other assets	95,498.83	(14,586.50)
Trade payables, other current liabilities and provision	(27,810.36)	(49,424.65)
Cash Generated from Operations	1,73,258.12	5,068.71
Direct taxes paid (net of refunds)	5,403.27	(5,866.30)
Net Cash Flow from Operating Activities	1,78,661.39	(797.59)
B Cash Flow From Investing Activities :		
Purchase of property, plant & equipments (including CWIP & capital advances)	(8,840.69)	(30,170.60)
Proceeds from sale of immovable property	4,200.35	-
Purchase of non current investments	(1,696.54)	(73.28)
Interest received	517.83	144.25
Dividend received	3,541.01	3,538.40
Net Cash Flow used in Investing Activities	(2,278.03)	(26,561.23)
C Cash Flow From Financing Activities		
Proceeds from issue of shares	160.00	-
Repayment of long term borrowings	(9,333.32)	(5,333.33)
Net increase/(decrease) in short term borrowings	(1,37,740.48)	54,372.66
Interest paid	(4,498.79)	(11,732.80)
Dividend paid (including tax thereon)	(4,876.29)	(10,625.44)
Net Cash Flow from/ (used in) Financing Activities	(1,56,288.88)	26,681.09
Net Increase/(Decrease) in Cash & Cash Equivalents	20,094.48	(677.73)
Cash and Cash Equivalents as at the beginning of the year	3,404.47	4,082.20
Cash and Cash Equivalents as at end of the year (Refer Note-13)	23,498.95	3,404.47
Notes:		
Components of Cash and cash equivalents		
Cash on hand	43.36	89.20
Balances with banks		
In current accounts	6,735.84	3,315.27
Deposits with original maturity of less than three months	2,819.75	-
Liquid Deposits with Financial Institutions	13,900.00	-
Total Cash and cash equivalents	23,498.95	3,404.47

The Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7 on Cash Flows Statement.

See accompanying notes forming part of the financial statements

In terms of our report attached

For **T R Chadha & Co LLP**
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Firm Registration No: 006711N / N500028

Brijesh Thakkar
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Membership No: 135556

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V. V. Vachhrajani
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCIE)

Note (a) : Equity share capital **(₹ in lakhs)**

Particulars	Amount
Balance as at April 01, 2019	7,969.55
Changes in equity share capital during the year	-
Balance as at March 31, 2020	7,969.55
Balance as at April 01, 2020	7,969.55
Changes in equity share capital during the year	-
Balance as at March 31, 2021	7,969.55

Note (b) : Other equity **(₹ in lakhs)**

Particulars	Reserves & Surplus					Items of OCI	Total Equity
	Capital reserve	Security premium	Capital redemption reserve	General reserve	Retained earnings	Equity Instruments through OCI	
Balance as at April 01, 2019	2,456.71	30,524.02	3,335.00	4,84,153.31	47,252.69	1,56,376.56	7,24,098.28
Capital Reserve on acquisition of shares in Associates							
Profit for the year	-	-	-	-	10,958.45	-	10,958.45
Other comprehensive income for the year net of income tax	-	-	-	-	-	(26,181.19)	(26,181.19)
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	(20,122.40)	-	(20,122.40)
Total comprehensive income for the year	-	-	-	-	(9,163.95)	(26,181.19)	(35,345.14)
Dividends paid [Note 20]	-	-	-	-	(8,766.50)	-	(8,766.50)
Dividend Distribution Tax (DDT) [Note 20]	-	-	-	-	(1,811.40)	-	(1,811.40)
Transfer to General reserve	-	-	-	-	-	-	-
Balance as at March 31, 2020	2,456.71	30,524.02	3,335.00	4,84,153.31	27,510.84	1,30,195.36	6,78,175.24
Balance as at April 01, 2020	2,456.71	30,524.02	3,335.00	4,84,153.31	27,510.84	1,30,195.36	6,78,175.24
Profit for the year	-	-	-	-	45,013.03	-	45,013.03
Other comprehensive income for the year net of income tax	-	-	-	-	-	1,98,250.45	1,98,250.45
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	(606.58)	-	(606.58)
Total comprehensive income for the year	-	-	-	-	44,406.45	1,98,250.45	2,42,656.90
Dividends paid [Note 20]	-	-	-	-	(4,781.72)	-	(4,781.72)
Transfer to General reserve	-	-	-	23,000.00	(23,000.00)	-	-
Balance as at March 31, 2021	2,456.71	30,524.02	3,335.00	5,07,153.31	44,135.56	3,28,445.82	9,16,050.42

In terms of our report attached

For **T R Chadha & Co LLP**
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Firm Registration No: 006711N / N500028

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Partner
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Gandhinagar
27th May, 2021

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Managing Director

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Company Secretary

Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements for the year ended March 31, 2021

1. Corporate Information

Gujarat State Fertilizers and Chemicals Limited “the Company” is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is principally engaged in production of fertilizers and chemicals. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Fertilizernagar - 391 750, Dist. Vadodara.

These consolidated financial statements were authorised for issuance by the Board of Directors of the Company in their meeting held on May 27, 2021.

2. Basis of preparation of Consolidated Financial Statements

2.1) Basis of preparation and compliance with Ind AS

The consolidated financial statements are prepared in accordance with the principles and procedures laid down under the Accounting Standard notified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

2.2) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company, its subsidiaries and equity accounting of its investment in associates.

Consolidation financial statements are prepared using uniform accounting policies for like transactions and other event in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements, appropriate adjustments are made to that group member’s financial statements in preparing the consolidated financial statements to ensure conformity with the group’s accounting policies.

The financial statements of all the entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, jointly controlled entity or associate, the respective entity prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the said entity, unless it is impracticable to do so.

The consolidated financial statements have been prepared on the following basis.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its power and involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are considered for consolidation when the Group obtains control over the subsidiary and are derecognized when the Group loses control of the subsidiary. Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains resulting on intra-group transactions are eliminated in full. Unrealized losses resulting from intra-group transactions are eliminated in arriving at the carrying amount of assets unless transaction provides an evidence of impairment of transferred asset.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the Statement of Profit and Loss and Consolidated Balance Sheet, separately from parent shareholders’ equity. Profit and loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Groups interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Associates - Equity Accounting

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group’s share of post-acquisition profits or losses and that of other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment. Unrealized gains and losses resulting from transactions between the Group, Associate entities are eliminated to the extent of the interest in the Associate entities.

After application of the equity method, at each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there exists such evidence, the Group determines extent of impairment and then recognizes the loss in the Statement of Profit and Loss.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate and the fair value of the retained investment and proceeds from disposal is recognized in profit and loss.

The list of companies included in consolidation, relationships with the company and shareholding therein is provided in Note No. 50.

2.3) Basis of measurement

The consolidated financial statements have been prepared on a going concern basis, using historical cost convention and on an accrual method of accounting, except for the following assets and liabilities which have been measured at fair value, as required by relevant Ind AS.

1. Derivative financial instruments
2. Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
3. Defined benefit plans

2.4) Functional and presentation currency

The consolidated financial statements are prepared in Indian Rupees, which is the Group's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimals.

2.5) Current and non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is classified as current if it satisfies any of the following criteria:

a) It is expected to be realised or intended to sold or consumed in the Group's normal operating cycle,

b) It is held primarily for the purpose of trading,

c) It is expected to be realised within twelve months after the reporting period, or

d) It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if it satisfies any of the following criteria:

a) it is expected to be settled in the Group's normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current. Current liabilities include current portion of non-current financial liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. The Group has applied the following accounting policies to all periods presented in the consolidated financial statements.

3.1 Revenue recognition

The Group derives revenues primarily from manufacturing of Fertilizers and Chemical Products.

Revenue from Operations is recognised in the Statement of Profit and Loss when:

- The income generating activities have been carried out on the basis of a binding agreement.
- The income can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Group.
- Costs relating to the transaction can be measured reliably.

Revenue for all businesses is recognized upon transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for the goods and services.

Sale of fertilizer products is recognised net of returns and trade discounts. Sales exclude sales tax/value added tax/GST collected on behalf of Government. Revenue is also recognised on sale of goods in case where the delivery is kept pending at the instance of the customer, as the performance obligation has been satisfied and control are transferred and customer takes title and accepts billing as per usual payment terms.

Sales of industrial products are accounted on the dispatch basis except export sales, which are recognised on the basis of bill of lading on satisfaction of performance and transfer of control.

The amounts receivable from various agencies are accounted for on accrual basis except interest on delayed payments, refunds from customs & excise authorities, insurance claims (other than marine claims), etc. where it is not possible to ascertain the income with reasonable accuracy or in absence of finality of the transaction.

Revenues in excess of invoicing are classified as contract assets (referred as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Subsidy income

Urea subsidy income is recognised on the basis of the rates notified from time to time by the Government of India on the quantity of fertilisers sold by the Company for the period for which notification has been issued, further adjusted for input price escalation/de-escalation estimated by management, based on prescribed norms as notified by Govt. of India.

Subsidy on Phosphatic and Potassic (P&K) fertilizers is recognized as per concession rates notified by the Government of India in accordance with Nutrient Based Subsidy Policy from time to time and Freight subsidy has been accounted for in line with the policy of the Government of India.

Subsidy on City Compost is recognized based on rates, as notified by the Government of India.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

Dividends

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Insurance Claims

Claims receivable on account of insurance are accounted for to the extent no significant uncertainty exist for the measurement and realisation of the amount.

Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

3.2 Taxes

Tax expense comprises of current income tax & deferred tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in India where the entity operates and generates taxable income.

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Group recognizes tax credits in the nature of Minimum Alternate Tax (MAT) credit entitlement only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward, sufficient to utilize the MAT credit entitlement. The carrying amount of tax credit is reviewed at each reporting date as stated above.

3.3 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

3.4 Property, plant and equipment and intangible assets

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost. Otherwise, such items are classified as inventories. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Assets under erection / installation of the existing projects and on-going projects are shown as "Capital Work in Progress".

Capital advances given for procurement of Property, plant and equipment are treated as other non-current assets.

In the absence of availability of specific original cost in respect of a part of assets capitalised under turn-key contracts, the original value of such asset written / disposed off is estimated on the basis of its current cost adjusted for price and technological factors.

Major cost of civil works required as plant and machinery supports, on the basis of technical estimates, is considered as Plant & Machinery.

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Cost of intangible assets comprises of purchase price and attributable expenditure on making the asset ready for its intended use. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Research and Development

Capital expenditure on Research & Development activities is included in Property, plant and equipment to the extent it has alternative economic use. Revenue expenditure pertaining to research activity is charged under respective account heads in the statement of Profit & Loss.

Depreciation methods, estimated useful lives and residual value

Depreciation on Property, plant and equipment is provided on Straight Line Method at the rates prescribed in Schedule II to the Company's Act, 2013. Depreciation on additions to Property, plant and equipment and assets disposed off / discarded is charged on pro-rata basis. Depreciation on commissioning of plants and other assets of new projects is charged for the days they are actually put to use.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Leasehold land, other than that on perpetual lease, is amortized over the life of the lease.

Intangible assets are amortized over their estimated economic lives but not exceeding ten years on a straight-line basis.

The useful lives of the property, plant and equipment are as follows:

Assets	Estimated Useful life
Freehold Land	—
Leasehold Land	20 years
Buildings	30-60 years
Bridge, culverts, bunders, etc.	30 years
Roads	5-10 years
Plant and machinery	15-25 years
Furniture and fittings	10 years
Motor Vehicles	5-10 years
Railway sidings	15 years
Office equipment	5 years
Computers and Data Processing units	3-6 years
Laboratory equipment	10 years
Electrical Installation and Equipment	10 years
Library books	15 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.5 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is determined:

(i) In case of individual asset, at higher of the fair value less cost to sell and value in use; and

(ii) In case of cash-generating unit (a Group of assets that generates identified, independent cash flows), at the higher of the cash-generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.7 Leases

Transition

Effective April 01, 2019, the Group adopted Ind As 116 "leases" and applied the standard to all applicable lease contracts existing on April 1, 2019 using the modified retrospective method with cumulative effect of initially applying the standard recognised on the date of initial application. Accordingly, Group has not restated comparative information and recognised right of use assets at an amount equal to lease liability.

The Group's lease asset primarily consists of leases for buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

Group as a lessee

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. The higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and finance cost portion of lease payments have been classified as financing cash flows.

Group as a lessor

At the inception of the lease, the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income over the lease term on a straight-line basis.

3.8 Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, process chemicals, stores and spares, packing materials, trading and other products are determined on weighted average basis.

3.9 Employee benefits

Defined benefit plans:

(i) Short-term employee benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

(ii) Post Employment benefits

(a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Parent has set up separate recognized Provident Fund trusts for all the units of the Group.

Contributions paid / payable for Provident Fund of eligible employees and National Pension Scheme is recognized in the statement of Profit and Loss each year. The Parent has an obligation to make good the shortfall, if any, between the return from the investments of the trusts and the interest rate notified by Government.

(b) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Parent's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Post employment defined benefits plans comprise of gratuity, superannuation and Post Retirement Medical Benefit for eligible employees of the Group. Post employment benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The Group also contributes to a government administered Family Pension fund on behalf of its employees. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

(iii) Other long-term employee benefits

Other long-term employee benefits comprise of leave encashment for eligible employees of Group. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

3.10 Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

(A) Financial Assets

The Group determines the classification of its financial assets at initial recognition. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The financial assets are classified in the following measurement categories:

a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

b) Those to be measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss as incurred.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments.

(i) Amortised Cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

a) The asset is held within a business model with the objective of collecting the contractual cash flows, and

b) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost include loans receivable, trade and other receivables, and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement at fair value, the financial assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the Statement of Profit or Loss in other income.

(ii) Fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(iii) Financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss:

a) Debt investments that do not qualify for measurement at amortised cost;

b) Debt investments that do not qualify for measurement at fair value through other comprehensive income; and

c) Debt investments that have been designated at fair value through profit or loss.

Financial assets at fair value through profit or loss include financial assets held for trading, debt securities and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the Balance Sheet at fair value with net changes in fair value presented as finance costs in profit or loss if the same is considered as an adjustment to borrowing cost. Interests, dividends and gain/loss on foreign exchange on financial assets at fair value through profit or loss are included separately in other income.

If Group elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments shall continue to be recognised in profit or loss as other income when the Group's' right to receive payments is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss shall be recognised in other gain / (losses) in the statement of profit or loss as applicable.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of the transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of Financial Assets

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance.

b) Trade receivables or any contractual right to receive cash or other financial asset that result from transactions that are within the scope of Ind AS 18.

