"Reviving Nature, Enriching Lives"

61st ANNUAL REPORT

2022 2023

GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

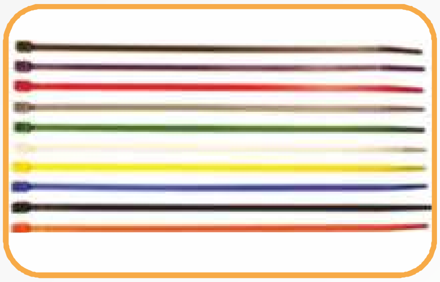
APPLICATION DEVELOPMENT CENTRE

GSFC is market leader in value chain of Caprolactam, Nylon 6 virgin polymer & its compounds. The compounds of Nylon 6 are used in diverse performance applications ranging from consumer durables to Automotive.

Application Development Centre (ADC), a growth engine for Nylon 6 business, works on development of premium compounds of Nylon 6 largely for original equipment manufacturers (OEMs) in automotive, luggage, furniture, power, textile, packaging, defense etc. industrial segments. Developed compounds of Nylon 6 possess unique attributes like weather resistance, toughness, fire resistance, anti - hydrolysis, rigidity, dimensional stability etc. to meet specific performance requirements of various applications.

Team of highly qualified scientist, technologist and development engineers effectively steer compound development programs and commercialization thereof for propelling business growth. The center houses state of art development facilities and advanced characterization instruments for quicker response to development needs of Market. ADC also renders various technical services to customers viz. processing guidelines, new color shade evolution, compound selection, regulatory compliances, material characterization etc.

Some of the recently developed compounds for premium applications:



Cable Tie for Electrical/Power/Consumer Durable Segment

Engine Cover of Automotive

Oil Sump Cover of Automotive

Wheel Cap of Automotive

APPLICATION DEVELOPMENT CENTRE

Electrical/Power/Automotive Application for Flame Retardancy

Wheel Cap of Automotive

Visco Fan of Automotive

ORVM Actuator Motor Base of Automotive

Ever since its inception in 1962, Gujarat State Fertilizers and Chemicals (GSFC) Limited is serving the community towards enriching lives of all its stake holders. We at GSFC have always considered CSR as an integral part of our business activity and have taken up the social cause under theme of "Human Development Index (HDI)".

We are working on multi-faceted CSR projects covering areas like education, sanitation, health, environment, nutrition, rural development, providing clean drinking water, support to NGOs, woman empowerment etc much before the concept of Corporate Social Responsibility (CSR) got clad into legal frame-work through Companies Act 2013, there existed a Village Development Cell which served the community with great commitment.

Major projects in the FY 2022-23 are Support to GSFC University and GSFC run schools, providing safe drinking water facility to nearby community, projects in association with local administration, infrastructure development, farmer development, and projects under Azadi ka Amrut Mohatsav Campaign etc.

The numerous steps taken are a testimony to how much GSFC cares for its society. The company's importance towards the betterment of the society even in these tough times shows its commitment and has kept no stone unturned to keeping its nation healthy, happy and safe.

RESEARCH & DEVELOPMENT

- To promote Organic fertilizers for reduced health hazard and sustainable agriculture, an organic fertilizer product named “Sardar SUDHAN” developed by fortification and granulation of the material derived from dung based gobargas plants. These gobargas plants are installed in villages under GOBAR (Galvanizing Organic Bio-Agro Resources) – DHAN scheme as a part of Manure management program of NDDB. MoU with NDDB is also executed for further research inputs and marketing of product.

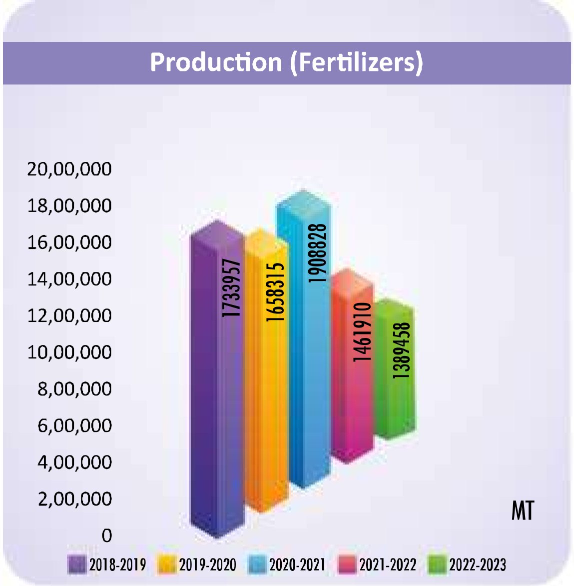
- Liquid fertilizers are gaining more importance day by day because of its easy application through foliar spray, fast response and less logistics cost. A product to this segment is added by developing a FCO grade Calcium Nitrate Suspension, fortified with Magnesium. This product is a nitrogen fertilizer with added nutrients like calcium and magnesium and can be used in fruit and vegetable crop.

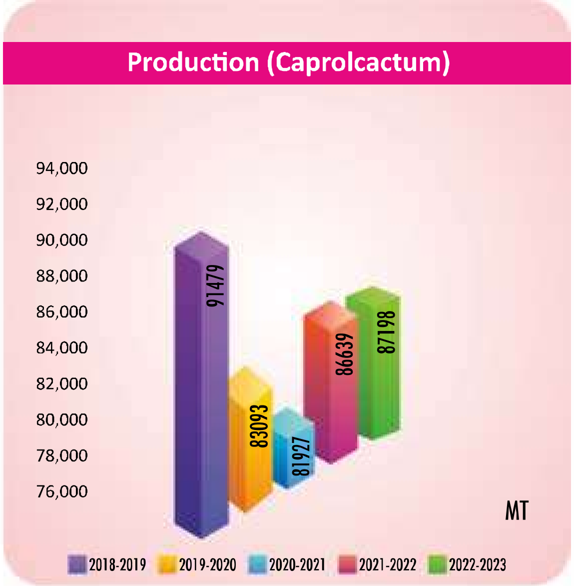
- As a part of contributing towards cleaner future, various green initiatives were taken for effective waste management practices across the complex. For the effective use of food waste, a biogas pilot plant is installed at township nursery to generate bio methane and electricity. The generated biogas is being utilized at guesthouse for cooking purpose. Alternatively biogas can also be used to generate electricity and slurry/remains can be used as fertilizer. To address horticulture waste, a process for converting it into biocoal/briquettes is also developed.

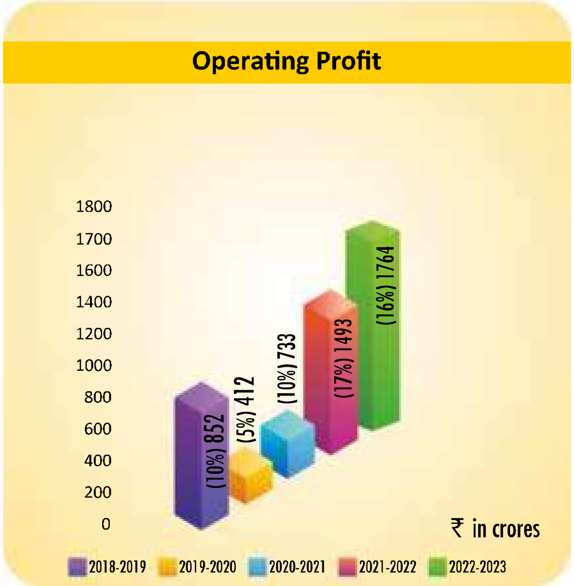
Technology absorption

1. Commissioning of plant for bulk production of Phosphogypsum Granules.
2. A Bio-Methane pilot plant installed at Fertilizernagar, Vadodara to process food waste (Max 500 kg/Day) for Production of biogas (up to 20 kg/Day) and Power generation (up to 50 kw/Day). Slurry remains of plant can be utilized as organic fertilizer.
3. Large scale production of FCO grade Calcium Nitrate Suspension has been started at WSF Plant, Vadodara.

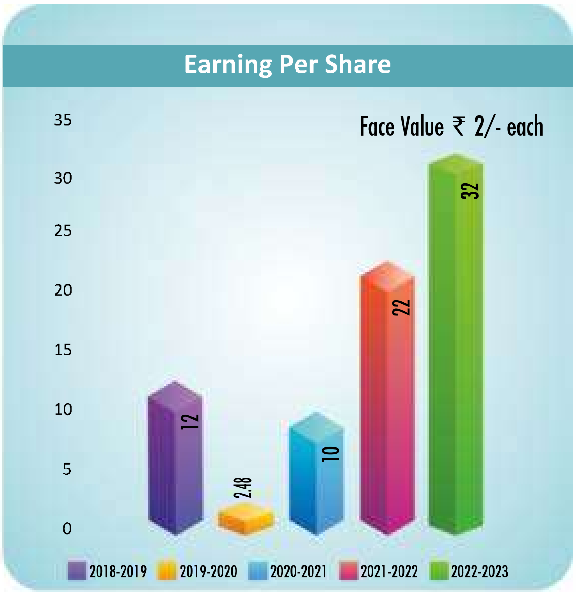
PERFORMANCE HIGHLIGHTS

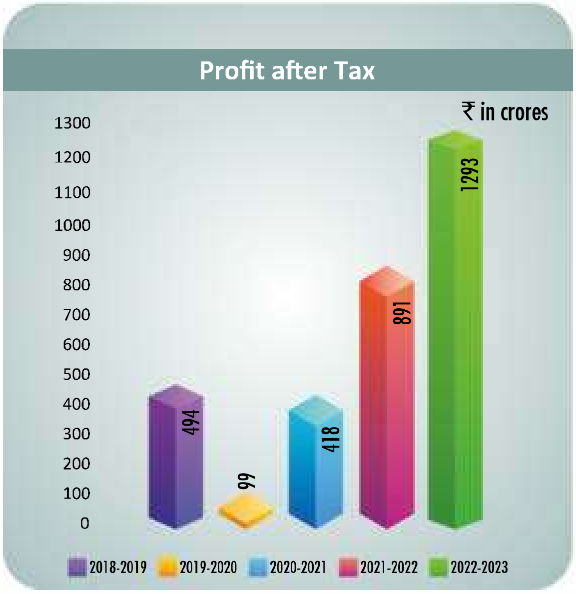


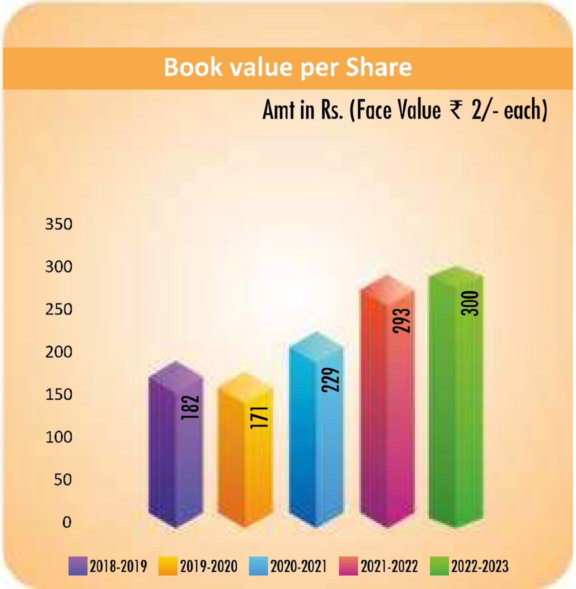




PERFORMANCE HIGHLIGHTS







GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

[Corporate Identity Number (CIN) : L99999GJ1962PLC001121]

61ST ANNUAL GENERAL MEETING

Date : 22nd September, 2023

Day : Friday

Time : 11:00 a.m.

Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

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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

REGISTRARS & SHARE TRANSFER AGENT

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

BOARD OF DIRECTORS *(As on 22-08-2023)*

SHRI RAJ KUMAR *Chairman*
PROF. RAVINDRA DHOLAKIA
SHRI TAPAN RAY
SMT. GAURI KUMAR
DR. SUDHIR KUMAR JAIN
SHRI JAGDISH PRASAD GUPTA
SMT. MAMTA VERMA
SHRI MUKESH PURI *Managing Director*

EXECUTIVE DIRECTOR (FINANCE) & CFO

SHRI V D NANAVATY

EXECUTIVE DIRECTORS

SHRI S V VARMA
SHRI H N GURJAR

SR. VICE PRESIDENTS

SHRI D V PATHAKJEE
SHRI S H PUROHIT
SHRI S K BAJPAI
SHRI R S ERANDE

COMPANY SECRETARY & VICE PRESIDENT (LEGAL)

CS V V VACHHRAJANI (upto 10/02/2023)
SMT. NIDHI PILLAI

VICE PRESIDENT

DR. P B VAISHNAV

BANKERS

Bank of Baroda
State Bank of India
Axis Bank Ltd.
HDFC Bank Ltd.
The Hongkong and Shanghai Banking Corporation Ltd.

LEGAL ADVISORS AND ADVOCATES

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

STATUTORY AUDITORS

M/s Parikh Mehta & Associates, Vadodara

COST AUDITORS

M/s Diwanji & Company, Vadodara

SECRETARIAL AUDITORS

Shri Niraj Trivedi, Vadodara

NOTICE

NOTICE is hereby given that the **Sixty First Annual General Meeting** of the Members of Gujarat State Fertilizers & Chemicals Limited will be held at 1100 hours (IST) on **Friday, the 22nd September, 2023** through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

Ordinary Business

1. To receive, consider and adopt the:

   a) audited financial statements of the Company for the financial year ended 31st March, 2023, together with the reports of the Board of Directors and Auditors thereon; and

   b) audited consolidated financial statements of the Company for the financial year ended 31st March, 2023 together with report of the Auditors thereon.

2. To declare dividend on equity shares.

3. To appoint a Director in place of Shri J. P. Gupta, IAS (DIN 01952821), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible offers himself for re-appointment.

Special Business

4. Ratification of remuneration to Cost Auditor.

   To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of 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, Vadodara (Firm Registration No. 000339), appointed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, as cost auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2024, amounting to Rs. 4,40,000 (Rupees Four Lakh Forty Thousand only) excluding applicable taxes and reimbursement of out of pocket expenses, at actuals, if any incurred in connection with the aforesaid audit, be and is hereby ratified.

By Order of the Board

Sd/-
Nidhi Pillai
Company Secretary &
Vice President (Legal)
Membership No. A15142

Place: Vadodara
Date: 22.08.2023

EXPLANATORY STATEMENT
PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 04

Ratification of remuneration to Cost Auditor.

Section 148 of the Companies Act, 2013 (“Act”) read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (“Audit Rules”) provides for:

- appointment of a Cost Accountant in practice, to conduct audit of cost records of a company, by the board of directors on the recommendation of audit committee; and
- ratification of remuneration payable to him by the members of the company.

The Board, on recommendation of the Audit Committee, has approved the appointment of and remuneration payable to M/s Diwanji & Company, Cost Accountants, Vadodara (Firm Registration No. 000339), as cost auditor of the Company for the financial year 2023-24. The remuneration fixed for conducting the audit of the cost records of the Company for the financial year ending on 31st March, 2024 is Rs. 4,40,000 (Rupees Four Lakh Forty Thousand Only) plus applicable taxes and reasonable out of pocket and traveling expenses.

In view of the above - mentioned provisions of the Act and Audit Rules, the Members are requested to consider and ratify the remuneration payable to M/s Diwanji & Company for the financial year ending 31st March, 2024, as set out at item no. 4 of the Notice.

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.

The Board recommends the Ordinary Resolution set out at item no. 4 of the Notice for approval of the Members.

By Order of the Board

Sd/-
Nidhi Pillai
Company Secretary &
Vice President (Legal)
Membership No. A15142

Place: Vadodara
Date: 22.08.2023

Annexure – I

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

Name of Director	Shri J. P. Gupta, IAS
DIN	01952821
Date of Birth	01/07/1965
Date of first appointment	14/12/2021
No. of Shares held by self or on beneficial basis for any other person	Nil
Relationship with other Directors / Key Managerial Personnel	Nil
Qualifications	Shri J. P. Gupta is a senior IAS officer of 1991 batch. He holds Bachelors Degree in Engineering (Mechanical) from Jodhpur University and Masters of Technology from IIT, New Delhi.
Nature of Expertise/ Experience	Shri Gupta joined the Indian Administrative Service in 1991. He has wide experience of various departments such as Land Revenue, Urban Development, Transport, Education Department and Commercial Tax, Government of Gujarat. He has also served in various PSUs like Gujarat Water Infrastructure Limited, The Gujarat State Civil Supplies Corporation Limited, Gujarat Medical Services Corporation Limited, Gujarat State Investment Limited, Gujarat Urban Development Company Limited etc. Presently, he is Additional Chief Secretary, Finance Department, Government of Gujarat.
Names of other Companies in which Directorship is held	➢ Gujarat Alkalies and Chemicals Limited ➢ Gujarat Narmada Valley Fertilizers & Chemicals Limited ➢ Gujarat State Petronet Limited ➢ Gujarat State Petroleum Corporation Limited ➢ Sardar Sarovar Narmada Nigam Limited ➢ Gujarat Metro Rail Corporation (GMRC) Limited ➢ Gujarat State Investment Limited ➢ Gujarat State Financial Services Ltd ➢ Gujarat Livelihood Promotion Company Limited
Names of the Committees of the Board of Companies in which Membership/ Chairmanship is held at GSFC Limited	Finance–cum-Audit Committee – Member Risk Management Committee – Member Corporate Social Responsibility Committee - Member

*For details regarding the number of meetings of the Board / Committees attended by the above Director(s) during the year and remuneration drawn / sitting fees received, please refer to the Board's Report and the Corporate Governance Report forming part of the Annual Report for the FY 2022-23.

By Order of the Board

Sd/-
Nidhi Pillai
Company Secretary &
Vice President (Legal)
Membership No. A15142

Place: Vadodara
Date: 22.08.2023

Notes:

1. An Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("Act") and applicable Secretarial Standards, relating to special business to be transacted at the 61st Annual General Meeting ("AGM" / "Meeting"), is annexed to the Notice. The Board of Directors have considered that the special business under item no. 4 is unavoidable and should be transacted at the AGM of the Company.
2. The Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020 dated 5th May, 2020 read together with General Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020, Circular No. 02/2021 dated 13th January, 2021, Circular No. 19/2021 dated 18th December, 2021, Circular No. 21/2021 dated 14th December, 2021 and Circular No. 10/2022 dated 28th December, 2022 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular dated 12th May 2020, circular dated 15th January 2021, circular dated 13th May 2022 and circular dated 5th January 2023 (collectively referred to as "SEBI 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 61st AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
3. **A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a Member. However, 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 are not annexed to this Notice. Members can attend the meeting through login credentials provided to them to virtually connect for the AGM.**
4. In compliance with the afore-mentioned MCA Circulars and SEBI Circulars, Notice of 61st AGM along with Annual Report 2022-23 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 2022-23 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.
5. Members attending AGM through VC/OAVM shall be counted for the purpose of reckoning quorum under Section 103 of the Act.

   Pursuant to the provisions of Section 91 of the Act, the Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, the 8th September, 2023 to Friday, the 22th September, 2023 *(both days inclusive)*.
6. The Board of Directors of the Company, at its meeting held on 25th May, 2023, has recommended a dividend of Rs. 10 per equity share of Rs. 2 each (500%) fully paid up, for the financial year 2022- 23. The Company has fixed Thursday, 7th September 2023 as the "Record Date" for determining entitlement of Members to receive dividend for the FY 2022-23. Dividend, if declared at the AGM, will be credited / dispatched on or after 28th September, 2023 to those Members or their mandates whose names appear as Members (holding shares in physical form) in the Register of Members of the Company, or as beneficial owners (holding shares in electronic form), as per the beneficial ownership data to be furnished by the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) (NSDL and CDSL shall hereinafter be collectively referred to as "Depositories") as of the close of business hours on the Record Date.
7. In terms of Schedule I of the SEBI Listing Regulations, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as Electronic Clearance Service ("ECS"), Local ECS / Regional ECS / National ECS, National Electronic Fund Transfer / NACH, for making payment of dividend to its Members.

   Accordingly, 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 update their bank account details with respective Depository Participants (DP) to avoid any rejections and also give instructions regarding change of address, if any, to their DPs.

8. Link Intime India Pvt. Ltd. is the Registrar and Share Transfer Agent (RTA) of the Company. Members are requested to send all future correspondence to Link Intime India Pvt. Ltd. at B-102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara 390020. 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 RTA and / or respective DP.

9. Shareholders of the Company holding shares in physical mode are requested to register their E-mail address with the RTA at https://web.linkintime.co.in/EmailReg/Email_Register.html by entering the details of Folio No., Certificate No., Shareholder Name, PAN, Mobile No. and E-mail address with OTP Verification or Members 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. Members holding shares in dematerialised form can also register their e-mail address, PAN, Mobile Number etc. with their DP or with the RTA of the Company on the aforesaid link.

10. SEBI vide its Circular dated 16th March 2023, has made it mandatory for all holders of physical securities in listed companies to furnish PAN, nomination, contact details, bank account details and specimen signature for their corresponding folio numbers. Folios wherein any one of the cited documents/details are not available on or after 1st October 2023, shall be frozen by the RTA. Accordingly, members holding shares in physical form are required to update the same by submitting a duly filled and signed Form ISR-1, SH-13, SH-14, ISR-3, and ISR-2, on or before 1st October 2023.

11. Members, whose bank account details are not updated with the DPs and / or with the RTA shall be receiving dividend warrants for the amount of dividend payable. They are advised to encash their dividend warrants within the validity period. Further, after expiry of the validation period of dividend warrants / demand drafts, the payment of dividend warrants shall be made only after receipt of final list of unclaimed dividend warrants and reconciliation thereof with the dividend account . The payment of unclaimed dividend will be made by electronic bank transfer and in case of failure, by issuing banker's cheque or Demand Draft incorporating the bank accounts details of security holder upon furnishing Indemnity-cum-Request letter by the respective Member and verification thereof by the Company.

12. Pursuant to the provisions of Section 124 of the Act, 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 2014-15 has 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, 2022 is available on the website of the Company at www.gsfclimited.com.

13. 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.

14. The Members who have not encashed dividend warrant(s) for the financial years 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 are requested to claim payment immediately by writing to the RTA at vadodara@linkintime.co.in. After seven years, unclaimed dividend is 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 31st March, 2022 have been uploaded on the Company's website (www.gsfclimited.com) and also filed with the Ministry of Corporate Affairs.

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

15. Members may note that in terms of the provisions of the Income-tax Act, 1961, ("the Act"), dividend paid or distributed by a Company on or after 1st April 2020 is taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of payment of dividend. The withholding tax rate

would vary depending on the various facts like residential status, category of the shareholder, requisite declaration/ documents provided to the Company etc. The details of which are as under:

➢ **For resident shareholders**

Tax will be deducted at source ("TDS") under Section 194 of the Act @ 10% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in following cases taxes would not be deducted or deducted at lower rate:

- In case of individuals, if the aggregate of total dividend distributed to them by the Company during financial year does not exceed Rs. 5,000.
- In cases where a shareholder provides Form 15G (applicable to resident non-senior citizen individual) / Form 15H (applicable to an resident individual above the age of 60 years), provided that the eligibility conditions are being met. Blank Form 15G and 15H can be downloaded from the link given at the end of this communication. Please note that all fields mentioned in the Form are mandatory and Company may reject the forms submitted, if it does not fulfill the requirement of law.
- Shareholders who have provided a valid certificate issued u/s. 197 of the Act for lower / nil rate of deduction or an exemption certificate issued by the income tax authorities along with Declaration (refer format).

Members may please note that, valid Permanent Account Number ("PAN") will be mandatorily required. Shareholders who do not have PAN or PAN is invalid, TDS would be deducted at higher rates u/s 206AA of the Act.

i. **Insurance companies:** Declaration (refer format) by shareholder qualifying as Insurer as per section 2(7A) of the Insurance Act, 1938 along with self-attested copy of PAN card;

ii. **Mutual Funds:** Declaration (refer format) by Mutual Fund shareholder eligible for exemption u/s 10(23D) of the Income- tax Act, 1961 along with self-attested copies of registration documents and PAN card;

iii. **Alternative Investment Fund (AIF) established in India:** Declaration (refer format) that the shareholder is eligible for exemption under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations. Copy of self-attested registration documents, declaration and PAN card should be provided.

iv. **New Pension System Trust:** Declaration (refer format) along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.

v. **Other shareholders, Business Trust (REIT/InVIT), Government, RBI etc.** – Declaration (refer format) along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.

➢ **For non-resident shareholders (including Foreign Institutional Investors and Foreign Portfolio Investors)**

Tax is required to be withheld in accordance with the provisions of Section 195 and section 196D of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. In case non-resident shareholders provide a certificate issued under section 197/195 of the Act, for lower / NIL withholding taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same. However, as per Section 90 of the Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the tax treaty benefits, the non-resident shareholder will have to provide the following:

i. Self-attested copy of PAN card, if any, allotted by the Indian income tax authorities; In case PAN is not available, the non-resident shareholder shall furnish (a) name, (b) e-mail ID, (c) contact number, (d) address in residency country, (e) Tax Identification Number of the residency country (link of format attached);

ii. Self-attested copy of valid Tax Residency Certificate ("TRC") obtained for Current Year from the tax authorities of the country of which the shareholder is resident;

iii. Shareholders who have PAN is required to provide online Form 10F generated from the Income Tax website

iv. Self-declaration (refer format) by the non-resident shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (Non-resident having PE in India would need to comply with provisions of section 206AB of the IT Act).

v. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate.

vi. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).

The self-declarations referred to in point nos. (iii) to (iv) can be downloaded from the link given at the end of this communication.

➢ **Section 206AB of the Act**

Section 206AB of the Act mandates special provisions in respect of tax payers who have not filed their income tax return for the previous year and whose TDS and TCS exceeds Rs. 50,000 in aggregate (referred to as Specified Person). Now, as per provisions of Section 206AB of the Act, tax is to be deducted at higher of the following rates in case of payments to Specified Person:-

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Where sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN as well as not filed the return; the tax shall be deducted at the higher of the two rates prescribed in these two sections.

The Company will use the mechanism prescribed by Income tax department to verify if a shareholder is a 'specified person' under section 206AB of the Income Tax Act and basis the result provided, the Company will apply higher rates under section 206AB of the Income Tax Act on those shareholders who are covered as 'specified person' under section 206AB of the IT Act.

To enable us to determine the appropriate TDS / withholding tax rate applicable in case of resident or non-resident as stated above, we request you to provide the above details to registered office of the company before Record Date i.e. 07.09.2023. Any documents/request submitted after Record Date shall not be considered by the Company.

To summarize, dividend will be paid after deducting the tax at source as under:

Resident Shareholders:

i. No deduction in case of individual shareholders receiving dividend upto Rs.5000 or in case Form 15G / Form 15H (as applicable) along with self-attested copy of the PAN card linked to Aadhar is submitted.

ii. 10% for other shareholders in case copy of PAN card is provided/available.

iii. NIL / lower withholding tax rate for shareholders on submission of self-attested copy of the certificate issued under section 197 of the Act.

iv. 20% for shareholders if copy of PAN card is not provided / not available / non filers of return of income.

Non Resident Shareholder:

v. 20% plus applicable surcharge and cess in case the relevant documents are not submitted.

vi. at applicable rate of DTAA when relevant documents are submitted

vii. Lower/NIL TDS on submission of self-attested copy of the valid certificate issued under section 197/195 of the Act.

Aforesaid rates will be subject to applicability of section 206AB of the Act.

Clearing member shall ensure that as on record date no shares are lying in their account and shares are transferred to respective shareholder's account so that dividend is credited directly to shareholder's account and not to the clearing member's account. In terms of Rule 37BA of Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration (refer format) with Company in the manner prescribed by the Rules at the earliest but before Record Date. The Company will not consider any declarations referred to Rule 37BA of Income Tax Rules, 1962 received after the Record Date 07.09.2023.

In case tax on dividend is deducted at a higher rate in the absence of receipt or defect in any of the aforementioned details / documents, the shareholder can claim refund of the excess tax deducted by filing income tax return. No claim shall lie against the Company for such taxes deducted.

- **For shareholders having multiple accounts under different status / category:**

  Shareholders holding equity shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to status in which shares are held under a PAN will be considered on their entire holding in different accounts.

- **Updation of PAN, email address and other details :**

  Shareholders holding shares in dematerialized mode, are requested to update their records such as tax residential status, permanent account number (PAN), registered email addresses, mobile numbers and other details with their relevant depositories through their depository participants. Shareholders holding shares in physical mode are requested to furnish details to the Company's registrar and share transfer agent **(RTA)** M/s Link Intime India Pvt. Ltd.. The Company is obligated to deduct tax at source (TDS) based on the records available with RTA and no request will be entertained for revision of TDS return.

- **Update of Bank account details:**

  We request the shareholders to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you will have to submit a scanned copy of a covering letter, duly signed by you, along with a cancelled cheque leaf with your name and bank account details and a copy of your PAN card duly self-attested. This will facilitate receipt of dividend directly into your bank account. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested.

  The aforementioned documents pertaining to TDS (duly completed and signed) are submitted to our RTA, Link Intime India Private Limited by clicking the URL Link https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html before 07.09.2023 in order to enable the Company to determine and deduct appropriate TDS / withholding tax. In this regard, any documents, communications, request received after Record Date shall not be considered by the Company.

  The documents furnished/uploaded by the shareholders (such as Form 15G/15H, TRC, Form 10F, self attested declaration etc.) shall be subject to review and examination by the Company before allowing any beneficial rate or NIL rate. The Company reserves the right to reject the documents in case of any discrepancies or documents are found to be incomplete.

  All communications/ queries in this respect should be addressed and sent to our RTA, Link Intime India Private Limited at its email address at vadodara@linkintime.co.in.

  Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt, or insufficiency of the aforementioned details/documents an option is available to shareholder to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible.

16. Members are requested to address all correspondence, including dividend related matters, to our RTA i.e. M/s. Link Intime India Private Limited, Unit : GSFC, B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020, Gujarat. Email : vadodara@linkintime.co.in.

    Members wishing to claim dividends that remained unclaimed are requested to correspond with the RTA as mentioned above or with the Company Secretary, at the Company's registered office or at secdiv@gsfcltd.com. Members are requested to note that dividend that are not claimed within seven years from the date of transfer to Company's Unpaid Dividend Account, will be transferred to the investors Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to IEPF as per Section 124 of the Companies Act 2013 (the Act), read with applicable IEPF Rules.

17. We urge members to support our commitment to environment by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP. Members holding shares in physical mode are requested to update their email addressed with the Company's RTA as mentioned above, to receive copies of the Annual Report 2022-2023 in electronic mode. Members holding shares in demat mode

may kindly contact their DP to update the bank account details in their demat account as per process advised by their DP. Members holding shares in physical mode may follow the process detailed below for registration of email ID to obtain the report and update of bank account details for the receipt of dividend. For availing the various investors service, shareholders shall send written request in the prescribed forms to the RTA of the Company as under :-

Process to be followed in case shares are in Physical Mode	Form No.
Form for availing Investors Services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1
Update of Signature of Securities holder	Form ISR-2
For nomination as provided in the Rules	Form SH-13
Declaration to opt out	Form ISR-3
Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee	Form SH-14
Form for requesting issue of Duplicate Certificate and other service request for shares held in physical form	Form ISR-4

The above-mentioned forms are available on the Company's website at www.gsfclimited.com under the tab of 'Investors'.

18. Pursuant to the provisions of Section 72 of the Act, 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.

19. 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.

20. In accordance with the provisions of Section 152(6) of the Act, Shri. J.P. Gupta, IAS (DIN 01952821) will retire by rotation at the forthcoming AGM and, being eligible, has offered himself for re-appointment.

    Pursuant to Regulation 36 of the SEBI Listing Regulations, additional information in respect of Shri. J.P. Gupta, IAS, seeking re-appointment upon retirement by rotation at the AGM, is annexed to the Notice.

21. As per Regulation 40 of the SEBI Listing Regulations, securities of listed companies can be transferred only in dematerialised form. Further, with effect from 24th January, 2022, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. In view of this, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

    SEBI vide its Circular Nos. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2022/65 dated 18th May, 2022 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/70 dated 25th May, 2022 has simplified the procedure and standardised the format of documents for transmission of securities and issuance of duplicate securities certificate. Members are requested to submit their requests, if any, along with the documents as per the said circular.

22. 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 14th September, 2023 by mentioning their name, demat account number/folio number, email id, mobile number at nidhi.pillai@gsfcltd.com. Shareholders may send their queries in advance latest by 14th September, 2023 mentioning their name, demat account number/folio number, email id, mobile number at nidhi.pillai@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 AGM.

Inspection of documents:

23. 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/nidhi.pillai@gsfcltd.com.

24. 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 respective DPs. Members holding shares in physical form should submit their PAN to the RTA.

25. 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 given hereunder.

26. 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 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).

27. The Company has fixed Friday, 15th September, 2023, 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.

28. The remote e-Voting period commences on Tuesday, 19th September, 2023 (09:00 a.m.) and ends on Thursday, 21st September, 2023 (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. 15th September, 2023 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting after 5:00 p.m. on Thursday, 21st September, 2023. 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. Friday, 15th September, 2023 may obtain USER ID and password by following e-Voting instructions which is part of the 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.

29. INTRUCTIONS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories viz. CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

The voting period begins on 19th September 2023 at 09:00 A.M. and ends on 21st September, 2023 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 15th September 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 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 DPs. 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 CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	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 or click on https://evoting.cdslindia.com/Evoting/EvotingLogin 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 Depository**	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 hold 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 (DP)**	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 toll free no. 1800 22 55 33
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

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

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.
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
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.

(ii) After entering these details appropriately, click on “SUBMIT” tab.

(iii) 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.

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

(v) Click on the EVSN **230822023** for Gujarat State Fertilizers and Chemicals Limited to vote.

(vi) 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.

(vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(viii) 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.

(ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

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

(xi) 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.

(xii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xiii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- 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 will be mapped automatically & can be delink in case of any wrong mapping.
- It is mandatory that, 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 mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory, to the Scrutinizer at csneerajtrivedi@gmail.com and to the Company at the email address nidhi.pillai@gsfcltd.com.

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

(i) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

(ii) 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 e-voting.

(iii) 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.

NOTES (Contd..)

(iv) Shareholders are encouraged to join the Meeting through Laptops/ IPads for better experience.

(v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

(vi) 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.

(vii) 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 14th September, 2023 mentioning their name, demat account number/folio number, email id, mobile number at nidhi.pillai@gsfcltd.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance latest by 14th September, 2023 mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

(viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.

(ix) Only those shareholders, who are present in the AGM 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 AGM.

(x) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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 **Company/RTA email id**.
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 toll free no. 1800 22 55 33

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 toll free no. 1800 22 55 33.

31. The Company has appointed **Mr. Niraj Trivedi**, Practicing Company Secretary (Membership No. 3844 and COP No. 3123) as the Scrutiniser to review that the process of e-voting is conducted in a fair and transparent manner and issue a report on the votes through remote e-voting and those cast at the AGM.

32. Declaration of results on the resolutions:

i. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutiniser shall make, not later than two working days from conclusion of the AGM a consolidated Scrutiniser's Report of the total votes cast in favour or against each resolution, invalid votes, if any, and whether the resolution(s) has / have been carried or not. This report shall be submitted to the Chairperson or a person authorised by him, in writing, who shall countersign the same.

ii. The results shall be declared after the AGM of the Company and shall be deemed to be passed on the date of AGM. The results along with the Scrutiniser's Report shall be placed on the website of the Company www.gsfclimited.com within two working days of passing of the resolutions at the AGM of the Company and shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the Company's equity shares are listed. CDSL, who has provided the platform for facilitating remote e-voting, will also display these results on its website https://www.evotingindia.com/. The said results shall also be displayed at the registered office of the Company.

33. Members are requested to kindly keep the Annual Report sent to their registered e-mail ID with them while attending the AGM through VC / OAVM.

34. The recorded transcript of the AGM, shall also be made available on the website of the Company www.gsfclimited.com under the tab of 'Investor Relations'.