An expected credit loss is the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the group expects to receive. The expected credit losses consider the amount and timing of payments and hence, a credit loss arises even if the Group expects to receive the payment in full but later than when contractually due. The expected credit loss method requires to assess credit risk, default and timing of collection since initial recognition. This requires recognising allowance for expected credit losses in profit or loss even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12 month expected credit losses or life time expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. '12 month expected credit losses' represent the expected credit losses resulting from default events that are possible within 12 months after the reporting date. 'Lifetime expected credit losses' represent the expected credit losses that result from all possible default events over the expected life of the financial asset.

Trade receivables are of a short duration, normally less than 12 months and hence the loss allowance measured as lifetime expected credit losses does not differ from that measured as 12 month expected credit losses. The Group uses the practical expedient in Ind AS 109 for measuring expected credit losses for trade receivables using a provision matrix based on ageing of receivables.

The Group uses historical loss experience and derived loss rates based on the past twelve months and adjust the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the ageing of the amounts that are past due and are generally higher for those with the higher ageing.

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recognised using the effective interest rate (EIR), which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial asset is recognised using the original EIR.

Dividends

Dividends are recognised as revenue when the right to receive payment is established.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(B) Financial Liabilities

The Group determines the classification of its financial liabilities at initial recognition.

Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. Loans and borrowings, payables are subsequently measured at amortised cost where as derivatives are measured at fair value through profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities to hedge risks which are not designated as hedges. At initial recognition, the Group measures financial liabilities at its fair value. Financial liabilities at fair value through profit and loss are carried in the Balance Sheet at fair value with changes recognised in the Statement of Profit and Loss.

Financial liabilities measured at amortised cost

Financial liabilities are initially recognised at fair value, net of transaction cost incurred and are subsequently measured at amortised cost, using the EIR method. Any difference between the proceeds net of transaction costs and the amount due on settlement or redemption of borrowings is recognised over the term of the borrowing.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest charge over the relevant effective interest rate period. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(C) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Consolidated Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counter party.

(D) Derivative financial instruments

The Group's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives consistent with the Group's risk management strategy. Changes in values of all derivatives of a financing nature are included within financing costs if the same is considered as adjustment to borrowing cost in the Statement of Profit and Loss whereas other foreign exchange fluctuation is disclosed under other expenses. The Group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date.

(E) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

3.11 Foreign currencies

(a) Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees, which is the Group's functional and presentation currency. Each entity in the Group determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of each entity are measured using that functional currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Profit and Loss within 'Finance costs'. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss within 'Other operating expenses'.

3.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

3.13 Segment accounting:

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services.

The accounting polices adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocated to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

The Group has identified two reportable business segments i.e. Fertilizer products and Industrial products. The Group operates mainly in Indian market and there are no reportable geographical segments.

3.14 Provisions, Contingent liabilities, Contingent assets and Commitments: General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;

A present obligation arising from the past events, when no reliable estimate is possible;

A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

3.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders (Net of Non-Controlling Interest) by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3.16 Cash flow statement

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals of accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and finance activities of the Group are segregated.

4. Critical and significant accounting judgements, estimates and assumptions

4.1 Critical estimates and judgements

The following are the critical judgements, apart from those involving estimations that the management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Useful lives of property, plant and equipment and intangible assets:

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2021 management assessed that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

Allowance for expected credit losses:

Note 41 describes the use of practical expedient by computing the expected credit loss allowance for trade receivables other than subsidy receivables based on provision matrix. The expected credit allowance is based on the aging of the days receivables are due and the rates derived based on past history of defaults in the provision matrix. As regards subsidy receivables, the Group does not believe that there is any credit risk as dues are receivable from the Government and hence no allowance for expected credit loss is made.

Dismantling cost of property, plant and equipment:

Note 22 describes assets retirement obligation on estimate basis for property, plant and equipment. The management estimates dismantling cost considering size of the asset and its useful life in line with industry practices.

Stores and spares inventories:

The Group's manufacturing process is continuous and highly mechanical with wide range of different types of plant and machineries. The Group keeps stores and spares as standby to continue the operations without any disruption. Considering wide range of stores and spares and long lead time for procurement of it and based on criticality of spares, the Group believes that net realizable value would be more than cost.

Fair value of investments:

The Group has invested in the equity instruments of various companies. However, the percentage of shareholding of the Group in some of such investee companies is low and hence, it has not been provided with future projections including projected profit and loss account by those investee companies. Hence, the valuation exercise carried out by the Group with the help of an independent valuer has estimated the fair value at each reporting period based on available historical annual reports and other information in the public domain. In case of other companies, where there are no comparable companies' valuations available (also includes start-up companies) and no further information available for future projections, capacity utilisation, commencement of operations, etc., the method of valuation followed is cost approach. The Group evaluates the aforesaid position at each period end.

Income taxes:

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

4.2 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

Determination of lease term & discount rate:

Ind AS 116 leases requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factor such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying to the Group's operations taking into account the location of the underlying asset and availability of the suitable alternatives. The lease term in future period is reassessed to ensure that the lease term reflects the current economic circumstances.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The group based on its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow model. The cash flows are derived from the budget for the next five years and do not include activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the Cash Generating Unit being tested. The recoverable amount is sensitive to the discount rate used for the Discounted Cash Flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

The cost of the defined benefit plans viz. gratuity, superannuation for the eligible employees of the group are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rate.

Further details about gratuity obligations are given in Note 37.

Provision and contingent liability

On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Note - 5 (i) Property, Plant and Equipment

(₹ in lakhs)

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
PARTICULARS	As at 01-Apr-20	Additions	Deductions/ Adjustments	As at 31-Mar-21	As at 01-Apr-20	Charge for the year	Deductions/ Adjustments	As at 31-Mar-21	Balance As at 31-Mar-21	Balance As at 31-Mar-20
Freehold land	3,242.89		0.63	3,242.26	-	-	-	-	3,242.26	3,242.89
Leasehold land	1,640.56	957.43		2,597.99	59.83	119.58	-	179.41	2,418.58	1,580.73
Buildings	20,334.10	844.35	19.39	21,159.06	2,885.34	708.95	15.16	3,579.13	17,579.93	17,448.76
Bridge, culverts,bunders,etc.	0.18	-	-	0.18	0.09	0.02	-	0.11	0.07	0.09
Roads	415.45	26.10	-	441.55	75.58	33.19	-	108.77	332.78	339.87
Plant and machinery	3,01,483.07	5,206.43	1,010.39	3,05,679.11	49,449.30	14,689.45	932.77	63,205.98	2,42,473.13	2,52,033.77
Furniture and fittings	1,015.13	208.82	16.58	1,207.37	150.89	124.71	15.57	260.03	947.34	864.24
Motor Vehicles	260.01	5.06	0.32	264.75	154.01	16.54	0.30	170.25	94.50	106.00
Railway sidings	2,208.14	-	-	2,208.14	559.62	121.60	-	681.22	1,526.92	1,648.52
Office equipment	901.60	219.08	21.83	1,098.85	538.18	116.44	20.73	633.89	464.96	363.42
Computers and Data Processing units	628.99	248.92	17.54	860.37	252.41	140.32	16.66	376.07	484.30	376.58
Laboratory equipment	1,591.56	29.12	24.23	1,596.45	375.75	159.17	20.10	514.82	1,081.63	1,215.81
Electrical Installation and Equipment	13,071.41	142.25	103.49	13,110.17	2,498.73	1,233.70	98.31	3,634.12	9,476.05	10,572.68
Library books	16.96	-	-	16.96	9.18	1.39	-	10.57	6.39	7.78
TOTAL	3,46,810.05	7,887.56	1,214.40	3,53,483.21	57,008.91	17,465.06	1,119.60	73,354.37	2,80,128.84	2,89,801.14
Capital work in progress									11,726.86	10,705.50

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
PARTICULARS	As at 01-Apr-19	Additions	Deductions/ Adjustments	As at 31-Mar-20	As at 01-Apr-19	Charge for the year	Deductions/ Adjustments	As at 31-Mar-20	Balance As at 31-Mar-20	Balance As at 31-Mar-19
Freehold land	551.47	2,691.42	-	3,242.89	-	-	-	-	3,242.89	551.47
Leasehold land	705.30	935.26	-	1,640.56	25.60	34.23	-	59.83	1,580.73	679.70
Buildings	19,110.82	1,223.28	-	20,334.10	2,191.83	693.51	-	2,885.34	17,448.76	16,918.99
Bridge, culverts,bunders,etc.	0.18	-	-	0.18	0.08	0.01	-	0.09	0.09	0.10
Roads	409.28	6.17	-	415.45	44.80	30.78	-	75.58	339.87	364.48
Plant and machinery	2,86,410.91	18,043.33	2,971.17	3,01,483.07	37,684.82	14,288.61	2,524.13	49,449.30	2,52,033.77	2,48,726.09
Furniture and fittings	966.71	56.83	8.41	1,015.13	37.21	116.75	3.07	150.89	864.24	929.50
Motor Vehicles	270.49	10.83	21.31	260.01	141.08	26.09	13.16	154.01	106.00	129.41
Railway sidings	2,122.13	86.01	-	2,208.14	444.91	117.51	2.80	559.62	1,648.52	1,677.22
Office equipment	850.60	69.10	18.10	901.60	430.10	122.41	14.33	538.18	363.42	420.50
Computers and Data Processing units	585.38	117.43	73.82	628.99	207.87	114.67	70.13	252.41	376.58	377.51
Laboratory equipment	1,549.66	54.65	12.75	1,591.56	229.65	157.88	11.78	375.75	1,215.81	1,320.01
Electrical Installation and Equipment	11,090.85	1,980.56	-	13,071.41	1,425.80	1,072.93	-	2,498.73	10,572.68	9,665.05
Library books	16.96	-	-	16.96	7.67	1.51	-	9.18	7.78	9.29
TOTAL	3,24,640.74	25,274.87	3,105.56	3,46,810.05	42,871.42	16,776.89	2,639.40	57,008.91	2,89,801.14	2,81,769.32
Capital work in progress									10,705.50	18,722.78

5. (ii) Right of Use Assets

(₹ in lakhs)

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
PARTICULARS	As at 01-Apr-20	Additions	Deductions/ Adjustments	As at 31-Mar-21	As at 01-Apr-20	Charge for the year	Deductions/ Adjustments	As at 31-Mar-21	Balance As at 31-Mar-21	Balance As at 31-Mar-20
Leasehold Building	373.25	93.20	70.70	395.75	142.79	142.21	49.72	235.28	160.47	230.46
TOTAL	373.25	93.20	70.70	395.75	142.79	142.21	49.72	235.28	160.47	230.46

(₹ in lakhs)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-19	Additions	Deductions/ Adjustments	As at 31-Mar-20	As at 01-Apr-19	Charge for the year	Deductions/ Adjustments	As at 31-Mar-20	Balance As at 31-Mar-20	Balance As at 31-Mar-19
Leasehold Building	-	375.62	2.37	373.25	-	143.60	0.81	142.79	230.46	-
TOTAL	-	375.62	2.37	373.25	-	143.60	0.81	142.79	230.46	-

6. Intangible assets

(₹ in lakhs)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-20	Additions	Deductions/ Adjustments	As at 31-Mar-21	As at 01-Apr-20	Charge for the year	Deductions/ Adjustments	As at 31-Mar-21	Balance As at 31-Mar-21	Balance As at 31-Mar-20
Computer software	1,316.14	111.84	-	1,427.98	1,157.94	112.29	-	1,270.23	157.75	158.20
TOTAL	1,316.14	111.84	-	1,427.98	1,157.94	112.29	-	1,270.23	157.75	158.20

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-19	Additions	Deductions/ Adjustments	As at 31-Mar-20	As at 01-Apr-19	Charge for the year	Deductions/ Adjustments	As at 31-Mar-20	Balance As at 31-Mar-20	Balance As at 31-Mar-19
Computer software	1,294.15	21.99	-	1,316.14	983.56	174.38	-	1,157.94	158.20	310.59
TOTAL	1,294.15	21.99	-	1,316.14	983.56	174.38	-	1,157.94	158.20	310.59

Notes

1 Asset acquisition includes R&D assets of ₹ 61.36 lakhs (previous year ₹ 28.66 lakhs).

2 The Company has leased a portion of its land to Bank of Baroda for bank premises at Fertilizernagar and Sikka and Gas Authority of India Ltd. (GAIL) for establishment of CNG pumping station.

3 The Company established Sikka Jetty at its own cost, which is in operation since 1987. After due discussion with Gujarat Maritime Board (GMB), a consensus was arrived at establishing ownership of jetty with the Company. Thereafter, in terms of resolution passed by GMB, the ownership of the jetty at Sikka was transferred to the Company. However, during 1994, GMB has reversed its earlier decision not supported by resolution and contended that the ownership of the jetty rests with GMB. The Company has made representation to the appropriate authority with regards to the ownership of the jetty with the Company.

The matter of deciding the status of Jetty was under examination at GMB & Government of Gujarat levels since long back. Various meetings were also held and after due diligence on the matter, it is decided by the Board of GMB supported by a resolution to assign the status of Captive Jetty to sikka jetty and the Company has to sign Captive Jetty Agreement with GMB. The matter is under discussion with GMB authorities. At present the Company is in possession of the Jetty and continues to be the owner of the Jetty pending signing of the Agreement.