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

Contact Details

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

BOARD'S REPORT

To

The Members,

Your Directors have pleasure in presenting their 61st Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2023.

1. Financial highlights of the Company

(₹ in Crores)

Sr. No.	Particulars	Standalone		Consolidated	
		2022-23	2021-22	2022-23	2021-22
1	Gross Sales	11298.03	8997.78	11368.69	9084.79
2	Other Income	146.48	180.35	148.85	181.11
3	Total Revenue	11444.51	9178.13	11517.54	9265.90
4	Less : Operating Expenses	9680.57	7685.44	9780.81	7763.73
5	Operating Profit	1763.94	1492.69	1736.73	1502.17
6	Less : Finance Cost	14.89	9.63	15.03	9.77
7	Gross Profit	1749.05	1483.07	1721.70	1,492.40
8	Less : Depreciation	181.51	178.18	182.02	178.8
9	Exceptional Item	0	0	0	0
10	Profit before Taxes	1567.54	1304.89	1539.68	1313.61
11	Shares in Profit/(Loss) of Associates	0	0	3	1.6
12	Profit before taxes after Associates	1567.54	1304.89	1542.68	1315.21
13	Taxation				
	• Current Tax	410.34	328.94	412.66	331.70
	• Deferred Tax (net)	-115.68	79.57	-115.68	79.45
	• Mat Credit recognized	0	0	0	0
	• Earlier year tax	-20.2	5.48	-20.2	5.48
14	Profit after taxes	1293.08	890.90	1265.92	898.58
15	Non-controlling Interest	0	0	0.03	-0.03
16	Other comprehensive income arising from re-measurement of defined benefit plan	16.96	13.31	16.97	13.07
17	Balance brought forward from last year	683.85	357.30	775.38	441.35
18	Amount available for appropriations	1,993.89	1,261.52	2,058.24	1,353.03
19	Payment of Dividend				
	- Dividend	99.62	87.67	99.62	87.67
20	Transfer to General Reserve	490.00	490.00	490.00	490.00
21	Leaving a balance in the Profit & Loss Account	1,404.27	683.85	1468.62	775.38

2. Dividend:

Your Directors are happy to recommend a dividend @ 500%, i.e. ₹ 10/- per Equity Share (Face value of ₹ 2/- each) on 39,84,77,530 shares (Previous Year - 125%, i.e. ₹ 2.50 per share on 39,84,77,530 Equity Shares of ₹ 2/- each) for the financial year ended 31st March, 2023. The net outgo on account of Dividend shall be ₹ 398.48 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 08/09/2023.

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

Your directors wish to report that your Company has achieved turnover of ₹ 11,298 Crores for the year ended 31st March 2023 as against ₹ 8,998 Crores (FY 21-22) on Standalone basis, which is higher by ₹ 2300 Crores when compared to previous Financial Year.

Similarly, for the year under review (FY 22-23), Profit Before Tax (PBT) was ₹ 1568 Crores and Net Profit (Profit After Tax) was ₹ 1293 Crores as against PBT of ₹ 1305 Crores and Net Profit of ₹ 891 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 during the financial year of the Company to which the financial statements relate and as on 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 visualized 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 JalSanchay Private Limited***
➢ Associate Companies	-	Vadodara Enviro Channel Limited
		Gujarat Green Revolution Company Limited
		Gujarat Data Electronics Limited
		Karnalyte Resources INC

The Company does not have any material subsidiary in terms of Company's Act, 2013 read with SEBI (Listing Obligation & Disclosure Requirement) Regulations.

*GSFC Agrotech Limited was incorporated on 02/04/2012 as a wholly owned subsidiary company of Gujarat State Fertilizers & Chemicals Limited.A report on 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.

**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 ratio of 60:40 respectively. A report on 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.

***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 ratio of 60:15:15:10 respectively. A report on 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.

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 Equity Shares have been delisted from Calcutta Stock Exchange Association Ltd., Kolkata. The listing fee for the FY 23-24 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, 98.30% 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 and Sustainability Report:

Business Responsibility and Sustainability 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 2022-23, your Company has not accepted/ renewed any Fixed Deposit. Your Directors wish to report that there are **NIL** Fixed Deposits aggregating ₹ **NIL** which have remained unclaimed by Depositors, as on 31st March, 2023. Letters reminding them to seek repayment have been sent. Upto and including the date of this report, **Nil** deposits have been repaid.

During the year, the Company has transferred nil amount to 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.

13. Expansion & Diversification

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

100 MTPD Gypsum Granulation Plant:-

Considering increased use of Gypsum granules as a soil conditioner and the cost advantage over Gypsum powder, your company has successfully commissioned 100 MTPD Gypsum Granulation Plant at Vadodara unit on LSTK basis in November, 2022.

400 MTPD Ammonium Sulphate Plant at Vadodara Unit:-

To capture growing market of Ammonium Sulphate, your company is setting 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 without involving technology supplier and by utilising In-house expertise and available resources. The Project is under execution stage and expected Commissioning date is December, 2023.

20 MTPD HX Crystal Project:-

Considering present demand-supply gap and as an import substitute, your company is expanding production capacity of HX crystals plant at Vadodara unit for further value addition. Your company will execute the Project based on In-house technology and by utilising available resources.

Relocation of 07 nos. Wind mills to facilitate operation of Rajkot International Airport:-

To facilitate the operation of Rajkot International Airport, your Company is relocating 07 nos. of wind mills from Mahidad, Rajkot site by engaging M/s Suzlon as LSTK Contractor. Project is under execution stage and expected dated of commissioning of these wind mills at new location is December, 2023.

15 MW Solar Power Project at Charanka:-

To make use of green energy & meet Renewable Purchase Obligation (RPO) requirement, your company is setting up 15 MW ground mounted solar power plant at Charanka, Gujarat. Your company has awarded the work to EPC contractor and Project activities are under progress.

Urea Plant Revamping Project:-

To reduce the energy consumption of existing Urea Plants and improve the plant reliability considering vintage plant, your company is carrying out revamping of Urea-II Plant. M/s Casale SA, Switzerland is selected as Technology supplier while M/s Larson & Toubro Limited is selected as EPC contractor. The Project is under execution stage and expected Commissioning date is February, 2025.

600 MTPD Sulphuric Acid Plant at Vadodara Unit:-

Based on Sulphuric Acid & Steam balance of the complex, your Company is setting up 600 MTPD Sulphuric Acid Plant on LSTK basis at Vadodara Unit. M/s ISGEC Heavy Engineering Limited is selected as LSTK Contractor with M/s DMCC technology. The Project is under execution stage and expected Commissioning date is November, 2024.

600 MTPD Phosphoric Acid Plant and 1800 MTPD Sulphuric Acid Plant at Sikka Unit:-

As a part of backward integration, your Company is considering to install 600 MTPD Phosphoric Acid Plant and 1800 MTPD Sulphuric Acid Plant at Sikka Unit. M/s TECI, Tunisia is selected as Technology supplier for Phosphoric Acid Plant while M/s Chemetics, Canada is selected as Technology supplier for Sulphuric Acid Plant. Basic Engineering activities are under progress by technology suppliers.

Roof top Solar Power Project at Vadodara and Sikka Unit:-

To enhance green energy portfolio, your Company is considering to set up roof top solar plant at Vadodara Unit and floating roof & roof top solar plant at Sikka unit on EPC basis. Company has received commercial offers from EPC contractors and same are under evaluation.

Green Hydrogen Project at Vadodara Unit:-

As a part of green initiative of Government of India, your company is evaluating setting up of a Green Hydrogen Project at Vadodara Unit on LSTK basis.Company has received technical offers from LSTK contractors which are under evaluation.

40,000 MTPA Melamine-IV Project at Vadodara Unit:-

After successful commissioning and operation of 40,000 MTPA Melamine-III Project at Vadodara Unit, your Company is considering to set up 40,000 MTPA Melamine-IV Project at existing location of Melamine-I Plant at Vadodara unit. Company has received technical offer from technology supplier and same is under evaluation.

Revival of Polymer Unit (PU):-

Company is in process of identifying Projects for growth which may be undertaken on standalone basis or under a JV. In order to assess the potential of the shortlisted products, company is in process of carrying out Market Survey.

Revival of Fiber Unit (FU):-

Company has identified various options for revival of Fiber Unit and same are under evaluation.

Development of Dahej Complex: -

Company has prepared a business plan for development of Dahej Complex by engaging consultant. Company is in process of carrying out Detailed Project report for the identified products in business plan.

14. 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 "C" 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.

15. 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

16. Directors

A) Changes in Directors and Key Managerial Personnel:

Shri Raj Kumar, IAS has been appointed as Chairman w. e. f. 21.02.2023 in place of Shri Pankaj Kumar, IAS (till 01.02.2023).

Shri J. P. Gupta, IAS shall be liable to retire by rotation at the ensuing Annual General meeting and has offered himself for re-appointment.

Government of Gujarat had nominated Shri Mukesh Puri as Managing Director of the Company effective from 06/12/2020. As per the Government of Gujarat Order dated 05/12/2020, he was the Additional Chief Secretary, Urban Development & Urban Housing Department, Government of Gujarat and was holding additional charge as Managing Director – GSFC Limited for the period effective from 06/12/2020.

Accordingly the members at 60th Annual General Meeting approved the appointment of Shri Mukesh Puri, IAS as Managing Director of the Company. The members at the said 60th AGM further authorized the Board of Directors to approve the remuneration, perquisites or terms and conditions for his appointment, as per the communication that may be received from the Government from time to time.

Thereafter, Shri Mukesh Puri, IAS was relieved from the charge as Additional Chief Secretary, Urban Development & Urban Housing Department and his services were placed by the Government to hold full time charge as Managing Director – GSFC Limited vide GoG Notification dated 24/12/2021. Hence, he was appointed as Managing Director in the category of Executive Director with effect from 24/12/2021.

Government of Gujarat, vide its resolution # GSF/1098/1620/ E dated 20/01/2022 advised the terms and conditions for his appointment holding full time charge as Managing Director – GSFC Limited during his tenure for holding full charge as Managing Director – GSFC Limited.

The terms and conditions issued by the Government of Gujarat for the period of his appointment in the category of Executive Director was approved by the shareholders at 60th Annual General Meeting for a period from 24/12/2021 to 03/03/2022.

Thereafter, vide GoG Notification dated 03/03/2022; he was again given charge as Additional Chief Secretary to Agriculture, Farmers Welfare and Co-operation Department, Government of Gujarat and was appointed to hold the additional charge as Managing Director – GSFC Limited. Hence, the category again was changed from executive director to non-executive director.

Further, vide GoG Notification dated 31/03/2023, he was transferred from Agriculture, Farmers Welfare and Co-operation Department, Government of Gujarat and was appointed as Additional Chief Secretary to Home Department, Government of Gujarat and continued to hold the additional charge as Managing Director – GSFC Limited

Smt. Mamta Verma, IAS has been appointed w.e.f.01.07.2021as a rotational director in place of Smt. Sunaina Tomer, IAS (till 14.06.2021) and Shri J. P. Gupta, IAS has been appointed w.e.f. 14.12.2021 as rotational director in place of Shri Pankaj Joshi, IAS, (till 01.11.2021).

Shri Tapan Ray, Smt. Gauri Kumar, Prof. Ravindra Dholakia and Dr. Sudhir Kumar Jain, 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 61st Annual General Meeting is annexed to the Notice convening the 61stAnnual General Meeting, which forms the integral part of this Annual Report.

Shri Vishvesh Vachhrajani, Company Secretary & Compliance Officer of the Company has tendered his resignation w.e.f. 10/02/2023 and hence ceases to be the Key Managerial Personnel of the Company. Smt.

Nidhi Pillai has been appointed as Company Secretary & Compliance Officer as well as Key Managerial Personnel of the Company.

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 web link are contained in the Corporate Governance Report.

D) Meetings:

During the year, six 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/companys-act-listing-agreement.

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 – D.

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 web link 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 instance of 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

Your 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 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.

During the Financial Year, the transactions entered into by the Company with Related Parties were in the ordinary course of business at arm's length price and/or within the omnibus approval granted by the Audit Committee.