Notes to the Consolidated Financial Statements

7. Non-current investments

(₹ in lakhs)

Praticulars		As at 31-03-2021	As at 31-03-2020
Investments in equity shares of Associates measured under equity method			
14,302	shares of Vadodara Enviro Channel Ltd. - ₹ 10 each*	147.94	166.80
12,50,000	shares of Gujarat Green Revolution Company Ltd. - ₹ 10 each	8,589.46	7,802.60
1,63,34,558	Shares of Karnalyte Resources Inc - Canadian Dollar (CAD)	2,397.10	3,100.91
	Less : Provision for Impairment (Note - f)	1,418.10	870.03
		9,716.41	**10,200.29**
Unquoted equity shares of other companies measured at fair value through OCI			
22,50,000	Shares of Indian Potash Limited - ₹ 10 each	17,857.35	12,115.35
12,26,31,575	Shares of Gujarat Chemical Port Terminal Co. Ltd. - ₹ 1 each	25,740.37	23,263.21
	1 Share of Gujarat State Electricity Corporation Ltd – ₹ 10 each (Note - b)	-	-
2,35,00,000	Shares of Gujarat State Petroleum Corporation Limited – ₹ 1 each	2,319.45	2,023.35
41,79,848	Shares of Tunisian Indian Fertilizers (TIFERT s.a.) - TND 10 each (Note - c)	-	-
60,000	Shares of Gujarat Venture Finance Limited – ₹ 10 each	115.27	101.54
50,000	Shares of Biotech Consortium India Limited – ₹ 10 each	21.07	20.57
1,15,000	Shares of Gujarat Data Electronics Limited - ₹ 10 each	-	-
		46,053.51	**37,524.02**
Quoted equity shares of other companies measured at fair value through OCI			
3,07,79,167	Shares of Gujarat Narmada Valley Fertilizers Co. Ltd. - ₹ 10 each	92,399.06	35,303.70
2,23,62,784	Shares of Gujarat Industries Power Company Ltd. - ₹ 10 each	16,939.81	11,159.03
16,55,040	Shares of Gujarat Alkalies & Chemicals Ltd. - ₹ 10 each	5,706.58	3,690.74
4,69,14,475	Shares of Gujarat Gas Ltd. - ₹ 2 each	2,57,771.58	1,08,302.07
9,35,600	Shares of Gujarat State Financial Corporation - ₹ 10 each	-	-
11,36,000	Shares of Bandhan Bank Limited - ₹ 10 each	3,849.90	2,314.60
5,49,440	Shares of Industrial Development Bank of India - ₹ 10 each	211.81	106.04
5,79,000	Shares of Mangalore Chemicals & Fertilizers Ltd. - ₹ 10 each	418.04	140.70
		3,77,296.78	**1,61,016.88**
Total FVTOCI Investments		**4,23,350.29**	**1,98,540.90**
Other equity investments			
Tunisian Indian Fertilizers (TIFERT) (Note - e)		-	**-**
TOTAL INVESTMENTS		**4,33,066.70**	**2,08,741.19**
Aggregate book value of Quoted Investments		3,77,296.78	1,61,016.88
Aggregate market value of Quoted Investments		3,77,296.78	1,61,016.88
Aggregate carrying value of Unquoted Investments		55,769.92	47,724.31
Category-wise other investments-as per Ind AS 109 classification			
Particulars		**3/31/2021**	**3/31/2020**
Financial assets carried at fair value through profit or loss (FVTPL)		-	-
Financial assets carried at amortised cost		9,716.41	10,200.29
Financial assets measured at FVTOCI		4,23,350.29	1,98,540.90
TOTAL INVESTMENTS		**4,33,066.70**	**2,08,741.19**

Notes:

** Less than a Thousand*

a) There is no change in the no of shares compare to previous year, except where specifically mentioned above under each case.

b) As per Notification of Govt of Gujarat, Bhavnagar Energy Company Ltd.(BECL) is Merged with Gujarat State Electricity Corpo. Ltd.(GSECL) As per the Merger scheme, the company has received 1 No of share of GSECL in exchange of 7,12,20,000 No of shares of BECL. The Fair Value of said investment is ₹ Nil as on 31st March 2021 & 31st March 2020.

c) The equity shares held by the Company in Tunisian Indian Fertilizers S.A., Tunisia (TIFERT) have been pledged to secure the obligations of TIFERT to their lenders.

d) Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity securities. Refer note 41 for determination of their fair values.

e) The company has provided a loan of USD 2.50 Mn to TIFERT for procurement of critical spares and equipments. Provided loan carries an interest of daily average LIBOR plus a margin of 225 basis points. It was provided with a condition of compulsory conversion in equity shares of TIFERT after 3 years from the date of agreement however the term of loan has been extended for further 2 years by Sponsors on request of TIFERT. Hence, Principal amount of the loan along with unpaid interest will be converted into equity shares of TIFERT at face value after 5 years from the date of agreement and accordingly the same has been classified as Investment, as in substance the nature is of the investment. The Fair Value of said loan is ₹ Nil as on 31st March 2021 & 31st March 2020.

f) Impairment Loss of ₹ 548.07 Lakhs has been recognised in the carrying value of investment in Karnalyte Resources Ltd. during FY 2020-21 (₹ 870.03 Lakhs during FY 2019-20) under the head "Other Expenses" in Profit and Loss Account, taking into consideration consistent operating losses booked by the company and its low market capitalisation. As share valuation has been carried out considering the Replacement cost method, Investment is categorised at Level 3 of the fair value hierarchy.

8. Other non-current financial assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good		
Other deposits*	2,941.57	3,007.28
Unsecured, considered doubtful		
Deposits with companies & others	102.70	102.70
Less: Allowance for doubtful deposits	(102.70)	(102.70)
TOTAL	**2,941.57**	**3,007.28**

9. Other non current assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital Advances*	30,557.26	31,242.46
Prepaid Expenses	5.08	5.70
Prepayment for Leasehold Land	-	883.06
Others	156.23	156.23
TOTAL	**30,718.57**	**32,287.45**

*Capital advance as on 31st March, 2021 includes ₹ 28,281.51 lakhs (₹ 28,576.38 lakhs as at 31st March, 2020) advance for leasehold land pending execution of lease deed towards plot in Dahej.

10. Inventories

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Raw materials	22,704.53	25,115.54
Raw materials in Transit	-	4,783.75
Work-in-Process	1,462.88	2,014.81
Finished goods	43,919.04	50,520.54
Stock in trade	10,170.86	35,440.14
Stores and spares (including packing material)	21,400.06	19,493.97
TOTAL	**99,657.37**	**1,37,368.75**

11. Trade receivables

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured, considered good	781.32	1,167.33
Unsecured, considered good	46,052.25	83,810.03
Unsecured, credit impaired	6,688.28	7,413.31
TOTAL	**53,521.85**	**92,390.67**
Less: Allowance for doubtful debts (including ECL)	6,688.28	7,413.31
TOTAL	**46,833.57**	**84,977.36**

The average credit period on sale of goods is 30 to 90 days. No interest is charged on trade receivables up to the expiry of the credit period. Thereafter, interest is charged at 12% per annum on the outstanding balance.The company has five customers (JCT Ltd, SRF Ltd, GPP Ltd, MP ST.CO-OP.MKT.FED.LTD & KRUSHNA GODAVARI KHATE) which represents more than 5% of the total balance of trade receivables.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Refer note 41 for the provision matrix at the end of the reporting period, ageing of receivable and movement in the expected credit loss allowance.

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. Refer note 41 for the credit risk management by the Company.

The above balances include trade receivables from related parties ₹ 1,596.41 Lakhs (₹ 2,913.04 Lakhs as on 31st March, 2020) Refer note 39.

12. Government subsidies receivable

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Subsidy from Government of India under New Urea Policy/Nutrient Based Subsidy Scheme		
Subsidy Receivable from Government	51,360.21	179,577.29
Less: Allowance for doubtful debts	458.29	458.29
TOTAL	**50,901.92**	**179,119.00**

Notes to the Consolidated Financial Statements

13. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash and cash equivalents		
Cash on hand	43.36	89.20
Balances with banks		
In current accounts	6,735.84	3,315.27
Deposit with original maturity of less than three months	2,819.75	-
Liquid Deposits with Financial Institutions	13,900.00	-
TOTAL	**23,498.95**	**3,404.47**

14. Other bank balances

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
In Unclaimed dividend account-restricted	498.25	544.82
In Deposit accounts (original maturity more than three months)	783.45	816.61
TOTAL	**1,281.70**	**1,361.43**

If the dividend has not been claimed within 30 days from the date of its declaration, the Company is required to transfer the total amount of the dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in a scheduled bank to be called "Unpaid Dividend Account". The unclaimed dividend lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration. Company has transferred Unclaimed Dividend upto FY 2012 – 2013 to IEPF upto March 31, 2021.

15. Loans

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured, considered good		
Loans to employees*	20,449.69	18,254.54
Unsecured, considered good		
Advances to employees	54.07	58.83
Other loans to employees	580.66	836.57
Interest accrued	305.47	17.02
Others	40.98	62.84
TOTAL	**21,430.87**	**19,229.80**

Notes:

* The loans are secured by mortgage of the underlying assets and are repayable on demand.

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counter parties. These financial assets are carried at amortised cost.

16. Other current financial assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Financial assets at amortised cost		
Deposits with Financial Institutions	85,800.00	-
Others	1,078.99	964.21
TOTAL	**86,878.99**	**964.21**

17. Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good		
Balances with govt. agencies	6,186.79	10,449.51
Advances to suppliers*	7,452.57	8,875.53
Prepaid expenses	928.27	139.81
Prepayment for Lease hold lands	281.60	355.98
TOTAL	**14,849.23**	**19,820.83**

* includes advances to related parties ₹ 5474.21 lakhs (₹ 7242.80 lakhs as at 31st March,2020).

18. Assets held for sale

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Assets classified as held for sale*	478.98	703.98
TOTAL	**478.98**	**703.98**

* Expected net realizable value is higher than carrying amount.

- The Company disposed off plant and machinery having carrying value of ₹ 225.01 Lakhs for realised value of ₹ 293.40 Lakhs.The Company expects to sell remaining plant and machinery amounting to ₹ 75.25 Lakhs in near future. There is no cost to sell the asset and hence the same is not presented seperately under liabilities.

- Company acquired possession of Residential Property amounting to ₹ 403.72 Lakhs located at New Delhi against outstanding receivables in earlier years. Now the company has entered into an Agreement to Sell this property against consideration of ₹ 410.00 Lakhs.

19. Share Capital

(₹ in lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of shares Refer Note (a) below	Amount	Number of shares Refer Note (a) below	Amount
Authorised				
Equity Shares of ₹ 2/- each	1,00,00,00,000	20,000.00	1,00,00,00,000	20,000.00
Redeemable Cumulative Preference Shares of ₹ 100 each	1,60,00,000	16,000.00	1,60,00,000	16,000.00
		36,000.00		36,000.00
Issued Subscribed and Paid up:				
Issued				
Equity Shares: Face value of ₹ 2/- each				
Shares outstanding at beginning of the year	39,91,21,850	7,982.44	39,91,21,850	7,982.44
Shares outstanding at year end	**39,91,21,850**	**7,982.44**	**39,91,21,850**	**7,982.44**
Subscribed				
Equity Shares: Face value of ₹ 2/- each				
Shares outstanding at beginning of the year	39,90,69,685	7,981.39	39,90,69,685	7,981.39
Shares outstanding at year end	**39,90,69,685**	**7,981.39**	**39,90,69,685**	**7,981.39**
Paid-up				
Equity Shares: Face value of ₹ 2/- each				
Shares outstanding at beginning of the year	39,84,77,530	7,969.55	39,84,77,530	7,969.55
Shares outstanding at year end	**39,84,77,530**	**7,969.55**	**39,84,77,530**	**7,969.55**
TOTAL	**39,84,77,530**	**7,969.55**	**39,84,77,530**	**7,969.55**

a) Reconciliation of Shares outstanding at the beginning and the end of the reporting period

(₹ in lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of shares	Amount	Number of shares	Amount
Equity Shares				
At the beginning of the year	39,84,77,530	7,969.55	39,84,77,530	7,969.55
Issued / Reduction if any during the year	-	-	-	-
Outstanding at the end of the year	39,84,77,530	7,969.55	39,84,77,530	7,969.55

b) Rights, preferences and restrictions attached to shares

Equity shares

The Company has one class of equity shares having a par value of ₹ 2 each. Each shareholder is eligible for one vote per share held. The dividend proposed by Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Shareholders holding more than 5% of equity share capital

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of shares	Percentage of holding	Number of shares	Percentage of holding
Gujarat State Investments Limited	15,07,99,905	37.84	15,07,99,905	37.84
Life Insurance Corporation of India	3,17,78,658	7.98	3,17,97,658	7.98
Fidelity Puritan Trust-Fidelity Low priced stock fund	2,85,00,000	7.15	2,85,00,000	7.15

d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

e) Calls Unpaid: NIL, Forfeited Shares: ₹ 11.84 Lakhs

20. Other equity **(₹ in lakhs)**

Particulars	Reserves & Surplus					Items of OCI	Total Equity
	Capital reserve	Security premium	Capital redemption reserve	General reserve	Retained earnings	Equity Instruments through OCI	
Balance as at April 01, 2019	2,456.71	30,524.02	3,335.00	4,84,153.31	47,252.69	1,56,376.56	7,24,098.27
Profit for the year	-	-	-	-	10,958.45	-	10,958.45
Other comprehensive income for the year net of income tax	-	-	-	-	-	(26,181.19)	(26,181.19)
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	(20,122.40)	-	(20,122.40)
Total comprehensive income for the year	-	-	-	-	(9,163.93)	(26,181.19)	(35,345.14)
Dividends paid [Note 20]	-	-	-	-	(8,766.50)	-	(8,766.50)
Dividend Distribution Tax (DDT) [Note 20]	-	-	-	-	(1,811.40)	-	(1,811.40)
Transfer to General reserve	-	-	-	-	-	-	-
Balance as at March 31, 2020	2,456.71	30,524.02	3,335.00	4,84,153.31	27,510.84	1,30,195.36	6,78,175.24
Balance as at April 01, 2020	2,456.71	30,524.02	3,335.00	4,84,153.31	27,510.84	1,30,195.36	6,78,175.24
Profit for the year	-	-	-	-	45,013.03	-	45,013.03
Other comprehensive income for the year net of income tax	-	-	-	-	-	1,98,250.45	1,98,250.45
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	(606.58)	-	(606.58)
Total comprehensive income for the year	-	-	-	-	44,406.45	1,98,250.45	2,42,656.90
Dividends paid [Note 20]	-	-	-	-	(4,781.72)	-	(4,781.72)
Transfer to General reserve	-	-	-	23,000.00	(23,000.00)	-	-
Balance as at March 31, 2021	2,456.71	30,524.02	3,335.00	5,07,153.31	44,135.56	3,28,445.82	9,16,050.42

Distributions made and proposed

(₹ in lakhs)

Particulars	Amount
Cash dividends on equity shares declared and paid:	
Final dividend for the year ended on 31 March 2020: ₹ 1.20 per share (31 March 2019: ₹ 2.20 per share)	4,781.72
Total cash dividends declared and paid	**4,781.72**
Proposed dividends on Equity shares:	
Final dividend for the year ended on 31 March 2021: ₹ 2.20 per share (31 March 2020: ₹ 1.20 per share)	8,766.51
Total Proposed dividends	**8,766.51**
Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability	

1. **Capital Reserve:** This reserve has been created from amounts forfeited on shares not fully paid up, scheme of capital subsidy for industries in backwards areas, etc. It is not available for distribution of dividend.
2. **Securities Premium:** The amount received in excess of face value of the Rights Equity shares issued have been recognised in Share Premium Reserve, etc. It is not available for distribution of dividend.
3. **Capital Redemption Reserve:** Capital Redemption Reserve has been created against the redemption of preference shares in earlier years. It is not available for distribution of dividend.
4. **General Reserve:** General Reserve represents a reserve other than capital reserve which is not earmarked for a specific purpose.
5. **Retained Earnings:** Retained Earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.
6. **Other comprehensive income (OCI):** OCI comprises items of income and expenses (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by Indian Accounting Standards. The components of OCI include: re-measurements of defined benefit plans, gains and losses arising from investment in equity instruments.