The Company has not entered into contracts / arrangements / transactions with Related Parties which could be considered material in accordance with Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the Policy of the Company on Related Party Transactions. Since, all the contracts / arrangements / transactions with Related Parties during the year were in the ordinary course of business and/or the same were at arm's length as well as under the special omnibus approval route and not being material transaction as defined under the Act / Rules, disclosure in Form AOC-2 under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not required.

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. Parkih Mehta & Associates, Vadodara, Chartered Accountants (Firm Registration No. 112832W) as the Statutory Auditors for the first term of two consecutive years i.e. to hold the office from the conclusion of 60th Annual General Meeting till the conclusion of 62nd Annual General Meeting of the Company to be held in the year 2024.

(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 2023-24. The remuneration proposed to be paid to the Cost Auditor is placed for your ratification at the ensuing 61st Annual General Meeting. The Cost Audit report for the F.Y. 2022-23 was filed within stipulated time.

(c) Internal Auditors:

Your Company has appointed M/s K C Mehta & Co, Chartered Accountants, Vadodara, as Internal Auditors of Baroda & Sikka Unit for Financial Year i.e. 2023-24.

(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:

The Annual Return of 2021-22 in prescribed Form No. MGT-7, as required under Section 92(1) of the Companies Act, 2013 read with Rule 11 of the Companies (Management and Administration) Rules, 2014 was filed and is placed on the Company's Website at https://www.gsfclimited.com/companys-act-listing-agreement.

The same was filed with the Registrar of Companies, Gujarat (ROC) on Ministry of Corporate Affairs (MCA) portal within prescribed time limit.

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/-
Raj Kumar, IAS
Chairman
(DIN: 00294527)

Place : Fertilizernagar
Date : 22nd August, 2023

ANNEXURE "A" TO DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES

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, through our industrial expertise for Sustainable Development.

It may be kindly noted that, GSFC has been supporting social causes since decades and much before it was mandated by way of CSR under The Companies Act, 2013.

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	Shri Tapan Ray	Member	1	1
4	Shri J P Gupta	Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: https://www.gsfclimited.com/sebi-listing-regulations

4. Provide the 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:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
1	2021-22	2,06,83,960	Nil
Total		2,06,83,960	

6. Average net profit of the company as per section 135(5): ₹ 59,569.58 Lakhs

Financial Year	Net Profit (Amount in Lakhs)
2019-20	9,690.99
2020-21	42,903.35
2021-22	1,26,114.39
Average Net Profit	**59,569.58**

7. (a) Two percent of average net profit of the company as per section 135(5):
₹ 11,91,39,000/- (2% of ₹ 59,569.58 lakhs)

(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: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c).: ₹ 11,91,39,000/-

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	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 the Fund	Amount.	Date of transfer
11,91,45,413	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 Rs.).	Amount spent in the current financial Year (in Rs.).	transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
–												

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

Sr. 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 Rs.).	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	3,16,69,401	Yes		
2	GSFC University	Education	Yes	Gujarat	Vadodara	5,86,83,745	No	GSFC Education Society	CSR00004136
3	Drinking water to nearby villages	Safe Drinking water	Yes	Gujarat	Vadodara	23,84,069	Yes		
4	Support to local community	Rural Development Projects	Yes	Gujarat	Vadodara, Jamnagar	1,14,08,198	No	SVADES	CSR00002452
5	Support to SVPNPA	Education	No	Telangana	Hyderabad	1,50,00,000	No	GSFC Education Society	CSR00004136

(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): ₹ 11,91,45,413/-

(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)	11,91,39,000
(ii)	Total amount spent for the Financial Year	11,91,45,413
(iii)	Excess amount spent for the financial year [(ii)-(i)]	6,413
(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)]	Nil

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

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining To be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
NIL							

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

Sr No	Project ID.	Name of the Project	Financial Year in which the project was Commenced	Project Duration	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed /Ongoing.
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

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

Place : Fertilizernagar

Date : 22nd August, 2023

Sd/-

[Person specified under clause (d) of sub-section (1) of section 380 of the Act]

(DIN: 03582870)

(Managing Director)

(Chairman CSR Committee)

ANNEXURE "B" TO DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2023

[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
CIN: L99999GJ1962PLC001121
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 **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, we hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended on 31st March, 2023,** 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, 2023 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 and Sweat Equity) Regulations, 2021 – **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;- **Not applicable to the Company during the Audit Period**;
- **(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 (Buy-back of Securities) Regulations, 2018 – **Not applicable to the Company during the Audit Period**; and

(vi) **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 process exist in the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations as applicable to the Company.

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

- **(i)** Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meeting;
- **(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

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, no action or any events having a major bearing on the Company's affairs in pursuance of above referred Laws, Rules, Regulations and Guidelines, Standards etc.

- *The NSE has conducted online audit for verification of the compliance of SDD maintained by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and accordingly, the company has successfully satisfied in compliance with the PIT regulations.*

Date : 1ST June, 2023
Place : Vadodara

SIGNATURE : **Sd/-**
NAME OF PCS : **NIRAJ TRIVEDI**
C.P. NO. : **3123**
P R. NO. : **1014/2020**
UDIN : **F003844E000439048**

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

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.

Date : 1ST June, 2023
Place : Vadodara

SIGNATURE : **Sd/-**
NAME OF PCS : **NIRAJ TRIVEDI**
C.P. NO. : **3123**
P R. NO. : **1014/2020**
UDIN : **F003844E000439048**

ANNEXURE "C" 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) 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, VFDs were installed in both FD fans to operate it with more opening of dampers to reduce power consumption. It resulted into annual power saving of 6.4 Lacs units (₹ 62.40 Lacs).

2) Installation of cooling water based Ammonia vaporizer in AS-I Plant.

Cooling water heated ammonia vaporizer is installed in AS-I plant to cater ammonia requirement during unavailability of vapor ammonia from Ammonia-IV plant. Vapor ammonia is supplied from AS-I to APS plant on continuous basis and when ammonia supply from A-IV plant is discontinue and thereby stopped requirement of using steam heating based ammonia vaporizer at APS plant. It reduced load on Steam generation boilers accordingly. It resulted into annual NG saving of 5.33 Lacs SM3 (₹ 304.77 Lacs).

3) Replacement of ejector V-890 of distillation unit with higher efficiency ejectors for energy conservation at LC Purification unit, CEP.

Vacuum in towers K-860, K-870 and K-880 of LC Purification section of CEP Plant is obtained by four stage steam ejector (V-890), utilizing MP steam (9 Barg). Existing ejectors were replaced with new efficient ejectors, which resulted into reduction in steam consumption by 0.20 MT/Hr. Accordingly, 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 1.31 Lacs SM3 (₹ 74.91 Lacs).

4) Reduction in steam loss by replacement of Hogger ejector at SA-IV Plant.

Replacement of existing old and inefficient steam hogger ejector by new and efficient ejector reduced steam consumption and accordingly steam export from SA-IV plant to 37K steam grid increased. Accordingly, it resulted into less NG consumption at Steam generation boilers. It resulted into annual NG saving of 10.93 Lacs SM3 (₹ 625.17 Lacs).

5) Power saving in SO2 supply blower at SA-IV Plant.

Cleaning of entire packing lot and replacement of part of packing lot of Gas cooling tower (GCT) resulted into less pressure drop. It resulted into more supply pressure of SO2 gas enabled stoppage of SO2 blowers while supplying SO2 from SA-IV plant to Capro-I HX plant. Annual power saving realized due to stoppage of SO2 export blower is 2.13 Lacs unit (₹ 20.78 Lacs).

6) Use of efficient lighting at Vadodara unit.

About 1500 various types of conventional lighting fittings were replaced by latest LED type of fittings for saving of power besides upgradation of lighting system. It resulted into annual power saving of 6.60 Lacs unit (₹ 64.35 Lacs).

7) Re-arrangement of LT power supply for COG-I & II substations.

On permanent stoppage of COG-II cooling tower, LT power supply requirement of COG-I&II plant substations was reviewed. With required re-arrangement of LT power, 2 Nos X 11/0.415 KV, 2000 KVA transformers are switched-off on permanent basis. It resulted into saving of transformer no load loss. It resulted into annual power saving of 0.44 Lacs unit (₹ 4.27 Lacs).

8) Reduction of speed in Nitrogen Circulation blower 304-B-02A/B at Nylon-6-I plant.

In Continuous stream of Nylon-6-I plant, 250 mm dia. pulley was installed on motor of both Nitrogen circulation blowers (304-B-02A/B). As blower was running with throttling of suction valve, speed of blower reduced by installing lower pulley size of 224 mm diameter on motor. It resulted into annual power saving of 0.90 Lacs unit (₹ 8.74 Lacs).

9) Replacement of three stage plunger diaphragm type pump with gear pump to improve reliability at Nylon-6-I plant.

Three stage hydraulically operated diaphragm type metering pump (301-P-05) was installed for dosing of lactam to Polymer reactor. Maintenance prone diaphragm type metering pump was replaced with gear pump to improve reliability. Added advantage, besides improving reliability, is annual power saving of 0.05 Lacs unit (₹ 0.47 Lacs).

10) Replacement of Chilled Water Pump at Nylon-6-II plant.

Chilled Water Pump (1108-P-01) was operated outside of its performance curve as pump design and operating conditions were different. Pump suitable to actual operating condition was installed. Added advantage, besides improving reliability, is annual power saving of 0.40 Lacs unit (₹ 3.90 Lacs).

11) Change in AS process route at AS-I plant.

With implementation of Parallel feed system, AS liquor transfer from shell A to B and then C by using AS transfer pumps is no more required. It enabled stoppage of AS transfer pumps. It resulted into annual power saving of 1.15 Lacs unit (₹ 11.21 Lacs).

12) Power Conservation in AS Belt conveyor (H-904A) in LC P&B plant, Capro-II.

Speed and load carried by Belt conveyor could be maintained with less power consumption after installation of VFD in Lactam Bagging conveyor. It resulted into annual power saving of 0.14 Lacs unit (₹ 1.35 Lacs).

13) Installation of energy efficient fan hub with blades in cooling tower at AS-I plant.

Energy efficient E-glass epoxy FRP fan blades was installed in place of conventional blades in Cooling tower fan in AS-I plant. It resulted into annual power saving of 1.00 Lacs unit (₹ 9.77 Lacs).

Above mentioned measures resulted into aggregate annual saving at a rate of 19.21 Lacs units Power (₹ 187.24 Lacs) and 17.57 Lacs SM3 NG (₹ 1004.85 Lacs).

Measures taken at Sikka Unit:

1) In order to achieve energy saving, following major steps were carried out during the F.Y. 2022-23.

By Energy Efficient Lighting

1. Replacement of 40 Nos. 150 Watt MH Lamps by 100 Watt LED Flood Lights.
2. Replacement of 40 Nos. 500 Watt HPSV Lamps by 100 Watt LED Lamps.
3. Replacement of 20 Nos. 250 Watt HPSV Fittings by 100 Watt LED Flood Lights.
4. Replacement of 200 Nos. 50 Watt Tube light fittings by 20 Watt LED Tube lights.
5. Replacement of 110 Nos. 125 W HPMV Well glass fitting by 35 W LED Well glass fitting.
6. Replacement of 132 Nos. 70W MH fitting by 35 W LED Well glass fitting.
7. Replacement of 100 Nos. Rheostat Regulators by Electronic Regulators.

Thus by adopting Energy efficient Lighting system annual power saving of 2.36 Lacs units achieved. This resulted in to aggregate annual saving of ₹ 17.70 Lacs at a unit cost of ₹ 7.50.

Above mentioned measures resulted into aggregate annual saving at a rate of 2.36 Lacs KWH Power (₹ 17.70 Lacs @ ₹ 7.50 / KWH).

Measures under consideration at Fertilizernagar, Vadodara Unit:

1) 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. 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 SM3 and additional anticipated power consumption is about 3.58 Lacs unit. Anticipated net annual saving is ₹ 148.08 Lacs.

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

It is proposed to utilize available unused ejector J1001 to generate LPS (6.2K) from excess LLPS (3.5K), available in Melamine section and being condensed at present. This consequently will reduce HP steam import requirement, which is let down for its utilization as LPS (6.2K) in Melamine section, leading to reduction in NG consumption at Steam generation boilers. Anticipated annual NG saving is 12.80 Lacs SM3 (₹ 731.90 Lacs).