21. Long term borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured		
Term loan from bank	-	9,333.33
TOTAL	**-**	**9,333.33**

Note:

During the FY 2020-21, the company has pre-paid outstanding balance of ₹ 9333.33 Lakhs against term loan taken from EXIM bank for 40,000 MTPA Melamine III project.

22. Long term provisions

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for employee benefits		
Provision for Gratuity (Refer Note 37)	11,094.13	16,254.74
Provision for Pension (Refer Note 37)	23,724.18	34,068.06
Provision for Compensated absences	22,922.86	23,137.67
Provision for Post Retirement Medical Benefit Scheme (PRMBS) (Refer Note 37)	5,218.68	4,652.65
Other Provisions		
Provision for Asset Retirement Obligation	2,200.03	2,032.64
TOTAL	**65,159.88**	**80,145.76**

Movement in provision for Asset Retirement Obligation:

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at Beginning of Year	2,032.64	1,808.25
Additional provision recognised	167.39	224.39
Provision Utilized	-	-
Balance at Closing of Year	2,200.03	2,032.64

Notes to the Consolidated Financial Statements

23.

A Income tax asset (net) (₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance payment of Income Tax (net)	**7,440.31**	**15,121.97**

B Current tax liabilities (net) (₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Income Tax (net)	275.81	534.06

C Deferred tax liabilities (net)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Statement of Profit & loss		
Profit & loss section		
Current income tax charge (net of MAT credit entitlement)	4,200.29	299.45
Deferred tax relating to origination & reversal of temporary differences	6,348.61	2,478.95
Earlier Year Tax	(2,065.95)	348.89
Income tax expense reported in the statement of profit or loss	**8,482.96**	**3,127.29**
(b) Other comprehensive income section		
Unrealised (gain)/loss on FVTOCI equity securities	26,515.99	(2,211.04)
Net loss/(gain) on remeasurements of defined benefit plans	(325.34)	(10,807.00)
Income tax charged to OCI	**26,190.65**	**(13,018.04)**
(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended		
Accounting profit before income tax	**53,493.70**	**14,091.74**
Statutory income tax rate	34.944%	34.944%
Tax at statutory income tax rate of 34.944%	**18,310.10**	**4,733.23**
Tax effects of :		
Income not subject to tax	(2,594.40)	(1,631.06)
Inadmissiable expenses or expenses treated seperately	12,724.59	13,997.25
Admissiable deductions	(19,292.08)	(16,080.12)
Deduction Under chapter - VI	(4,952.94)	(723.10)
Deferred tax on other items	6,353.64	2,479.02
Others		3.18
Total Tax effects	**(7,761.19)**	**(1,954.83)**
Income tax expense	**10,548.91**	**2,778.39**
Earlier year tax	(2,065.95)	348.89
Income tax expense reported in statement of Profit & loss	**8,482.96**	**3,127.29**

(d) Deferred tax relates to the following: (₹ in lakhs)

	Balance sheet		Profit & loss	
	31-Mar-21	**31-Mar-20**	**2020-21**	**2019-20**
Property, plant and equipment	(57,200.33)	(56,539.20)	(661.13)	(5,957.27)
Expenses allowable for tax purpose when paid	5,658.64	11,296.29	(5,637.65)	3,007.52
Investments in Equity instruments	(5,196.63)	21,319.36	(26,515.99)	2,211.04
Fair valuation of deposits	0.30	0.36	(0.06)	(0.05)
Actuarial loss on Defined benefit plan	20,338.23	20,012.89	325.34	10,807.00
Fair valuation of Derivatives	(6.65)	(6.65)	-	-
Machinery Spares	1,464.17	1,464.17	-	-
Undistributed profit of associates	310.22	(1,453.67)	1,763.89	-
Prov for PF Cont. ILFS	3,949.86	310.22	3,639.64	310.22
Allowance for doubtful debts	465.29	5,378.18	(4,912.89)	75.11
ARO provision-Windmill	7.32	440.46	(433.14)	50.55
ARO provision-Solar	(89.34)	3.42	(92.76)	3.42
Leasehold Building IND AS	112.88	14.98	97.90	14.98
ICDS Impact	-	112.42	(112.42)	16.59
Reclassification of MAT Credit entitlement	6,181.03	2,919.04	3,261.99	(1,769.43)
Deferred tax expense/(income)			**(29,277.28)**	**8,769.67**
Net deferred tax assets/(liabilities)	**(24,005.01)**	**5,272.26**		
Reconciliation of deferred tax liabilities (net):				
Opening Balance as at	**31-Mar-20**	**31-Mar-19**		
	5,272.26	**(3,497.41)**		
Tax income/(expense) during the period recognised in P&L	(6,348.61)	(2,478.94)		
Tax income / (Expense) MAT credit recognised in P&L	3,261.99	(1,769.43)		
Tax income/(expense) during the period recognised in Retained Earnings	-	-		
Tax income/(expense) during the period recognised in OCI	(26,190.65)	13,018.04		
Closing balance as at	**(24,005.01)**	**5,272.26**		
	31-Mar-21	**31-Mar-20**		

Notes:

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes to the Consolidated Financial Statements

24. Financial Liabilities- borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured		
Loans repayable on demand		
From Banks		
Cash credit account *	3,500.97	4,149.44
Unsecured		
Loans repayable on demand		
Short term working capital demand loan/over drafts from banks	-	21,186.61
Inter Corporate Deposits	-	54,000.00
Other loans and advances		
Commercial papers	-	30,000.00
Buyers credit and bill discounting facility	-	31,905.40
TOTAL	**3,500.97**	**141,241.45**

* The Cash credit facility from consortium of banks is secured by hypothecation of stock of raw materials, finished products, packing materials, general stores, spares, book debts etc. of the Company.

Interest rate details for short term borrowings:

(i) Cash credit accounts carries interest rates ranging from 6.75% to 9.45% p.a.
(ii) Working capital demand loan carries interest rate ranging from 4.50% to 7.40% p.a.
(iii) Inter Corporate Deposits carries interest rates ranging from 3.34% to 7.00% p.a.
(iv) Commercial papers carries interest at ranging from 3.50% to 5.90% p.a.
(v) Buyers credit carries interest at ranging from 0.39% to 1.42% p.a.

25. Current financial liabilities-trade payables

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Due to Micro, Small and Medium Enterprises (MSMED)*	801.30	809.66
Others**	48,660.32	42,757.80
TOTAL	**49,461.62**	**43,567.46**

Particulars	As at 31st March, 2021	As at 31st March, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	801.30	809.66
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	NIL	NIL
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	NIL	NIL
(iv) The amount of interest due and payable for the year	NIL	NIL
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	NIL	NIL
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	NIL	NIL

*Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

** The above balances include trade payables to related parties ₹ 1613.75 Lakhs (₹ 1738.61 Lakhs as on 31 March 2020) Refer Note 39.

26. Other current financial liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Financial liabilities at fair value through profit & loss		
Derivatives not designated in hedging relationship		
Foreign exchange derivative contracts	59.05	28.28
Other financial liabilities at amortised cost		
Current maturities of long term debt	-	5,333.33
Interest accrued but not due on borrowings	0.47	225.58
Unclaimed dividend*	498.25	544.82
Deposits received	5,638.28	5,529.13
Liability towards employee benefits	8,633.65	5,463.34
Creditors for capital goods	10,777.28	12,330.71
Lease Liabilities**	175.77	246.47
Other payables	271.72	81.38
TOTAL	**26,054.47**	**29,783.04**

* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.

**** Details of Lease Liabilities :**

Movement of Lease Liabilities was as under:	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	246.47	-
Add: Additions (Transitional impact on adoption of Ind AS 116)	93.20	373.25
Add: Interest recognised during the year	29.73	42.86
Less: Deletion/Disposal	35.00	
Less: Payment Made	158.63	169.64
Closing Balance	175.77	246.47

Contractual maturities of lease liabilities on an undiscounted basis:	As at 31st March, 2021	As at 31st March, 2020
- Less than one year	112.05	157.62
- One to Five years	63.72	88.85
Closing Balance	175.77	246.47

27. Other current liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advances from customers	3,194.06	1,737.60
Statutory dues	3,018.82	6,213.27
Income received in advance	3.47	3.80
TOTAL	**6,216.35**	**7,954.67**

28. Provisions

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for employee benefits		
Provision for Gratuity (Refer note 37)	2,394.23	2,382.35
Provision for Pension (Refer note 37)	5,609.22	5,833.69
Provision for Compensated absences*	4,057.87	3,989.48
Provision for PRMBS (Refer note 37)	257.97	236.72
Other Provision**	887.76	894.94
TOTAL	**13,207.05**	**13,337.18**

* The provision for Compensated absences pertains to accrued ordinary and sick leave entitlements. The change in carrying amount of the provision results from additional provision recognized net of benefits paid.

** Employees' Provident Fund Trust of the Company (GSFC-EPFT) is holding investments aggregating to ₹ 4,277 Lakhs in various debt securities issued by IL&FS Group, Dewan Housing Finance Corporation Ltd., Yes Bank Ltd. & Reliance Group. In view of uncertainties regarding recoverability of such investment, the Company has, as a matter of prudence, made a provision of ₹ 1,030 Lakhs upto 31st March, 2021 (Current Year. ₹ Nil). In future company will make provision looking to the development in the matter.

29. Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Revenue from sale of products (including subsidy on fertilizers)		
- Manufactured / Generated products	6,38,026.15	5,89,853.17
- Traded products	1,24,674.17	1,89,146.87
- Sale of Service	705.82	797.75
Total	**7,63,406.14**	**7,79,797.79**
Revenue from operation above includes:-		
Subsidy from Government of India under New Urea Policy/Nutrient Based Subsidy Scheme		
Pertaining to current year	2,15,422.25	2,33,857.00
Pertaining to earlier years determined during current year	(663.61)	12,129.00
TOTAL	**2,14,758.64**	**2,45,986.00**

30. Other income

(₹ in lakhs)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Interest	2,429.41	2,063.38
Dividend from long term investments	3,493.01	3,490.40
Rent	159.12	171.29
Insurance claims	1,848.01	1,374.56
Excess provision no longer required	1,946.03	1,042.80
Scrap sales	1,010.32	542.78
Profit on sale of fixed assets*	4,343.04	-
Miscellaneous income	3,088.79	1,965.85
TOTAL	**18,317.73**	**10,651.06**

* Profit on Sale of Fixed Assets includes ₹ 4,199.61 Lakhs towards gain on compulsory acquisition of land.

Notes to the Consolidated Financial Statements

31. Cost of material consumed

(₹ in lakhs)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Raw Materials		
Opening stock	29,899.29	35,241.60
Add: Purchases	3,87,985.00	3,54,375.75
Less: Closing stock	22,704.53	29,899.29
TOTAL	**3,95,179.76**	**3,59,718.06**

32. Changes in inventory of finished goods, work in process and stock in trade

(₹ in lakhs)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Opening stock		
Finished products	50,520.54	63,430.85
Stock in trade	35,440.14	44,604.10
Work-in-process	2,014.81	1,559.11
	87,975.49	**109,594.06**
Less: Closing stock		
Finished products	43,919.04	50,520.54
Stock in trade	10,170.86	35,440.14
Work-in-process	1,462.88	2,014.81
	55,552.78	**87,975.49**
(Increase) / Decrease	**32,422.71**	**21,618.60**

33. Employee benefit expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Salaries, wages, bonus	49,109.16	57,239.34
Contribution to provident, gratuity and superannuation (pension) funds (including provisions)	10,729.52	8,993.78
Staff Welfare expenses	9,722.22	6,650.46
TOTAL	**69,560.90**	**72,883.58**

- Employee benefit expenses includes R&D salary expenses of ₹ 1068.54 lakhs (previous year ₹ 1001.68 lakhs)(Refer note no. 42)

34. Finance costs

(₹ in lakhs)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Interest		
- borrowings	3,253.34	10,532.18
- others	637.85	464.98
Other borrowing cost	408.33	482.58
TOTAL	**4,299.52**	**11,479.74**

35. Other expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Consumption of stores and spare parts	10,473.39	12,748.83
Water	3,306.28	2,947.47
Packing expenses	9,609.86	8,470.58
Repairs to buildings	309.83	337.14
Repairs to machinery	6,698.65	6,256.18
Other repairs	556.61	673.99
Insurance	1,538.78	1,012.22
Rent, rates and taxes	815.01	2,555.72
Product transportation, distribution & loading & unloading charges	36,183.79	33,567.16
Depots and farm information centers expense	2,780.01	4,981.41
Marketing expense reimbursement, demonstration, extension services and publicity etc.	701.11	588.86
Foreign exchange gain/loss (net)	2,039.41	3,102.88
Directors sitting fees	12.48	8.90
Auditors' remuneration *	22.66	24.17
Cost auditors' fees	5.48	5.17
Loss on fixed assets sold/discarded	-	424.08
Allowance for doubtful debts	217.37	536.08
Amortisation of leasehold land	294.87	355.98
Donations and contributions	1,491.48	878.14
Miscellaneous	6,630.97	5,131.17
Impairment in value of Investment	546.66	870.03
TOTAL	**84,234.70**	**85,476.16**
Other expenses includes R&D expenses of ₹ 18.93 lakhs (previous year ₹ 13.13 lakhs) in respective heads (Refer note no. 42)		

***Auditors' remuneration**

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
Payment to Statutory Auditors:		
For Statutory audit	8.00	7.70
For Taxation matters	2.40	2.40
For other services (including Limited Review fees & certification)	11.60	12.42
For Reimbursement of expenses	0.66	1.65
	22.66	**24.17**

36. Earnings per share (EPS):

(₹ in lakhs)

Particulars	Year ended 31st March, 21	Year ended 31st March, 20
i. Profit attributable to Equity holders of the Company		
Profit attributable to equity holders of the Company		
Continuing operations	45,013.03	10,959.05
Discontinued operations	-	-
Profit attributable to equity holders of the Company for basic earnings	45,013.03	10,959.05
Effect of dilution	-	-
Profit attributable to equity holders of the Company adjusted for the effect of dilution	**45,013.03**	**10,959.05**
ii. Weighted average number of ordinary shares		
Issued ordinary shares	3,98,477,530	3,98,477,530
Effect of dilution	-	-
	3,98,477,530	3,98,477,530
Basic EPS (₹)	11.30	2.75
Diluted EPS (₹)	11.30	2.75
Nominal value per share (₹)	2.00	2.00

37. Employment benefit plans

a) The Company operates post employment and other long term employee benefits defined plans as follows:

I. Funded

i. Gratuity

ii. Pension

II. Unfunded

i. Post retirement medical benefit scheme

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk: The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest Risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

Longevity Risk: The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk: The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

b) Defined contribution plans:

Amount towards Defined Contribution Plans have been recognised under "Contributions to Providend, Gratuity and Superannuation Fund (pension) Funds (including provisions)" in Note : 33 ₹ 4077.89 lakhs for FY 2020-21 (₹ 4049.22 Lakhs for FY 2019-20).

37. Employment benefit plans (Contd...)

c) Details of funded & unfunded plans are as follows:

(₹ in lakhs)

Description	Pension		Gratuity	
	2020-21	2019-20	2020-21	2019-20
1. Changes In Present Value of obligation				
a. Obligation as at the beginning of the year	79,876.92	61,093.93	40,436.32	29,003.72
b. Current Service Cost	1,038.34	798.02	1,817.74	1,284.48
c. Interest Cost	5,263.89	4,752.04	2,765.84	2,232.93
d. Actuarial (Gain)/Loss	1,423.18	18,870.75	(545.82)	10,969.21
e. Benefits Paid	(9,520.71)	(5,637.82)	(4,916.53)	(3,054.02)
f. Obligation as at the end of the year	78,081.62	79,876.92	39,557.57	40,436.32
The defined benefit obligation is	Funded	Funded	Funded	Funded
2. Changes in Fair Value of Plan Assets				
a. Fair Value of Plan Assets as at the beginning of the year	39,975.19	37,243.76	21,799.23	21,476.75
b. Expected return on Plan Assets	2,634.36	2,896.82	1,491.07	1,654.18
c. Actuarial Gain/(Loss)	139.31	(170.10)	324.74	(8.02)
d. Contributions	15,520.08	5,642.52	7,370.68	1,730.34
e. Benefits Paid	(9,520.71)	(5,637.82)	(4,916.53)	(3,054.02)
f. Fair Value of Plan Assets as at the end of the year	48,748.23	39,975.19	26,069.19	21,799.23
3. Amount Recognised In The Balance Sheet				
a. Fair Value of Plan Assets as at the end of the year	48,748.23	39,975.19	26,069.19	21,799.23
b. Present Value of Obligation as at the end of the year	(78,081.62)	(79,876.92)	(39,557.57)	(40,436.32)
c. Amount recognised in the Balance Sheet	(29,333.39)	(39,901.74)	(13,488.38)	(18,637.09)
4. Expense recognised in P & L during the year				
a. Current Service Cost	1,038.34	798.02	1,817.74	1,284.48
b. Net Interest Cost	2,629.53	1,855.22	1,274.78	578.75
c. Expense recognised during the year	3,667.86	2,653.24	3,092.52	1,863.23
5. Expense recognised in OCI during the year				
a. Return on Plan Assets,Excluding Interest Income	(139.31)	170.10	(324.74)	8.02
b. Actuarial (Gain)/Loss recognised on Obligation	1,423.18	18,870.75	(545.82)	10,969.21
c. Net (Income)/Expense recognised during the year	1,283.87	19,040.85	(870.55)	10,977.23
6. Investment Details of Plan Assets				
Administered by LIC of India	100%	100%	100%	100%

d) Assumptions

(₹ in lakhs)

	Pension		Gratuity		PRMBS	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
a. Discount Rate (per annum)	6.49%	6.59%	6.85%	6.84%	6.91%	6.81%
b. Estimated Rate of return on Plan Assets (per annum)	6.49%	6.59%	6.85%	6.84%	NA	NA
c. Salary Escalation Rate (per annum)	NA	NA	NA	NA	NA	NA
d. Medical Cost Inflation (per annum)	NA	NA	NA	NA	4.00%	4.00%

37. Employment benefit plans (Contd...) **(₹ in lakhs)**

e. The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

f. The estimate of mortality rate during employment has been considered as per Indian Assured Lives Mortality (2006-08).

g. Provident Fund contributions are made to Trusts administered by the Company. The interest rate payable to the members of the Trusts shall not be lower than the statutory rate of interest declared by the Central Government under the Employees provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company.

Maturity Profile	Pension		Gratuity		PRMBS	
Projeted benefit payable in future year from the date of reporting	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1st Following year	9,258.84	9,062.84	5,144.22	5,040.86	257.96	236.72
2nd Following year	7,535.58	6,172.27	3,805.31	3,119.60	275.87	250.37
3rd Following year	12,857.72	11,280.78	6,183.63	5,260.30	297.49	265.79
4th Following year	10,321.03	11,927.10	5,011.09	6,071.63	315.12	284.92
5th Following year	8,470.70	10,537.22	4,131.62	4,902.16	330.43	299.73
Sum of year 6 to 10	37,778.58	37,430.80	18,436.29	18,919.52	1,862.67	1,672.81
Sum of year 11 and above	-	-	20,369.15	21,074.56	-	-

Description	PRMBS	
	2020-21	2019-20
1. Changes In Present Value of the defined benefit obligation		
a. Obligation as at the beginning of the year	4,889.38	4,049.84
b. Current Service Cost	199.69	182.27
c. Interest Cost	332.97	315.08
d. Actuarial (Gain)/Loss	517.72	908.56
e. Benefits Paid	(463.11)	(566.37)
f. Obligation as at the end of the year	5,476.65	4,889.38
The defined benefit obligation is	Unfunded	Unfunded
2. Amount Recognised In The Balance Sheet		
a. Fair Value of Plan Assets as at the end of the year	—	—
b. Present Value of Obligation as at the end of the year	(5,476.65)	(4,889.38)
c. Amount recognised in the Balance Sheet	(5,476.65)	(4,889.38)
3. Expense recognised in P & L during the year		
a. Current Service Cost	199.69	182.27
b. Interest Cost	332.97	315.08
c. Expense recognised during the year	532.66	497.35
4. Expense recognised in OCI during the year		
a. Return on Plan Assets,Excluding Interest Income	—	—
b. Actuarial (Gain)/Loss recognised on Obligation	517.72	908.56
c. Net (Income)/Expense recognised during the year	517.72	908.56

The expense is disclosed in Note No. 33 - “Employee Benefit Expenses”, Pension & Gratuity are disclosed in line item - Contribution to Provident Fund,and provision to Gratuity, Superannuation (Pension) Funds. Leave Encashment is disclosed in line item - Salaries, Wages and Bonus and PRMBS is disclosed in line item - Welfare funds.

37. Employment benefit plans (Contd...) (₹ in lakhs)

Description	2020-21		
	Pension	Gratuity	PRMBS
e) Effect of one percentage point change in the assumed Discount Rate			
a. One percentage point increase in Discount Rate	(3,573.77)	(1,957.92)	(598.10)
b. One percentage point decrease in Discount Rate	3,938.89	2,201.82	741.17
Effect of one percentage point change in the assumed Salary Escalation Rate			
a. One percentage point increase in Salary Escalation Rate	3,919.17	2,191.69	NA
b. One percentage point decrease in Salary Escalation Rate	(3,622.08)	(1,990.48)	NA
Effect of one percentage point change in the assumed medical inflation rate-Benefit Obligation			
a. One percentage point increase in medical inflation rate	NA	NA	756.26
b. One percentage point decrease in medical inflation rate	NA	NA	(618.48)

f) Details of funded & unfunded plans are as follows: (₹ in lakhs)

Pension	2020-21	2019-20	2018-19	2017-18	2016-17
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
1 Present Value of Defined Benefit Obligation	78,081.62	79,876.92	61,093.93	61,080.53	58,669.04
2 Fair Value of Plan Assets	48,748.23	39,975.18	37,243.76	35,631.39	32,985.70
3 Status [Surplus/(Deficit)]	(29,333.39)	(39,901.74)	(23,850.18)	(25,449.14)	(25,683.34)
4 Experience Adjustment of Plan Assets [Gain/(Loss)]	139.31	(170.10)	(107.38)	323.70	116.31
5 Experience/Assumptions Adjustment of obligation [(Gain)/Loss]	1,423.18	18,870.75	303.51	1,858.06	7,958.89
Gratuity	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
1 Present Value of Defined Benefit Obligation	39,557.57	40,436.32	29,003.72	27,860.47	27,890.11
2 Fair Value of Plan Assets	26,069.19	21,799.23	21,476.75	21,376.92	19,143.29
3 Status [Surplus/(Deficit)]	(13,488.38)	(18,637.09)	(7,526.97)	(6,483.55)	(8,746.82)
4 Experience Adjustment of Plan Assets [Gain/(Loss)]	324.74	(8.02)	(70.52)	196.79	19.15
5 Experience/Assumptions Adjustment of obligation [(Gain)/Loss]	(545.82)	10,969.21	741.81	(1,134.55)	636.00

37. Employment benefit plans (Contd...)

(₹ in lakhs)

PRMBS	2020-21	2019-20	2018-19	2017-18	2016-17
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
1 Present Value of Defined Benefit Obligation	5,476.65	4,889.38	4,049.84	4,037.11	3,947.53
2 Fair Value of Plan Assets	-	-	-	-	-
3 Status [Surplus/(Deficit)]	(5,476.65)	(4,889.38)	(4,049.84)	(4,037.11)	(3,947.53)
4 Experience Adjustment of Plan Assets [Gain/(Loss)]	-	-	-	-	-
5 Experience/Assumptions Adjustment of obligation [(Gain)/Loss]	517.72	908.56	63.38	122.04	362.45

38. Commitment and contingencies

a. Commitments

(₹ in lakhs)

Particulars	As at 31st March, 21	As at 31st March, 20
(i) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	10,038.45	6,897.18

b. Contingent liabilities

(₹ in lakhs)

Particulars	As at 31st March, 21	As at 31st March, 20
Claims against the Company not acknowledgement as debt		
(i) Excise and Customs duty	9,220.76	9,122.86
(ii) Central sales tax and value added tax	4,067.22	5,661.17
(iii) Income tax	16,340.32	16,260.73
(iv) Other claims by:		
Income tax assessment orders contested	3,191.40	3,289.00
- Others	57,566.04	67,859.43
- Employees / ex-employees, contractual labour – pending before courts	Not ascertainable	Not ascertainable

In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute.

c. Contingent Assets

The Company does not have any contingent assets.

39. Related party transactions

(₹ in lakhs)

Name of the Party	Nature of Relationship	Nature of Transaction	2020-21	2019-20
Vadodara Enviro Channel Ltd. (Erstwhile Effluent Channel Project Ltd.)	Associate	Usage of effluent channel	333.86	346.20
		Outstanding balance-Payable	(3.16)	17.15
Gujarat Green Revolution Company	Associate	Expenses recovered	223.39	336.22
		ICD Received	-	10,000.00
		ICD Repaid	10,000.00	-
		Interest expense on ICD	114.48	595.18
		Dividend Received	12.50	6.25
		Outstanding balance-Receivable	42.15	194.78
		Outstanding balance - loan (ICD)	-	10,000.00
Karnalyte Resources Inc.	Associate	Expenses recovered	25.14	156.04
		Provision for Investment	548.07	870.03
		Outstanding balance-Payable	-	-
		Outstanding balance-Receivable	-	39.89
Tunisian Indian Fertilizer Company (TIFERT)	Other related party	Purchase of Material	30,487.18	35,300.58
		Expenses recovered	-	38.80
		Provision for Investment	42.94	1,802.67
		Advance to vendor	5,474.21	7,242.80
		Outstanding balance-Receivable	1,521.01	2,497.07
GSFC Education society	Other related party	Donation Granted	450.65	563.17
		Outstanding balance-Payable	-	163.17
Gujarat State Petronet Ltd	Other related party	Fees for Services	108.70	-
		Outstanding balance-payable	3.69	-
Gujarat Gas Ltd	Other related party	Income from Other Services	59.05	-
		Dividend Received	586.43	-
		Outstanding balance-payable	9.00	-
Chairman & Managing Director V D Nanavaty – ED (Finance) & CFO V V Vachhrajani, CS & SVP(Legal)	Key Management Personnel	Remuneration	176.43	178.45
		Loan Given	12.00	-
		Interest income	0.50	-
		Outstanding balance	11.31	-
Gujarat Alkalies and Chemicals Limited	Other related party	Purchase of Materials	1,537.21	1,824.15
		Sale of Product	245.10	835.89
		Expenses recovered	22.76	3.30
		Write- Off Of Bad Debt	6.95	-
		Outstanding balance-payable	73.82	118.75
		Dividend Received	132.40	132.40
		Outstanding balance-receivable	3.80	121.70
Gujarat Narmada Valley Fertilizers Company Limited	Other Related Party	Purchase of Materials	-	198.34
		Fees for Services	7.32	30.20
		Sale of Material	1,288.80	1,039.33
		Dividend Received	1,538.96	2,154.54
		Outstanding balance-Payable	0.30	0.62
		Outstanding balance-Receivable	15.37	53.50
Gujarat Industries Power Company Limited.	Other Related Party	Purchase of power	13,412.06	15,579.45
		Sale of power	154.61	107.27
		Dividend Received	648.52	648.52
		Expenses recovered	-	-
		Outstanding balance-Receivable	14.08	6.10
		Outstanding balance-Payable	5.18	863.97
Gujarat State Petroleum Corporation Ltd.	Other Related Party	Purchase of Gas	12,961.47	21,539.82
		Fees for Services	1.18	-
		Outstanding balance-payable	404.35	338.22
Indian Potash Ltd.	Other Related Party	Purchase of Material	16,085.36	9,829.51
		Dividend Received	56.25	33.75
		Outstanding balance-payable	1,119.71	236.73
The Fertilizer Association of India	Other Related Party	Fees for Services	14.64	37.33
		Outstanding balance-payable	0.85	-

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Related Party Transaction amounts shown in above table are inclusive of taxes.Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March,2020: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Transactions with key management personnel: (₹ in lakhs)

Remuneration to key management personnel:	For the year ended	
	31-Mar-21	31-Mar-20
Short term employee benefits	155.64	157.52
Post employment benefits	10.60	10.67
Long-term employee benefits	10.19	10.26
Total	**176.43**	**178.45**

40. Segment information

For management purposes, the company is organised into business units based on its products and has two reportable segments, as follows:

1. **Fertilizer products** comprising of Urea, Ammonium Sulphate, Di-ammonium Phosphate, Ammonium Phosphate Sulphate, NPK (12:32:16), (10:26:26), traded fertilizer products etc.
2. **Industrial products** comprising of Caprolactam, Nylon-6, Nylon Chips, Melamine, Methanol, traded industrial products etc.