3) Heating of liquid Ammonia by utilizing heat of vapor ammonia at AST.

It is proposed to utilize heat of vapor ammonia available at compressor discharge to heat liquid ammonia from -33°C to -12°C, before supplying to consumer header, by installing new heat exchanger. It will reduce MP steam requirement in existing Ethylene Glycol based Ammonia heater. Anticipated annual NG saving is 2.67 Lacs SM3 (₹ 152.67 Lacs).

4) Replacement of steam ejector of flash cooler of PA Plant.

It is proposed to install LP steam based energy efficient ejectors in place of existing MP steam based ejector to utilize surplus LP steam from Ammonia-IV Plant. It will result into reduction in steam generation load on Steam generation boilers. Anticipated annual NG saving is 6.4 Lacs SM3 (₹ 365.95 Lacs).

5) Provision of VFD for blower (6011-B01) in Nylon-6 II Plant.

Due to higher rated capacity of N2 circulation blower (6011-B01), suction damper is kept in throttled condition (25%), which indicate margin available for reduction in head generation. To achieve power saving, VFD will be installed to control flow rate and head as per the requirement. Anticipated annual power saving is 1.78 Lacs unit (₹ 17.35 Lacs).

6) Bypass of Benzene Rectification column (K-70) in Anone Plant, CEP.

Based on improvement in quality of Benzene received, distillation of benzene is not found required. Bypassing of Benzene distillation column will result in less steam consumption, leading to reduction in NG consumption at Steam generation boilers. Anticipated annual NG saving is 15.36 Lacs SM3 (₹ 878.28 Lacs) and annual power saving is 0.53 Lacs unit (₹ 5.17 Lacs).

Measures taken at Sikka Unit:

1) By Energy Efficient Lighting

1. Replacement of 100 Nos. 150 Watt MH Lamps by 100 Watt LED Flood Lights.
2. Replacement of 20 Nos. 400 Watt HPMV Lamps by 100 Watt LED Lamps.
3. Replacement of 100 Nos. 250 Watt HPSV Fittings by 100 Watt LED Flood Lights.
4. Replacement of 50 Nos. 50 Watt Tube light fittings by 20 Watt LED Tube lights.
5. Replacement of 50 Nos. 125 Watt HPMV Well glass fitting by 35 Watt LED Well glass fitting.
6. Replacement of 100 Nos. 70 Watt MH fitting by 35 Watt LED Well glass fitting.

B CONSERVATION OF RAW MATERIAL AND CHEMICALS

Measures taken at Fertilizernagar, Vadodara Unit

1) Recovery of DMW in DMW plant of Capro-II.

DM Water was drained from about 11 nos. of Online DMW quality analyzers to effluent channel, amounting to about 1.8 m3/hr (14,400 m3/Yr). Now, same is recovered and reused. It resulted into annual saving of ₹ 14.40 Lacs.

2) Conversion of Polymer waste into Recycled Grade Chips.

Generated Nylon-6 Polymer Waste is converted into Recycled grade chips, which is used for production of F-Black Grades. It resulted into annual saving of ₹ 13.85 Lacs.

3) Optimization of chemical dosing in DMW plant, Capro-II.

Hydrochloric acid (HCl) and Caustic soda (NaOH) dosing rates were optimized during regeneration step at DMW plant. It resulted into annual saving of ₹ 31.47 Lacs.

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 Bac Comber system. Combined anticipated reduction in fresh DMW requirement is 1.2 lac MT/year (₹ 120 Lacs).

2) Provision of a Liquid Oxygen Storage Vessel at ASU Plant, Capro-II.

Pure oxygen is vented as same is in excess. It is under consideration to erect storage facility and tankers / cylinders filling facility. Anticipated annual saving is ₹ 87.5 Lacs.

ANNEXURE "C" TO DIRECTORS' REPORT

TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION

FORM-A

Form for disclosure of particulars with respect to Conservation of Energy: 2022-23

A. POWER AND FUEL CONSUMPTION

PARTICULARS	2022-23	2021-22
1. Electricity		
A. PURCHASE		
UNIT: MWH	361275	251237
AMOUNT ₹ in Lacs	35216	24273
Rate ₹/KWH	9.75	9.66
B. Own Generation		
Unit: MWH	42228	151711
KWH Per Ltr. of Fuel/Gas	7.08	7.16
Cost ₹/KWH	9.46	5.46
2. NATURAL GAS		
Quantity in '000 SM^3	152988	191301
Amount ₹ in Lacs	87479	70799
Average Rate 1000/SM^3	57180	37009

C. TECHNOLOGY ABSORPTION

EFFORTS MADE IN TECHNOLOGY ABSORPTION

As per enclosed Form - B

D. FOREIGN EXCHANGE USED AND EARNED: 2022-23

Foreign Exchange Outgo :

	₹ Lakhs
(i) C.I.F. VALUE OF IMPORTS	
(a) Raw Materials	173421.32
(b) Stores & Spares	1024.99
(c) Capital Goods and High Sea Purchases	0.00
(d) Stock In Trade	76413.19
TOTAL (i)	**250859.50**
(ii) EXPENDITURE IN FOREIGN CURRENCY	
(a) Interest	**145.29**
(b) Technical Asstt./Know How	**0.00**
(c) Others	**134.07**
TOTAL (ii)	**279.36**
TOTAL (i) + (ii)	**251138.86**

Foreign Exchange Earned :

FOB VALUE OF EXPORT OF	₹ Lakhs
Caprolactam	94.57
Hydroxyl Amine Sulphate Crystal	39.47
Melamine	24370.79
Methyl Ethyl Ketoxime	3152.58
TOTAL	**27657.41**

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

(B) CONSUMPTION PER UNIT OF PRODUCTION

Sr. No.	Product	Power		Steam		Natural Gas	
		2022-23 KWH	2021-22 KWH	2022-23 MTs	2021-22 MTs	2022-23 SM^3	2021-22 SM^3
1	Ammonia	391	396	-1.334	-1.306	889	888
2	Sulphuric Acid	31	36	-0.819	-0.832	0.069	0.165
3	Phosphoric Acid	314	331	1.427	1.037	1.803	0.319
4	Urea	185	184	1.488	1.487	0.000	0.000
5	ASP	46	50	0.067	0.077	7.788	7.797
6	Melamine (Expn)	890	808	6.386	5.923	193	192
7	Caprolactam (Old)	273	289	2.402	2.435	0.000	0.000
8	Caprolactam (Exp.)	164	192	1.307	1.349	0.000	0.000
9	Nylon - 6	717	747	1.815	1.972	-	-
10	DAP (SU)	45	45	0.017	0.018	3.716	4.654
11	NPK (10:26:26) (SU)	41	84	0.023	0.015	9.213	7.615
12	NPK (12:32:16) (SU)	38	41	0.020	0.017	7.729	8.148
13	NPK (20:20:0:13) (APS) (SU)	47	47	0.025	0.021	12.621	13.391
14	NPS (20:20:0:13) (SU)	0	0	0.000	0.000	0	0

* -ve indicate Export from Plants.

ANNEXURE "C" TO DIRECTORS' REPORT

FORM-B

Form for disclosure of particulars with respect to Technology Absorption: 2022-23

Research & Development (R&D):

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

Research work carried out in areas of Industrial products & chemicals, fortified fertilizers, organic & bio fertilizers, waste management; value added product(s), specialized Agri-inputs for improving quality and yield of agricultural output, Quality and process efficiency improvement and assurance. 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. To promote Organic fertilizers for reduced health hazard and sustainable agriculture, an organic fertilizer product named "Sardar SUDHAN" developed by fortification and granulation of the material derived from dung based gobar gas plants. These gobar gas plants are installed in villages under GOBAR (Galvanizing Organic Bio-Agro Resources) - DHAN scheme as a part of Manure management program of NDDB. MoU with NDDB is also executed for further research inputs and marketing of product.
2. Liquid fertilizers are gaining more importance day by day because of its easy application through foliar spray, fast response and less logistics cost. A product to this segment is added by developing a FCO grade Calcium Nitrate Suspension, fortified with Magnesium. This product is a nitrogen fertilizer with added nutrients like calcium and magnesium and can be used in fruit and vegetable crop.
3. As a part of contributing towards cleaner future, various green initiatives were taken for effective waste management practices across the complex. For the effective use of food waste, a biogas pilot plant is installed at township nursery to generate bio methane or electricity. The generated biogas is being utilized at guesthouse for cooking purpose. Alternatively biogas can also be used to generate electricity and slurry/ remains can be used as fertilizer. To address horticulture waste, a process for converting it into biocoal/briquettes is also developed.

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

1. Root Cause Failure Analysis of 14 components was carried out which has resulted into changes in specification of some materials for improving service life, better MoC selection, reduced down time and optimization of process parameters to avoid future similar kind of failures.
2. Insitu metallography at 120 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.
3. Corrosion and microbial activity monitoring of cooling tower water of all operating plants supported in efficient running of plants.
4. Ferrography of 17 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 & other departments for problems related to heat treatment, welding, import substitution, MoC selection, Material compatibility study etc.

Research Inputs provided to plants

6. Methods to minimize agglomeration of powder on the inner wall of the mill of Rock Phosphate resulting into reduced milling efficiency.
7. Support to WSF plant for property enhancement of Liquid Calcium Nitrate variants.
8. Technical support in preparation of PROM and Gypsum Granulation in the new granulation plant.
9. Optimization of Process parameters to improve quality of HX Crystal.
10. A method of Caprolactam casting for making parts/components was demonstrated to various buyers of Caprolactam. Parts used for transportation / shipping, industrial installations / heavy-duty equipment, building and road construction, mining, etc can be made using this method.

(3) FUTURE PLAN OF ACTION:

1. To develop new grades of organic fertilizers & bio fertilizers.
2. To develop process for products used in industrial applications considering feedback from Marketing.
3. Erosion-corrosion resistant coating for service life extension of plant components exposed to severe corrosive & erosive environment.
4. Development of chemical/ microbial methods for waste water treatment.

(4) EXPENDITURE ON RESEARCH & DEVELOPMENT:

		₹ in Lakhs
(a)	Capital	78.55
(b)	Recurring	975.18
(c)	Total	1053.73
(d)	Total R & D Expenditure as a percentage of Gross Sales	0.09%

Technology Absorption, Adoption and Innovation:

Technology Absorption

1. Urea-II Revamping Project - Technology is imported and Project is under execution.
2. 400 MTPD AS-IV Project - Technology is developed inhouse and Project is under execution.
3. 20MTPD HX Crystal Project - Technology is developed inhouse and Project is under execution.

Technology Adoption

1. Commissioning of plant for bulk production of Phosphogypsum Granules.
2. A Bio-Methane pilot plant installed at Fertilizernagar, Vadodara to process food waste (Max 500 kg/Day) for Production of biogas (up to 20 kg/Day) OR Power generation (up to 50 kw/day). Slurry remains of plant can be utilized as organic fertilizer.
3. Large scale production of FCO grade Calcium Nitrate Suspension has been started at WSF Plant, Vadodara.

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.

SECTION A: GENERAL DISCLOSURES

I) Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L99999GJ1962PLC001121
2. Name of the Listed Entity	Gujarat State Fertilizers & Chemicals Limited
3. Year of incorporation	1962
4. Registered office address	Fertilizer Nagar 391750, Vadodara
5. Corporate address	Fertilizer Nagar 391750, Vadodara
6. E-mail	ho@gsfcltd.com
7. Telephone	0265-2242451
8. Website	www.gsfclimited.com
9. Financial year for which reporting is being done	2022-23
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited, National Stock Exchange of India Ltd.
11. Paid-up Capital (in ₹)	79,69,55,060
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mrs. Nidhi Pillai, Company Secretary & Vice President (Legal) Telephone: 0265- 3093582 Email: nidhi.pillai@gsfcltd.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone

II) Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Fertilizers and Agro-Products, Chemicals and chemical products.	100.0%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1	DAP	20122	22.0%
2	UREA	20121	20.0%
3	AS	20122	18.0%
4	APS	20122	15.0%
5	CAPROLACTAM	20119	8.0%
6	MELAMINE	20119	5.0%
7	NYLON -6	20119	5.0%

III) Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	4	37	41
International	0	0	0

17. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States)	27
International (No. of Countries)	38

b. What is the contribution of exports as a percentage of the total turnover of the entity?