   The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the two operating segments. The CODM reviews revenue and gross profit as the performance indicator for both operating segments.

(₹ in lakhs)

		31-Mar-21	31-Mar-20
A]	SEGMENT REVENUE:		
1	TOTAL SEGMENT REVENUE		
	a) Fertilizer Products	5,86,343.05	6,23,838.37
	b) Industrial Products	1,77,063.09	1,55,959.42
	TOTAL	7,63,406.14	7,79,797.79
2	INTER SEGMENT REVENUE	-	-
3	EXTERNAL REVENUE (1 - 2)		
	a) Fertilizer Products	5,86,343.05	6,23,838.37
	b) Industrial Products	1,77,063.09	1,55,959.42
	TOTAL	7,63,406.14	7,79,797.79
B]	RESULT:		
1	Segment result		
	a) Fertilizer Products	36,855.48	32,526.16
	b) Industrial Products	12,554.31	(6,929.39)
	TOTAL	49,409.79	25,596.77
2	a) Unallocated income	13,546.32	7,322.15
	b) Unallocated expenses	(5,162.91)	(7,347.44)
3	Operating Profit (B1 + B2)	57,793.20	25,571.48
4	Finance Cost	(4,299.52)	(11,479.74)
5	Provision for Taxation:		
	Current Income Tax	(7,462.28)	(299.45)
	Deferred Tax (net)	(6,348.61)	(2,478.95)
	MAT credit recognised	3,261.99	-
	Earlier Year Tax	2,065.95	(348.89)
6	Net Profit	45,010.73	10,964.45
C]	OTHER INFORMATION:		
1	Segment assets		
	a) Fertilizer Products	3,59,041.51	5,19,394.46
	b) Industrial Products	2,44,972.00	2,15,257.30
	TOTAL	6,04,013.51	7,34,651.76
2	Unallocated corporate assets	5,08,139.14	2,77,623.53
3	Total Assets	11,12,152.65	10,12,275.29
4	Segment Liabilities		
	a) Fertilizer Products	1,01,164.92	97,798.57
	b) Industrial Products	36,977.24	75,965.54
	TOTAL	1,38,142.16	1,73,764.11
5	Unallocated corporate liabilities	49,832.80	1,52,237.87
6	Total Liabilities	1,87,974.96	3,26,001.98

40. Segment information (Contd.)

(₹ in lakhs)

		31-Mar-21	31-Mar-20
7	**Capital Expenditure**		
	a) Fertilizer Products	3,775.09	10,007.80
	b) Industrial Products	2,065.77	1,919.80
	c) Corporate Capital Expenditure	3,273.10	2,619.66
	TOTAL	**9,113.96**	**14,547.26**
8	**Depreciation and Amortisation**		
	a) Fertilizer Products	8,876.27	8,136.90
	b) Industrial Products	8,694.46	8,693.87
	c) Unallocated corporate Depreciation	148.84	264.10
	TOTAL	**17,719.57**	**17,094.87**
9	**Non-Cash expenses**		
	a) Fertilizer Products	8,378.61	27,324.23
	b) Industrial Products	4,886.92	18,915.28
	c) Unallocated non-cash expenses	604.15	274.73
	TOTAL	**13,869.68**	**46,514.24**

41. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The carrying value of financial instruments by categories as of 31st March, 2021 is as follows. (₹ in lakhs)

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Non-current investments		4,23,350.29	9,716.41	4,33,066.70	3,77,296.78	-	46,053.51	4,23,350.29
Other Non-current financial asset			2,941.57	2,941.57	-	-	-	-
Trade receivables			46,833.57	46,833.57	-	-	-	-
Government subsidy receivable			50,901.92	50,901.92	-	-	-	-
Cash and cash equivalents			23,498.95	23,498.95	-	-	-	-
Other bank balances			1,281.70	1,281.70	-	-	-	-
Current loans			21,430.87	21,430.87	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other Current financial asset			86,878.99	86,878.99	-	-	-	-
	-	4,23,350.29	2,43,483.98	6,66,834.27	3,77,296.78	-	46,053.51	4,23,350.29
Financial liabilities								
Non current borrowings	-	-	-	-	-	-	-	-
Current borrowings	-	-	3,500.97	3,500.97	-			
Trade payables	-	-	49,461.62	49,461.62	-			
Other current financial liabilities	-	-	25,995.42	25,995.42	-			
Derivative financial instruments	59.05	-	-	59.05	-	59.05	-	59.05
	59.05	-	78,958.01	79,017.06	-	59.05	-	59.05
The carrying value of financial instruments by categories as of 31 st March, 2020 is as follows.								(₹ in lakhs)
Financial assets								
Non-current investments	-	1,98,540.90	10,200.29	2,08,741.19	1,61,016.88	-	37,524.02	1,98,540.90
Other Non-current financial asset	-	-	3,007.28	3,007.28	-	-	-	-
Trade receivables	-	-	84,977.36	84,977.36	-	-	-	-
Government subsidy receivable	-	-	1,79,119.00	1,79,119.00	-	-	-	-
Cash and cash equivalents	-	-	3,404.47	3,404.47	-	-	-	-
Other bank balances	-	-	1,361.43	1,361.43	-	-	-	-
Current loans	-	-	19,229.80	19,229.80	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other Current financial asset	-	-	964.21	964.21	-			
	-	1,98,540.90	3,02,263.85	5,00,804.75	1,61,016.88	-	37,524.02	1,98,540.90
Financial liabilities								
Non current borrowings	-	-	9,333.33	9,333.33	-	-	-	-
Current borrowings	-	-	1,41,241.45	1,41,241.45	-	-	-	-
Trade payables	-	-	43,567.46	43,567.46	-	-	-	-
Other current financial liabilities	-	-	29,754.76	29,754.76	-	-	-	-
Derivative financial instruments	28.28	-	-	28.28	-	28.28	-	28.28
	28.28	-	2,23,897.00	2,23,925.28	-	28.28	-	28.28

B. Measurement of fair values & Sensitivity Analysis

i) Valuation techniques and significant unobservable inputs

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial instruments measured at fair value **(₹ in lakhs)**

Financial assets / financial liabilities	Fair Value (₹ In Lakhs) as at		Fair Value hierarchy	Valuation technique(s) and key input(s)
	31-03-2021	31-03-2020		
1) Investments in equity instruments at FVTOCI (quoted) (see note 7)	Listed equity securities in various companies engaged in fertilizer, chemicals,finance, gas, power and mining industry aggregate fair value of ₹ 3,77,296.78	Listed equity securities in various companies engaged in fertilizer, chemicals,finance, gas, power and mining industry aggregate fair value of ₹ 1,61,016.88	Level 1	Quoted bid prices in an active market

(₹ in lakhs)

Particulars	Valuation technique(s) & key input(s)	Fair Value (₹ In Lakhs) as at		Fair Value hierarchy	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
		31/03/2021	31/03/2020			
2) Investments in equity instruments at FVTOCI (unquoted) (see note 7)	Market Approach-Comparable companies-In this approach, the value of shares / business of a company is determined based on market multiples of publicly traded comparable companies.	Investment in companies engaged in business of storage facilities - aggregate fair value of ₹ 25,740.37	Investment in companies engaged in business of storage facilities - aggregate fair value of ₹ 23,263.21	Level 3	Market Multiple Discount ranging from 15% to 25% (As at 31.3.20 from 15% to 25%)	Increasing/Decreasing the Market Multiples by probability weighted range, would change the FV by +INR 3,961.00 lakhs & -INR 3,715.74 lakhs (As at 31.3.20 +INR 3,838.37 lakhs & -INR 1,054.63 lakhs)
	The appropriate multiple is generally based on performance of listed companies with similar business model and size (Refer note 1 below).	Investment in companies engaged in business of fertilizers industry - aggregate fair value of ₹ 17,857.35	Investment in companies engaged in business of fertilizers industry - aggregate fair value of ₹ 12,115.35		Discount to EV/EBITDA Multiple ranging from -0.50% to 0.50% (As at 31.3.20 from -0.5% to 0.5%)	Increasing/Decreasing the Discounting Factor by probability weighted range, would change the FV by +INR 275.63 lakhs & -INR 284.18 lakhs (As at 31.3.20 +INR 566.55 lakhs & -INR 566.55 lakhs)
	Income Approach- In this approach, discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee.	Investment in company engaged in fertilizer industry - aggregate fair value of ₹ NIL	Investment in company engaged in fertilizer industry - aggregate fair value of ₹ NIL	Level 3	Growth Rate ranging NIL (As at 31.3.20 NIL) Discounting Factor ranging NIL (As at 31.3.20 NIL)	Increasing/Decreasing the Growth Rate & Discounting Factor by probability weighted range, would change the FV by NIL. (As at 31.3.20 NIL)
	(Refer note below).	Investment in company engaged in the business of gas marketing - aggregate fair value of ₹ 2,319.45	Investment in company engaged in the business of gas marketing - aggregate fair value of ₹ 2,023.35	Level 3	10% +/- over base value.	10% increase/Decrease over base value, would change FV by +INR 326.65 lakhs & -INR 329.00 lakhs. (As at 31.3.20 +INR 338.40 lakhs & -INR 336.05 lakhs)
	Note : Under this method the value of each business/assets/investment has been arrived separately and total value estimate for the company presented as the sum of all its business/assets/investment. The Comparable Companies Multiple ("CCM") Method under Market Approach is used for Gas Marketing business, Other E&P Blocks business & KG Block PI business. The investee has various investments in subsidaries and Associates companies. Each of these subsidiary and associate companies have been separately valued using market price method, CCM method and Cost of Investment method and applied the investee's stake percentage to arrive at the fair value of investee's investment in these subsidiaries / associate companies. Under the market price method, the valuation is derived from the quoted market price of the share of the company as at the valuation date. Under the NAV method, the valuation is derived by calculating the net assets value of the investee as at the valuation date.					
	Cost Approach- Net Asset Value - In this approach, total value is based on the sum of net asset value as recorded on the balance sheet.A net asset methodology is most applicable for businesses where the value lies in the underlying assets and not the ongoing operations of the business. (Refer note 1 and 2 below).	Investment in companies engaged in power and finance industry - aggregate fair value of ₹.136.34	Investment in companies engaged in power and finance industry - aggregate fair value of ₹ 122.11	Level 3	Discount to Book Value ranging from 15% to 30% (As at 31.3.20 from 15% to 30%)	Increasing/Decreasing the Discounting Factor by probability weighted range, would change the FV by +INR 15.85 lakhs & -INR 15.00 lakhs (As at 31.3.20 +INR 14.21 lakhs & -INR 13.44 lakhs)

Notes to the Consolidated Financial Statements

Note 1 : The Company has invested in the equity instruments of various companies. However, the percentage of shareholding of the Company in such investee companies is very low and hence, it has not been provided with future projections including projected profit and loss account by those investee companies. Hence, the independent valuer appointed by the Company has estimated fair value based on available historical Annual Reports of such companies and other information as available in the public domain. Since the future projections are not available, discounted cashflow approach for fair value determination has not been followed.

Note 2 : In case of some companies, there are no comparable companies valuations available and some are recent start up companies. In light of no information available for future projections, capacity utilisation, commencement of operations, etc., the valuation is based on cost approach.

ii) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during 2020-21 and 2019-20.

iii) Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

(₹ in lakhs)

Paticulars	Equity securities
Opening Balance(1 April 2020)	37,524.02
Net change in fair value (unrealised)	8,529.49
Purchases	-
Closing Balance (31 March 2021)	46,053.51

Transfer out of Level 3

There were no movement in level 3 in either directions during the year 2020-21 and 2019-20.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through a Financial risk management committee, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Audit cum finance committee and Board of Directors. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit cum finance committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Company's exposure to credit is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Revenue department has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Board of Directors.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Company may have a secured claim. The Company does not otherwise require collateral in respect of trade and other receivables.

The company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The provision matrix of ECL at the end of reporting period is as follows.

Particulars	Expected credit loss %
Within the credit Period	0.03%
1-90 days past due	0.32%
91-180 days past due	1.42%
181-270 days past due	5.18%
270-360 days past due	12.69%
360-450 days past due	26.62%
450-540 days past due	45.89%
540-630 days past due	63.96%
630-720 days past due	100.00%
More than 720 days past due	100.00%

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

(₹ in lakhs)

Particulars	Carrying amount	
	March 31, 2021	March 31, 2020
Neither past due nor impaired	52,440.57	79,143.72
Past due 1–30 days	1,353.61	11,633.16
Past due 31–90 days	19,714.21	36,361.45
Past due 91 days and above	24,227.09	1,36,958.03
	97,735.49	**2,64,096.36**

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

Movement in expected credit loss allowance (₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	7,871.60	7,908.78
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses Past due 31–90 days	(725.03)	(37.18)
	7,146.57	7,871.60

During the year 2020-21 and 2019-20, impairment provision was reduced by INR 725.03 Lakhs and INR 37.18 Lakhs respectively

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 23,498.95 at March 31, 2021 (₹ 3,404.47 at March 31, 2020). The cash and cash equivalents are held with approved scheduled banks.

Derivatives

The derivatives deals are done with AD category banks in OTC market and registered brokers in ETCD market.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Financing facilities: (₹ in lakhs)

Particulars	As at 31-03-2021	As at 31-03-2020
a) Secured cash credit, reviewed annually		
- amount used	3,500.97	4,149.44
- amount unused	42,999.03	42,419.05
b) Secured term loan		
- amount used	-	14,666.66
- amount unused	-	-
c) Unsecured bill acceptance facility		
- amount used	-	31,905.40
- amount unused	-	-
d) Unsecured commercial papers		
- amount used	-	30,000.00
- amount unused	1,00,000.00	70,000.00
e) Unsecured working capital demand loan		
- amount used	-	14,686.61
- amount unused	55,000.00	40,313.39
f) Unsecured Inter-Corporate Loan Facility		
- amount used	-	54,000.00
- amount unused	-	46,000.00
g) Unsecured bank overdraft facility/WCDL Facility		
- amount used	-	6,500.00
- amount unused	14,500.00	8,000.00

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in lakhs)

March 31, 2021	Contractual cash flows					
	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
INR						
Non-derivative financial liabilities						
Term loans from banks	-	-	-	-	-	-
Working capital loans from banks	3,500.97	3,500.97	3,500.97	-	-	-
Trade payables	49,461.62	49,461.62	49,461.62	-	-	-
Other current financial liabilities	25,995.42	25,995.42	25,995.42	-	-	-
Derivative financial liabilities						
Derivative contracts used for hedging						
- Outflow	59.05	59.05	59.05	-	-	-

March 31, 2020	Contractual cash flows					
	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	14,666.66	14,666.66	5,333.33	5,333.33	4,000.00	-
Working capital loans from banks	1,41,241.45	1,41,241.45	1,41,241.45	-	-	-
Trade payables	43,567.46	43,567.46	43,567.46	-	-	-
Other current financial liabilities	24,421.43	24,421.43	24,421.43	-	-	-
Derivative financial liabilities						
Derivative contracts						
- Outflow	28.28	28.28	28.28	-	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of company's investments. Thus, company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to control the financial risks associated with the Foreign Exchange/Currency rate movements through a sophisticated Foreign Exchange Risk Management System.

Currency risk

The Company is exposed to currency risk on account of its import payables and borrowings in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts, Options and futures to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The company is using derivative instruments which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

Exposure to currency risk

The currency profile of financial assets and financial liabilities was as below: (₹ in lakhs)

Particulars	March 31, 2021 INR	March 31, 2021 USD[1]	March 31, 2021 CAD[1]	March 31, 2021 Others[1]
Financial assets				
Cash and cash equivalents	23,498.95	-	-	-
Other bank balances	1,281.70	-	-	-
Non-current investments	4,32,087.70	-	979.00	-
Current loans and advances	21,430.87	-	-	-
Trade and other receivables	93,553.57	2,738.47	-	1,443.45
Derivative assets	-	-	-	-
Other Non-Current financial assets	2,941.57	-	-	-
Other Current financial assets	86,878.99	-	-	-
	6,61,673.35	**2,738.47**	**979.00**	**1,443.45**
Financial liabilities				
Long term borrowings	-	-	-	-
Short term borrowings	3,500.97	-	-	-
Trade and other payables	37,537.77	11,657.02	6.39	260.44
Derivative liabilities	59.05	-	-	-
Other Current financial liabilities	25,995.42	-	-	-
	67,034.16	**11,716.07**	**6.39**	**260.44**

(₹ in lakhs)

Particulars	March 31, 2020 INR	March 31, 2020 USD[1]	March 31, 2020 CAD[1]	March 31, 2020 Others[1]
Financial assets				
Cash and cash equivalents	3,404.47	-	-	-
Other bank balances	1,361.43	-	-	-
Non-current investments	2,06,510.30	-	2,230.89	-
Current loans and advances	19,229.80	-	-	-
Trade and other receivables	2,60,234.50	3,841.98	-	19.88
Other non current financial assets	3,007.28	-	-	-
Other Current financial assets	964.21	-	-	-
	4,94,711.99	**3,841.98**	**2,230.89**	**19.88**
Financial liabilities				
Long term borrowings	9,333.33	-	-	-
Short term borrowings	1,09,336.05	31,905.40	-	-
Trade and other payables	38,861.98	4,621.92	-	83.56
Derivative liabilities	-	28.28	-	-
Other Current financial liabilities	28,989.39	5.43	-	759.94
	1,86,520.75	**36,561.03**	**-**	**843.50**

1 - The figures are in INR Equivalent of respective currency

The following significant exchange rates have been applied during the year.

INR	Year-end spot rate	
	March 31, 2021	March 31, 2020
USD	73.50	75.39
CAD	58.82	53.49

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in lakhs)

	31-Mar-21		31-Mar-20	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
10% movement				
USD	220.12	204.01	(1,424.11)	(1,132.77)
CAD	97.90	(97.90)	223.09	(223.09)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. Company has repaid all long term borrowings during the FY 20-21 as follows :

(₹ in lakhs)

Particulars	Nominal amount in INR	
	March 31, 2021	March 31, 2020
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	-	14,666.67
Total	**-**	**14,666.67**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Interest Rate would have affected the finance cost, equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	31-Mar-21		31-Mar-20	
Effect of interest rate	Strengthening	Weakening	Strengthening	Weakening
1% movement				
Interest cost	-	-	146.67	(146.67)

Capital Management

The Company manages its capital to ensure that it will be able to continue as a Going Concern while maximising the return to stakeholders through optimisation of the Debt and Equity Balance.

Further, the Company was also subject to externally imposed capital requirement as part of its debt covenant for Term Loan for Melamine III plant, viz maintaining minimum Net Fixed Assets Coverage Ratio (of Melamine III Plant Assets) of 1.25 times throughout the currency of the loan.

The loan has been fully paid up during FY 20-21

(₹ in lakhs)

Particulars	INR	
	March, 2021	March, 2020
Net Fixed Assets (Melamine-III)	73,927.60	77,295.70
Total Debt (Melamine-III)	-	14,666.67
Net Fixed Asset Coverage Ratio	N.A.	5.27

42. Research & Development Expenses

(₹ in lakhs)

Particulars	Year end 31st March, 2021	Year end 31st March, 2020
Capital*	61.36	28.66
Recurring**	1,087.47	1014.81
Total	**1,148.83**	**1,043.47**
*Capital Expenses included in PPE Note No. 5	61.36	28.66
**Recurring Expenses included in		
Note No. 33 Employee Benefit expenses	1,068.54	1,001.68
Note No. 35 Other expenses	18.93	13.13

43. Corporate Social Responsibility

(₹ in lakhs)

Particulars	Year end 31st March, 2021	Year end 31st March, 2020
Prescribed CSR expenditure @ 2%	792.14	990.13
Actual expenditure	1,591.52	990.00
Overspent Amount	799.25	-0.13

44. Details on derivative instruments and unhedged foreign currency exposure

(I) (a) There are no outstanding forward exchange contracts as on 31 March, 2021

(b) Currency Futures (other than forward exchange contracts stated above) which are not intended for trading or speculative purposes but for hedge purposes to hedge against fluctuations in changes in exchange rate.

Currency	Amount (in Mn)	Buy / Sell	Cross currency
USD	14.00	Buy	Rupees
USD	(44.00)	Buy	Rupees

Note: Figures in brackets relate to the previous year

(II) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise, represented in equivalent USD: USD 0.06 Mn (As at March 31, 2020: USD 9.16 Mn)

45. Leases

(i) The Company has taken various warehouses, godowns, guesthouses and office premises under operating lease or rental agreements. Effective 1st April, 2019, the company has adopted Ind AS 116 and applied to its leases, retrospectively, with the cumulative effect of initially applying the standard on the date of initial application (April 01, 2019). Accordingly, the Company has not restated comparative information and recognized right-of-use assets at an amount equal to the lease liability. Refer Note 5(ii) for details of right-of-use assets and Note 26 for details of Lease Liability. Interest on lease liability ₹ 29.73 Lakhs in FY 2020-21 (₹ 42.86 Lakhs in FY 2019-20) has been included in Finance Costs and depreciation on right-of-use assets has been included in Depreciation and amortization expense for the year.

(ii) Rent income includes lease rentals received towards office premises and land leased out for gas station. Such operating lease is generally for a period of three to four years. There are no restrictions imposed by lease arrangements.

46. Ind As 115 : Revenue from Contracts with Customers

The Company generates revenue primarily from manufacturing of Fertilizers and Chemical Products. The Company has recognised revenue by satisfying its performance obligations at a point of time basis. The revenue from contracts with customers to the amounts disclosed as total revenue are as under:

Particulars	Year end 31st March, 2021	Year end 31st March, 2020
Revenue from Contract with Customers	5,48,647.50	5,33,811.79
Revenue from Subsidy from Government	2,14,758.64	2,45,986.00
Total Revenue	**7,63,406.14**	**7,79,797.79**

The disaggregation of Revenue from Contract with Customers is as under:

(A) Revenue – Segment-wise (₹ in lakhs)

Particulars	Year end 31st March, 2021	Year end 31st March, 2020
Fertilizer Products	5,86,343.05	6,23,838.37
Industrial Products	1,77,063.09	1,55,959.42
Total Revenue	**7,63,406.14**	**7,79,797.79**

(B) Revenue – Activity-wise (₹ in lakhs)

Particulars	Year end 31st March, 2021	Year end 31st March, 2020
Revenue generated from Manufacturing Activity	6,38,026.15	5,89,853.17
Revenue generated from Trading Activity	1,24,674.17	1,89,146.87
Revenue generated from Sale of Service	705.82	797.75
Total Revenue	**7,63,406.14**	**7,79,797.79**

(C) Contract Liability: (₹ in lakhs)

Particulars	Year end 31st March, 2021	Year end 31st March, 2020
Opening Balance of Contract Liability	1,737.60	1,551.08
Revenue Recognised from the opening balance of contract liability	1,737.60	1,551.08
Current year Contract liability - Carried Forward	3,194.06	1,737.60
Closing Balance of Contract Liability	3,194.06	1,737.60

The nature of services and its disclosure of timing of satisfaction of performance obligation is mentioned in para 3.1 of Note No 3.There are no contract assets in the Balance Sheet.Contract Liabilities in the Balance Sheet constitutes advance payments and billings in excess of revenue recognised. The Company expects to recognise such revenue in the next financial year.There were no significant changes in contract liabilities during the reporting period except amount as mentioned in the table and explanation given above.Under the payment terms generally applicable to the Company's revenue generating activities, prepayments are received only to a limited extent. Typically, payment is due upon or after completion of delivery of the goods.

47. Disclosure as per regulation 34(3) and 53(f) of Securities and Exchange Board of India (listing obligations and disclosures requirements) regulations, 2015:

Loans & Advances in the nature of loans to subsidiaries is ₹ Nil (PY: ₹ Nil)

48. Impact of Covid-19 Pandemic

In assessing the recoverability of receivables and certain investments, the company has considered internal and external information up to the date of approval of these financial statements and economic forecasts. Based on current indicators of future economic conditions, the company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the company will continue to closely monitor any material changes to future economic conditions.

49. Other Matters

(i) With respect to Fibre Unit and Polymer Unit, the Net Realizable Value is higher compared to its carrying value as on March 31, 2021.

(ii) The previous year's figures have been re-casted, regrouped and rearranged, whenever necessary to confirm to this year's classifications.

(iii) Balances of Sundry Creditors, Sundry Debtors, Loans & advances, etc. are subject to confirmation and reconciliation.

(iv) One of the Subsidiary company i.e. Gujarat Arogya Seva Private limited (GASPL) has made an application to NCLT for liquidation. Said application is under process with NCLT as on Balance Sheet date.

50. Interest in other entities

a) Subsidiaries

The Company's subsidiaries at 31 March 2021 are set out below. They have share capital consisting solely of equity shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Name of Entity	Place of business	% of ownership interest		Principal activities
		31 March 2021	31 March 2020	
GSFC Agrotech Limited (GATL)	India	100.00%	100.00%	Trading of Agro inputs
Gujarat Arogya Seva Pvt. Ltd.	India	50.94%	50.94%	Trading of generic medicines
Gujarat Port & Logistics Company Ltd.	India	60.00%	0.00%	Providing Port & Logistics related Service
Vadodara Jalsanchay Pvt. Ltd.	India	60.00%	0.00%	Treatment and supply of waste water

b) Associates

Set out below are the associates of the Company as at 31 March 2021 which, in the opinion of the directors, are material to the Company. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(₹ in Lakhs)

Name of Entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying Amount		Quoted fair values	
					31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Vadodara Enviro Channel Limited (note 1)	India	28.57%	Associate	Equity Method	147.94	166.80	*	*
Gujarat Green Revolution Company Limited (note 2)	India	46.87%	Associate	Equity Method	8,589.46	7,802.60	*	*
Karnalyte Resources Inc (note 3)	Canada	38.73%	Associate	Equity Method	979.00	2,230.88	2,113.76	1,224.93
Total equity accounted investments					**9,716.41**	**10,200.28**	**2,113.76**	**1,224.93**

* Unlisted entity - no quoted price available

1 Vadodara Enviro Channel Limited was formed to administer the safe disposal of treated wastewater through Effluent Channel Project.

2 Gujarat Green Revolution Company Limited (GGRCL) is appointed as a nodal agency by Government of Gujarat, for passing on the subsidy received from the State and the Central Government for installation of Micro Irrigation System (MIS) to farmers in the State of Gujarat.

3 Karnalyte Resources Inc is engaged in development of its property and planned construction of a production facility and development of a potash mine.

Commitments and contingent liabilities in respect of associates

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Contingent liabilities - associates	3,891.05	6,080.18

Summarised financial information for associate

The tables below provide summarised financial information for those associates that are material to the Company. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Company's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

(₹ in Lakhs)

Particulars	31 March 2021			31 March 2020		
	KRI	VECL	GGRCL	KRI	VECL	GGRCL
Total current assets	2,456.91	3,122.34	60,813.68	4,096.07	3,060.75	55,814.47
Total non-current assets	3,489.79	3,117.94	1,118.08	3,104.06	3,248.32	1,261.07
Total current liabilities	652.31	704.47	43,573.92	507.79	726.93	40,375.20
Total non-current liabilities	964.06	1,027.72	56.52	882.21	1,092.29	51.12
Adjustment-Member'Capital Contribution & Capital Reserve	-	3,904.57	-	-	3,904.57	-
Net Assets	**4,330.33**	**603.53**	**18,301.31**	**5,810.13**	**585.28**	**16,649.22**

Notes to the Consolidated Financial Statements

Reconciliation to carrying amounts (₹ in Lakhs)

Particulars	31 March 2021			31 March 2020		
	KRI	VECL	GGRCL	KRI	VECL	GGRCL
Net assets	4,330.33	603.53	18,301.31	5,810.13	585.28	16,649.22
Company's Share in %	38.73%	28.57%	46.87%	38.73%	28.57%	46.87%
Company's Share in ₹ lakh	1,677.16	172.43	8,578.08	2,250.30	166.80	7,803.72
Goodwill/Capital Reserve						
Adjustment	(698.16)	(24.49)	11.38	(19.42)	-	(1.12)
Carrying amount	**979.00**	**147.94**	**8,589.46**	**2,230.88**	**166.80**	**7,802.60**

Summarised statement of profit and loss for the year ended on 31 March 2021 (₹ in Lakhs)

Particulars	31 March 2021			31 March 2020		
	KRI	VECL	GGRCL	KRI	VECL	GGRCL
Revenue	-	1,368.57	930.93	-	1,373.21	1,215.63
Profit for the year	(1,817.18)	(87.32)	1,680.66	(1,613.63)	(174.58)	1,964.62
Other comprehensive income	-	-	(1.90)	-	-	(5.90)
Total comprehensive income	**(1,817.18)**	**(87.32)**	**1,678.76**	**(1,613.63)**	**(174.58)**	**1,958.72**
Dividend received	-	-	12.50	-	-	6.25

51. ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

(₹ in Lakhs)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net profit/ (loss)	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Parent								
Gujarat State Fertilisers and Chemicals Limited								
31 March 2021	98.35%	9,08,761.69	97.45%	43,864.66	100.00%	1,97,644.76	99.53%	2,41,509.42
31 March 2020	97.85%	6,71,377.85	89.14%	9,769.24	100.00%	(46,300.82)	103.36%	(36,531.58)
Subsidiaries								
Indian								
GSFC Agrotech Limited								
31 March 2021	0.59%	5,464.76	2.40%	1,079.68	0.00%	-	0.44%	1,079.68
31 March 2020	0.65%	4,433.08	8.02%	879.44	0.00%	-	-2.49%	879.44
Gujarat Arogya Seva Pvt. Ltd.								
31 March 2021	0.00%	(0.69)	0.00%	1.41	0.00%	-	0.00%	1.41
31 March 2020	0.04%	262.10	0.10%	11.01	0.00%	-	-0.03%	11.01
Vadodara Jal Sanchay Private Limited								
31 March 2021	0.01%	117.28	-0.01%	(2.72)	0.00%	-	0.00%	(2.72)
31 March 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Gujarat Port and Logistics Company Limited								
31 March 2021	0.01%	118.24	0.00%	(1.76)	0.00%	-	0.00%	(1.76)
31 March 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non Controlling Interest in above subsidiaries								
31 March 2021	-0.02%	(157.72)	-0.01%	(2.29)	0.00%	-	0.00%	(2.29)
31 March 2020	-0.02%	(128.52)	0.05%	5.40	0.00%	-	-0.02%	5.40
Associates (Investments as per the equity method)								
Indian								
Vadodara Enviro Channel Limited								
31 March 2021	0.02%	147.94	-0.04%	(18.86)	0.00%	-	-0.01%	(18.86)
31 March 2020	0.02%	166.80	-0.08%	(8.35)	0.00%	-	0.02%	(8.35)
Gujarat Green Revolution Company Limited								
31 March 2021	0.93%	8,589.46	1.75%	787.75	0.00%	-0.89	0.32%	786.86
31 March 2020	1.14%	7,802.60	8.46%	927.28	0.00%	-2.77	-2.62%	924.51
Foreign								
Karnalyte Resources Inc.								
31 March 2021	0.11%	979.00	-1.56%	(703.81)	0.00%	-	-0.29%	(703.81)
31 March 2020	0.33%	2,230.88	-5.70%	(624.97)	0.00%	-	1.77%	(624.97)
Total								
31 March 2021	100.00%	9,24,019.97	100.00%	45,013.03	100.00%	1,97,643.87	100.00%	2,42,656.90
31 March 2020	100.00%	6,86,144.79	100.00%	10,959.05	100.00%	(46,303.59)	100.00%	-35,344.54

Signatures to Notes 1 to 51 forming the part of the Financial Statements.

In terms of our report attached

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No: 006711N / N500028

Brijesh Thakkar
Partner
Membership No: 135556

Gandhinagar
27th May, 2021

Mukesh Puri
Managing Director

Jayaben Thakkar
Director

V. D. Nanavaty
ED (Finance) & CFO

V. V. Vachhrajani
Company Secretary

ANNEXURE "A" TO THE CONSOLIDATED FINANCIAL STATEMENT

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A" : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

			Amount in ₹
1	Serial No.	1	2
2	Name of the subsidiary	GSFC Agrotech Limited	Gujarat Arogya Seva Pvt. Ltd.
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not Applicable	Not Applicable
5	Share capital (as on 31.03.2021)	200,000,000	-
6	Reserves & surplus (as on 31.03.2021)	346,475,286	-
7	Total assets (as on 31.03.2021)	1,541,640,669	-
8	Total Liabilities (as on 31.03.2021)	995,165,383	-
9	Investments (as on 31.03.2021)	13,500,000	Nil
10	Turnover (FY 2020-21)	4,517,109,615	Nil
11	Profit before taxation (FY 2020-21)	145,235,853	-
12	Provision for taxation (FY 2020-21)	37,268,700	-
13	Profit after taxation (FY 2020-21)	107,967,153	-
14	Proposed Dividend (FY 2020-21)	Nil	Nil
15	% of shareholding (as on 31.03.2021)	100% (with nominees)	Nil

	Notes: The following information shall be furnished at the end of the statement:	
1	Names of subsidiaries which are yet to commence operations	1) Vadodara Jal Sanchay Private Limited 2) Gujarat Port and Logistics Company Limited
2	Names of subsidiaries which have been liquidated or sold during the year.	None

In terms of our report attached

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No: 006711N / N500028

Brijesh Thakkar
Partner
Membership No: 135556

Gandhinagar
27th May, 2021

Mukesh Puri
Managing Director

Jayaben Thakkar
Director

V. D. Nanavaty
ED (Finance) & CFO

V. V. Vachhrajani
Company Secretary

ANNEXURE "A" TO THE CONSOLIDATED FINANCIAL STATEMENT (Contd.)

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of Associates	Gujarat Green Revolution Limited	Vadodara Enviro Channel Limited	Gujarat Data Electronics Limited	Karnalyte Resources Inc.
1	**Latest audited Balance Sheet Date**	31st March, 2020	31st March, 2020	Not available	31st December,2020
2	**Shares of Associates held by the company on the year end**				
	No.	1,250,000	14,302	115,000	16,334,558
	Amount of Investment in Associates (₹)	12,500,000	20	1,150,000	2,470,638,160
	Extend of Holding %	46.87%	28.57%	23.00%	38.73%
3	**Description of how there is significant influence**	Holding more than 20% of the total capital	Holding more than 20% of the total capital	Holding more than 20% of the total capital	Holding more than 20% of the total capital
4	**Reason why the associate is not consolidated**	Not Applicable	Not Applicable	Financial statements are not available and 100% provision for diminution in value of investment has been accounted in the books of GSFC Ltd.	Not Applicable
5	**(i) Networth attributable to Shareholding as per latest audited Balance Sheet**	780,372,635	17,331,290	Not available	177,200,927
	(ii) Networth attributable to Shareholding as per unaudited Balance sheet as on 31/03/2021 (₹)	857,808,719	17,243,712	Not available	167,716,081
6	**Unaudited Profit / Loss for the FY 2020-21 (₹)**	168,066,241	(8,731,524)	Not available	(181,718,420)
	i. Considered in Consolidation (₹)	168,066,241	(8,731,524)	Not available	(181,718,420)
	ii. Not Considered in Consolidation (₹)	-	-	Not available	-

1. Names of associates or joint ventures which are yet to commence operations.	None
2. Names of associates or joint ventures which have been liquidated or sold during the year.	None

In terms of our report attached

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Registration No: 006711N / N500028

Brijesh Thakkar
Partner
Membership No: 135556

Gandhinagar
27th May, 2021

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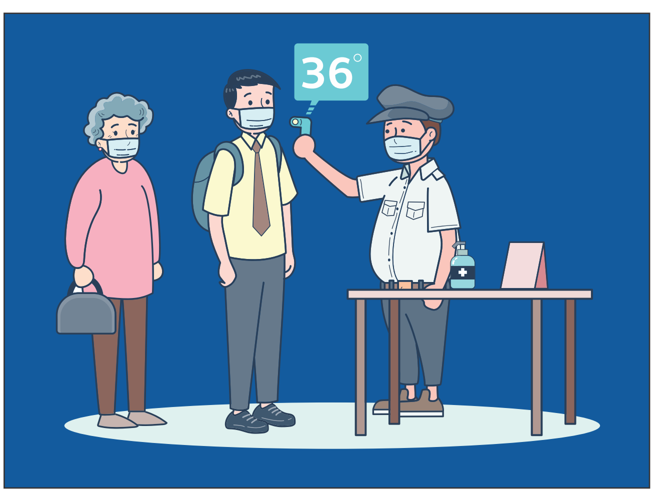
Our Fight to
Emerge Stronger Together

Coronavirus has made a huge impact on the world around. In the first wave of COVID-19 last year, like many organisations, GSFC also had adopted a few initial changes at the office premises to bring back the workforce to a safe and protected working environment. On the declaration of nationwide lockdown, GAD arranged for appropriate lodging and boarding locations for 210 people within one day. In order to assure people their safety, the GAD team established disinfectant tunnels at all entry points overnight. Temperature checks, hand sanitizers, face masks, and round-the-clock live medical centre within the GSFC campus were some of the measures adopted to ensure safety at work.

The ferocity of the second wave in March 2021 took everyone by surprise. Deadly Covid-19 second wave devastated not only big cities but also small towns and villages. Hospitals run out of space, medicines and oxygen with sudden shoot in number of COVID-19 cases. GSFC provided the much-needed respite to the state of Gujarat by supplying 99.8% liquid medical oxygen free of cost under its CSR initiative. Certain capabilities had to be modified to supply 10 tonnes of liquid oxygen every day.



Innovating Success

The decade of 2011 to 2020, has been the most interesting phase in the growth story of GSFC. Thanks to the R&D department. Approved by the Department of Science and Technology under the Department of Scientific and Industrial Research, GSFC's R&D is designed to meet the challenges of a fast-changing world.

Flame retardant grades of Nylon-6 as well as a new colour formulation for it was manufactured internally. In this constant endeavour to manufacture products internally, GSFC began production of Polymer Coated Urea, Nanoclay based Nanocomposites, Rock Phosphate Solubilizing Microbes and Water Dispersible Sulphur as a fungicide. Developed a product Sulphur Bentonite for prolonged availability of sulfur to the soil by slow release.

Persistent efforts by the R&D dept. have added value in the fertilizer category too. Customized WSF 19:19:19 for international markets and manufactured Gypsum Plus Nutri +, a fertilizer cum soil conditioner. FCO Grade Calcium Nitrate from Phosphogypsum, Ammonium Sulphate Granules, Hexamethoxy Methyl Melamine (HMMM) Resin from melamine and Zeolite based Bio Fertilizer with mycorrhiza, NPK Liquid Biofertilizer consortium, NPK 12-32-16 (Boronated), Junior APS 16-20-0-13, NPK grades 16-16-16, 14-28-00, 15-15-15, Nano fertilizer of ZnO, Ammonium Sulphate (G5), and G4 Micromix from inorganic salts were some of the other fertilizers developed by the R&D department.

Among the technology absorption activities, GSFC started a 1,500 MTPY Urea Phosphate plant, 20,000 MTPY WSF plant, 1,200 MTPY capacity HX Crystal Plant, 2 Lakh L/yr capacity plant of NPK Liquid Biofertilizer (Sardar Liquid Consortia (NPK), all based on R&D processes. Recently, trial production of APS 16:20:0:13 began at Sikka Unit for initial market feedback, launched Boronated NPK in the market and started production at Sikka Unit.

A strong team of scientists that continuously work on the conceptualization of emerging ideas in the fields of fertilizers, industrial products, biotechnology, polymer science, waste utilization and corrosion and metallurgy is the backbone of GSFC's R&D.

Application Development Centre at GSFC was established in 1982 to develop innovative applications of various industrial products. Dedicated to innovation, ADC has developed new applications of various grades of Nylon-6, Melamine and Acrylics. These products are used in various fields and industries like automobiles, engineering, electrical and electronics, construction, paints, interior decorations, textiles & fishing, etc.

Constantly at the forefront of innovation, ADC is also responsible for improving and modifying the existing grades of GSFC's products as per the customer requirement. ADC's functions include developing cost-effective applications, marketing, developing and training entrepreneurs for product applications, organising customer meets, disseminating customer information, providing guidance to customers, after sales and many more.

Application Development Centre at GSFC was established in 1982 to develop innovative applications of various industrial products. Dedicated to innovation, ADC has developed new applications of various grades of Nylon-6, Melamine and Acrylics. These products are used in various Industrial segments like automobiles, engineering, electrical and electronics, construction, furniture, home appliances, paints, interior decorations, fishnets etc.

Constantly at the forefront of innovation, ADC now undertakes development of new grades of Nylon 6 and improving techno – economics of existing ones as per market requirements. ADC's functions include innovating cost - effective superior quality new products and their applications, entrepreneur development, organizing customer meets, disseminating technical information of industrial products, market complaints resolution, customer technical services and many more.

GSFC Unlocking the **Online Retail Opportunity**

The digital transformation in India is showing an upward trajectory, which was not the case five years ago. With time, technology changed. Bill payment, shopping, registration, and many other functions moved online. **Prime Minister Narendra Modi's** vision to create a digitally empowered society and knowledge economy is proof that India is on the right track to digitalisation.

Continuous improvement in GSFC's product portfolio along with success in creating solutions for farmers have led to the company's unique position in the agri-business. To further support the farmers and ease their purchasing experience, GSFC is transforming itself from a brick and mortar model to a click and order model.

GSFC is selling 13 fertilizers on different digital platforms to make fertilizer buying convenient and easy for the farmers. Amazon, Flipkart and Agrostar are the three digital platforms GSFC fertilizers are available on.

AgroStar is India's foremost AgTech start-up working on the mission of helping farmers win by providing a complete range of Agri solutions. Farmers can avail Agri solutions for their entire crop life-cycle with a simple "missed call" or through its Android app.

With this move, now farmers do not have to travel miles to purchase GSFC fertilizers but order it as the ease of their homes. GSFC, truly empowering the farmers of India.

The cover page theme portrays GSFC's two major businesses, i.e., Fertilizers and Industrial Products. The paintbrush strokes with relevant pictures depict the contribution of GSFC to the prosperity, development, and growth of the nation.

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