3.0%

c. A brief on types of customers:

The Company serves **farmers** and customers from industries like textile, agriculture, tyre, automobile, chemical, pharma, plywood, laminate etc. directly as well as through authorized distributors.

IV) Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No. (C)	% (C/A)
			EMPLOYEES			
1.	Permanent (D)	1,136	1,074	94.5%	62	5.5%
2.	Other than Permanent (E)	83	77	92.8%	6	7.2%
3.	Total employees (D + E)	1,219	1,151	94.4%	68	5.6%
			WORKERS			
4.	Permanent (F)	1,888	1,825	96.7%	63	3.3%
5.	Other than Permanent (G)	2,488	2,405	96.7%	83	3.3%
6.	Total workers (F + G)	4,376	4,230	96.7%	146	3.3%

b. Differently abled Employees and workers:

Sr No.	Particulars	Total (A)	Male		Female	
			No.(B)	%(B/A)	No. (C)	% (C/A)
			DIFFERENTLY ABLED EMPLOYEES			
1.	Permanent (D)	7	6	85.7%	1	14.3%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	7	6	85.7%	1	14.3%
			DIFFERENTLY ABLED WORKERS			
4.	Permanent (F)	26	21	80.8%	5	19.2%
5.	Other than Permanent (G)	4	4	100.0%	-	-
6.	Total workers (F + G)	30	25	83.3%	5	16.7%

19. Participation/Inclusion/Representation of women

Particulars	Total (A)	Total (A) No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	2	25.0%
Key Management Personnel *	2	0	0

*The number of KMPs is including the Managing Director.

20. Turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10.8	9.2	10.7%	8.3	4.6	8.1%	8.0	9.2	8.0%
Permanent Workers	8.1	3.0	7.9%	6.3	4.3	6.2%	5.9	1.4	5.7%

Above turnover include both voluntary and involuntary turnover.

V) Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	GSFC Agrotech Limited	Wholly Owned Subsidiary	100.0%	Yes
2	Gujarat Port and Logistics Company Limited	Subsidiary	60.0%	Yes
3	Vadodara Jal Sanchay Private Limited	Subsidiary	60.0%	Yes
4	Gujarat Green Revolution Limited	Associate	46.9%	Yes
5	Vadodara Enviro Channel Limited	Associate	28.6%	Yes
6	Karnalyte Resources Inc.	Associate	47.7%	No

VI) **CSR Details**

22.

Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
Turnover (in ₹)	₹ 11,444 Crore
Net worth (in ₹)	₹ 7,838 Crore

VII) **Transparency and Disclosures Compliances**

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	https://scores.gov.in/scores/Welcome.html	3	0		3	0	
Investors (other than shareholders)							
Employees and workers	http://mobapp.gsfclimited.com/gsfcconnect/register_complain.aspx	1	0		0	0	
Customers		2	0		0	0	
Value Chain Partners		1	0		0	0	
Communities		4	0		0	0	

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity)	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
We are under process of identifying and defining material responsible business conduct issues related to GSFC.					

SECTION B : MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.gsfclimited.com/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001:2015 Quality Management System; ISO 45001:2018 Occupational Health & Safety Management System; ISO 50001:2018 Energy Management system; ISO 14001:2015 Environment Management System; Responsible Care Certification								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	-	-	-	-	-	-	-	-	-
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not me	-	-	-	-	-	-	-	-	-

Governance, leadership, and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Dear Stakeholders,

We are glad to publish our first Business Responsibility & Sustainability Report for the financial year 2022-23. This report is a resemblance to our unwavering commitment to sustainability and enable our stakeholders to know more about our sustainability performance.

We have been embracing renewable energy sources and implementing sustainable practices across our operations and aim to lead by example and inspire others to follow suit. Moreover, we are committed to fostering a culture of inclusivity, diversity, and equality within our organization. We recognize that our employees are our greatest asset, and by providing them with a safe and supportive work environment, we enable their personal growth and contribute to their overall well-being. Furthermore, we believe that our engagement with the communities in which we operate is vital. Transparency and accountability are key principles that underpin our sustainability journey.

As we continue to adapt and overcome challenges in an ever-changing world, we remain resolute in our commitment to sustainability. By driving innovation, fostering resilience, and embracing responsible practices, we aim to shape a future where GSFC not only thrives as a Company but also plays a pivotal role in creating a more sustainable and prosperous world for generations to come.

Shri Mukesh Puri
Managing Director

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Shri Mukesh Puri, Managing Director (DIN 03582870) under the guidance of the Board of Directors and its Committees, is responsible for implementation and oversight of the Business Responsibility policies.
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details	Shri Mukesh Puri, Managing Director (DIN 03582870) under the guidance of the Board of Directors and its committees is responsible for implementation and oversight of the Business Responsibility policies.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The policies are reviewed periodically or on a need basis by Senior Executives / Board.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company is in compliance with existing regulations and Compliance Certificate of applicable laws is provided by Company Secretary.																	

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The Company conducts periodic review of the policies internally and the same is done by senior management team which drives the policies, projects and performance of aspects of business responsibility and sustainability.								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Not Applicable								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not Applicable								
It is planned to be done in the next financial year (Yes/No))	Not Applicable								
Any other reason (please specify	Not Applicable								

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 : Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	During the year, the Board of Directors of the Company (including its committees) has invested time on various updates comprising matters relating to business, regulations, social and governance and economy and environmental parameters.		100.0%
Key Managerial Personnel	1	Skill Development	100.0%
Employees other than BoD and KMPs	3	Behavioural Competency; Skill Development; General Management Programmes	68.2%
Workers	1	Health & Safety	100.0%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	Not Applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

   Yes, we have adopted The Integrity Pact (IP) was designed and launched with the primary objective of safe-guarding public procurement from corruption.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. **Details of complaints with regard to conflict of interest**

	FY 2022-23		FY 2021-22	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil		Nil	

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:**

   Not Applicable

Leadership Indicators

1. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.**

   Yes, our code of conduct requires executives in senior management of the Company to dedicate their best efforts to advancing the Company's interests and to make decisions that affect the Company based on the Company's best interests and independent of outside influences. Executives in senior management of the Company should ensure that any 'conflicts of interest' with the Company should be avoided. The Company obtains declaration from all BoD, KMPs and Senior Management under Regulation 26 (5) of SEBI (Listing Obligation and Disclosure Regulations), 2015 regarding any conflict of interest. As per the declaration received, none of the Directors, KMPs and members of Senior Management had any conflict of interest for the period under review. In case there is likely to be a conflict of interest, he/she should make full disclosure of all facts and circumstances thereof to the Managing director or any committee / officer nominated for this purpose by the Board and a prior written approval should be obtained.

PRINCIPLE 2 : Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	100.0%	100.0%	All our R&D Investments and efforts are aimed towards sustainability. Phase wise we are replacing obsolete technology and power-hungry instruments with power efficient new technology instruments. Selection and implementation of research projects are generally based on realistic parameters determined through techno-economic feasibility studies, survey of existing technologies and their adaptation. More focused research efforts are put in the direction of development of organic fertilizers, biofertilizers and effective waste management for better sustainability
Capex	4.0%	3.0%	Our CAPEX projects are targeted towards minimizing environment impact. Projects for Effluent treatment, waste management and alternative fertilizers like organic fertilizers & biofertilizers were prioritized during FY 2022-23.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

We are a "Responsible Care" (RC) certified Company and follow the code issued by RC framework. The Distribution Code of Management Practice applies to all modes of transportation and to the shipment of all chemicals, including chemical waste. The code also applies to distribution activities (storage, handling, transfer and packaging) while chemicals are in transit between member companies and their suppliers and customers.

b. If yes, what percentage of inputs were sourced sustainably?

Not Measured.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Plastic (Including Packaging): Under Plastic Waste Management Rules, we are registered as Brand Owner. We have tied-up with waste management agency for collection and recycling of post-consumer plastic packaging waste. Pre-consumer plastic waste generated at manufacturing sites are send to authorized recycler.

E-Waste: All the E-waste generated is sent to certified registered recycler vendors.

Hazardous Waste: Hazardous wastes generated at sites are either sold to authorized registered recyclers or dispose at authorized landfill / incineration facilities.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

GSFC has obtained registration as Brand Owner for fulfilling Extended Producer Responsibility (EPR) under requirement PWM rules. Company has signed MOU and awarded work order to Waste Management Agency for collection and recycling of plastic waste from Urban local body on the behalf of GSFC.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)
201	All major fertilizer and chemical products	100%	Life Cycle perspective for the various products manufactured has been considered for each stage from raw material procurement to final product delivery, end use including final disposal	No	No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Fertilizer & Chemical products	There are no significant social/environment concerns and / or risks arising from production.	NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Sulphur Muck (MT)	250	293

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	4,045	-	-	1,587	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Plastic waste collected under EPR regulation (% of total plastic waste generated)	70.0%

PRINCIPLE 3 : Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1,074	Cashless medical facility is available to all employees across 18 hospitals in Vadodara and Ahmedabad		1,074	100.0%	NA	NA	-	-	-	-
Female	62			62	100.0%	62	100.0%	NA	NA	59	95.0%
Total	1,136			1,136	100.0%	62	5.5%	NA	NA	59	5.2%
Other than Permanent employees											
Male	77	77	100.0%	77	100.0%	NA	NA	-	-	-	-
Female	6	6	100.0%	6	100.0%	6	100.0%	NA	NA	6	100.0%
Total	83	83	100.0%	83	100.0%	6	7.2%	NA	NA	6	7.2%

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Workers											
Male	1,825	Cashless medical facility is available to all employees across 18 hospitals in Vadodara and Ahmedabad		1,825	100.0%	NA	NA	-	-	0	0
Female	63			63	100.0%	63	100.0%	NA	NA	63	100.0%
Total	1,888			1,888	100.0%	63	3.3%	NA	NA	63	3.3%
Other than Permanent Workers											
Male	2,405	2,179	90.6%	2,405	100.0%		NA	-	-	0	0
Female	83	72	87.0%	83	100.0%	83	100.0%	NA	NA	82	99.0%
Total	2,488	2,251	90.4%	2,488	100.0%	83	3.3%	NA	NA	82	3.3%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100.0%	100.0%	NA	100.0%	100.0%	NA
Gratuity	100.0%	100.0%	NA	100.0%	100.0%	NA
ESI *	-	10.0%	-	-	5.6%	-
Welfare fund	-	100.0%	-	-	100.0%	-

All eligible employees and workers are covered under ESI benefits as per regulatory requirement.

3. Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

All the premises with differently abled employees are accessible, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, we have an "Equal Opportunity, Gender Equity and Gender Sensitivity" policy which provide equal opportunity to all employees in Company and creating a healthy working environment that enables employee to work without fear of prejudice, gender bias, and a harassment free workplace to all employees without regard to race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin or disability.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100.0%	100.0%	100.0%	100.0%
Total	100.0%	100.0%	100.0%	100.0%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	Yes, any grievance reported through any medium formal / informal, direct or through channel is addressed through various committees in place as per nature of grievance. The grievance received is categorically channelized to statutory and non-statutory committees in place which has equal representation of all categories of employees (management – non management, male – female, subject expert from the Company, representative for union etc.). The committee after deliberations recommends further needful actions to the management and same is being addressed / reviewed on merits for implementation. Moreover, employee's individual grievances through formal or informal channels is also addressed appropriately through superiors, HoD and HR/IR Department, as and when needed, distressed employees are being helped through counselling.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	1,136	-	-	1,230	-	-
-Males	1,074	-	-	1,162	-	-
-Females	62	-	-	68	-	-
Total Permanent Workers	1,888	1,888	100.0%	2,031	2,031	100.0%
-Males	1,825	1,825	100.0%	1,961	1,961	100.0%
-Females	63	63	100.0%	70	70	100.0%

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and Safety Measures		On skills upgradation		Total (D)	On Health and Safety Measures		On skills upgradation	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Employees										
Male	1,074	900	83.8%	817	76.1%	1,162	1,100	94.6%	1000	86.0%
Female	62	34	54.8%	38	61.2%	68	55	80.8%	50	73.5%
Total	1,136	934	82.2%	855	75.2%	1,230	1,155	93.9%	1050	85.4%
Permanent Workers										
Male	1,825	1,650	90.4%	1,105	60.5%	1,961	1550	79.0%	1330	67.8%
Female	63	51	80.9%	34	53.9%	70	70	100%	51	72.8%
Total	1,888	1,701	90.0%	1,139	60.3%	1646	1620	79.8%	1381	67.9%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	Number (B)	% (B/A)	Total (C)	Number (D)	% (D/A)
Employees						
Male	1,074	1,074	100.0%	1,162	1,162	100.0%
Female	62	62	100.0%	68	68	100.0%
Total	1,136	1,136	100.0%	1,230	1,230	100.0%
Workers						
Male	1,825	1,825	100.0%	1,961	1,961	100.0%
Female	63	63	100.0%	70	70	100.0%
Total	1,888	1,888	100.0%	2,031	2,031	100.0%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, A well established and duly implemented occupational health and safety management system is in place at GSFC. Our IMS Policy signed by MD has been displayed at conspicuous locations in plants and offices.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Schedule as well as surprise safety inspections are carried out by safety department, internal and external safety audits are conducted as per IS: 14489:2018. QRA (Quantitative Risk Analysis) is conducted by inviting external agency using the DNV PHAST latest Software. Hazard and Operability studies (HAZOP) are conducted frequently and on the job risk assessment is also conducted.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, in case of any incident workers can directly report it to site safety team alternatively it is identified in routine site safety inspections. Also site Occupational Health & Safety team reports all first aid / medical treatment cases to safety team for their recording.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, employees have 24x7 access to Township Medical centre where Non-Occupational Medical Healthcare Services are provided.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.16	-
	Workers	0.17	-
Total recordable work-related injuries	Employees	1	-
	Workers	1	-
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

- Standard Operating Procedures are implemented for all the routine and non-routine activities, and displayed at conspicuous location.
- Implementation of permit to work system (total 11 permits for different industrial and potentially hazardous industries are available in GSFC).
- Imparting trainings to contract workers, supervisors, Company employees through "Tool Box Talks", classroom and site safety demonstration etc.
- Ensuring use of standard quality personnel protective equipment at site both by employees and contractors. Periodic medical examination of the employees and contractors at regular intervals.
- Regular testing, Inspection of lifting tools tackles, pressure vessels, hoist and lift, crane crab, winch, chain pulley blocks, wire rope slings and shackles
- Regular work environment monitoring and analysis of records

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100.0%
Working Conditions	100.0%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

There were no significant risk / concerns identified during health and safety assessment conducted during FY 2022-23.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

In case of death, if the employees/workers who are member of Arthik Sahayak Sangh (ASS) Scheme in that the dependent of deceased employee/worker shall get ₹ 10 Lacs and in case of accidental death, we are providing 70 month salary (Basic + DA) through Group Personal Accident Insurance Policy.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Compliance under various statutory legislations, are entrusted to the vendor / contractor / service provider as a part of agreement / contract. Further we also have an internal checking and third-party auditing related to contractors for their obligations for various compliances under labour & social security legislations.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No.

PRINCIPLE 4 : Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

We have established a robust process for identifying stakeholders and engaging with them to strengthen the partnership. We have undertaken a 360-degree review of our business value chain to identify our key stakeholder groups and mapped stakeholder engagement mechanism.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Emails, Trainings & Seminars, Townhalls, Internal Communication platforms, Notice Board	Ongoing	Updating on key developments within the organization, training, awareness and welfare programmes, employee safety, career growth, occupational health & safety business performance & key initiatives from the Company

Shareholders/Investors	No	Annual General Meetings, Stock Exchange (SE) intimation, emails, conference calls, annual reports, investor interactions/calls	Ongoing	Financial performance, Business strategy, Operational performance, Information on other key parameters, risk management, growth prospects.
Customers	No	Newsletters, Email, SMS, Advertisements, Website, Social Media platforms, customer surveys, helpdesk, customer feedback	Ongoing	Customer grievances, Product quality and availability, responsiveness to needs, timely delivery, customer satisfaction
Communities and NGO's	No	Email, Events, Training & Workshops	Ongoing	CSR, welfare, climate change impacts, participation in social services, CSR activities
Suppliers/Partners	No	Email, SMS, Vendor meetings	Ongoing	Business related discussions, awareness and training programmes, timely payment, continuity of orders, workshops and seminars
Government & Regulatory Authorities	No	Compliance meetings, inspections, compliance reports, media releases	Ongoing	Regulatory requirements, compliance with national and local regulations, policy advocacy, changes in regulatory framework

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Company regularly interacts with key stakeholders i.e., investors, customers, suppliers, employees etc. through it management executives. 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, though our industrial expertise for Sustainable Development. Our CSR committee at the Board is also responsible for oversight of CSR initiatives.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   GSFC will continue to enhance value creation in the society in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a Socially Responsible Corporate Citizen with utmost environmental concern. Under our CSR initiatives we identify key concerns of communities basis our assessment and interactions and run various projects for mitigation.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   Ever since its inception, GSFC has always considered CSR as an integral part of its business activity and even today several CSR projects date back to much before it was mandated. Our CSR policy is highly comprehensive and focused on improvement of Human Development Index of the Country. The major focus of the Company is in the field of education and GSFC University is set-up with a vision of societal development through relevant and cutting edge knowledge in frontier areas of professional growth. The 3 schools run across Gujarat offer quality education through varied initiatives and cater to about 3000 children mostly from socially and economically backward community. The Company endures projects like women empowerment, livelihood generation, skilling, mainstreaming of differently able etc. to engage marginalized section of the society and outreach of such initiatives is to more than 20 villages and urban areas in the vicinity of our units. The projects such as providing safe drinking water, creation of infrastructure facility etc are implemented keeping in mind basic requirement of the deprived local communities. During pandemic times, GSFC supplied Medical grade oxygen to the medical fraternity by converting its industrial oxygen required to run its own plants to medical grade, thereby putting business next and continues to provide healthcare facilities to the vulnerable nearby areas. GSFC is committed to develop a culture of CSR and has been undertaking activities beyond the statute to create a more inclusive environment for those who need us the most. The numerous steps taken are a testimony to how much GSFC cares for its society.

PRINCIPLE 5 : Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1,136	355	31.2%	1,230	65	5.3%
Other than permanent	83	-	-	96	-	-
Total Employees	1,219	355	29.1%	1,326	65	4.9%
Workers						
Permanent	1,888	220	29.1%	2,031	-	-
Other than permanent	2,488	-	-	2,336	-	-
Total Employees	4,376	-	-	4,367	-	-

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E /D)	Number (F)	% (F / D)
Employees										
Permanent										
Male	1,074	-	-	1,074	100.0%	1,162	-	-	1,162	100.0%
Female	62	-	-	62	100.0%	68	-	-	68	100.0%
Other than Permanent										
Male	77	-	-	77	100.0%	88	-	-	88	100.0%
Female	6	-	-	6	100.0%	8	-	-	8	100.0%
Workers										
Permanent										
Male	1,825	-	-	1,825	100.0%	1,961	-	-	1,961	100.0%
Female	63	-	-	63	100.0%	70	-	-	70	100.0%
Other than Permanent										
Male	2,405	2,179	91.0%	226	9.0%	2,246	2,246	100.0%	-	-
Female	83	72	87.0%	11	13.0%	90	90	100.0%	-	-

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (Amount ₹ in lakhs)	Number	Median remuneration/ salary/ wages of respective category (Amount ₹ in lakhs)
Board of Directors (BoD)	6	1.9	2	2.7
Key Managerial Personnel	1	78.9	0	0
Employees other than BoD and KMP Workers	1,073	21.1	62	18.9
Workers	1,825	13.1	63	12.9

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, we have an Internal Committee (IC) under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

We have a robust grievance redressal mechanism though which complaints are channelized and settled in consultation with various statutory and non-statutory committees having equal representation.

6. **Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

We have 3 major policies i.e., 'equal opportunity policy', 'gender equity policy' and 'prevention of harassment at workplace,' which provide mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes

9. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not Applicable.

Leadership Indicators

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

Not Applicable.

2. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

As the factory premise have very hazardous nature of operation thus differently abled employees / visitors are not posted / invited there considering their safety. The locations where differently abled visitors are visiting and the common area for all, is accessible.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Giga Joules) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	20,48,311	17,50,676
Total fuel consumption (B)	55,38,033	69,88,777
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	**75,86,344**	**87,39,453**
Energy intensity per rupee of turnover *(Total energy consumption / turnover in rupees crore)*	663	952

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

During the FY-22-23, no product was covered under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	99,34,330	1,10,21,348
(ii) Groundwater	1,16,633	1,98,054
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	1,00,50,963	1,12,19,402
Total volume of water consumption (In kilolitres)	1,00,50,963	1,12,19,402
Water intensity per rupee of turnover *(Water consumed / turnover in rupees crore)*	878	1,222

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, Sikka and Fibre Plant are 100% zero liquid discharge. Additionally certain individual plants of our Vadodara units are also having zero liquid discharge.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
Nox	Kg/Year	3,23,158	4,28,488
Sox	Kg/Year	5,85,177	6,76,897
Particulate matter (PM)	Kg/Year	6,07,579	6,97,440
Persistent organic pollutants (POP)	Kg/Year	-	-
Volatile organic compounds (VOC)	Kg/Year	-	-
Hazardous air pollutants (HAP)	Kg/Year	-	-
Others – please specify, NH3	Kg/Year	2,73,668	2,41,175
Others – please specify, HF	Kg/Year	7,702	7,994
Others – please specify, Acid Mist	Kg/Year	16,754	16,133

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	4,28,965	5,12,030
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	2,79,638	1,86,740
Total Scope 1 and Scope 2 emissions per crore rupee of turnover		62	76

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

- We have installed 152.8 MW windmills in the Saurashtra and Kutch Region, 10 MW Solar power plant at Charanka and 0.9 MW of solar roof top at our premises. As of now 32% to 35% of GSFC's power requirement is fulfilled from renewable energy and Company is further expanding its renewable energy capacities by installation of a new 15 MW Solar power project at Charanka, 140 KW Solar project at Baroda Unit, 640KW solar project at Sikka Unit.
- GSFC has recently commissioned a Bio-methanation plant for better management of food waste. Biogas generated is utilized in kitchen in place of LPG.
- Company has recently invested in e-mobility by deploying Electric Bicycles, Electric kart, e-bikes for commute inside factory premises.
- To promote Green initiatives for our Organization/society , GSFC has launched E Vehicle subsidy scheme whereby at nominal interest rate of just 2% loan is granted for purchase of E- vehicle to the employees. In addition to the loan for purchase of an E-scooter/E-bicycle, the Company extends a subsidy for purchase of E-scooter and e- bicycle. Till date, around 220 employees have taken benefit of the said scheme.
- In 2022-23, About 1500 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 6.60 Lacs KWH.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste ***(A)***	155	345.8
E-waste ***(B)***	1.1	2.9
Bio-medical waste ***(C)***	0.2	0.2
Construction and demolition waste ***(D)***	0	0
Battery waste ***(E)***	14.7	3.1
Radioactive waste ***(F)***	0	0
Other Hazardous waste. Please specify, if any. ***(G)***	849.6	877.9
Other Non-hazardous wastegenerated ***(H).*** *Please specify, if any.* (Break-up by composition i.e., by materials relevant to the sector)	45.3	289.4
Total (A+B + C + D + E + F + G + H)	1065.9	1519.4
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	678.1	1194.2
(ii) Re-used	249.6	292.5
(iii) Other recovery operations	-	-
Total	927.7	1486.7

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	100.5	60.9
(ii) Landfilling	222.3	59.4
(iii) Other disposal operations	-	-
Total	322.8	120.3

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company, being a ISO 14001 & Responsible Care practicing organization, manages its waste in a legally compliant and sustainable manner. All the waste is handled as required by Consent to Operate / Hazardous Waste authorization of the individual sites. The Company adopts the strategy of Reduce, Reuse, Recycle, Recovery and Disposal by optimizing and modifying the process from time to time. Continuous improvements in manufacturing process and technology is the key to reduce the generation of waste at our site.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. no.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Nil			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public Domain (Yes / No)	Relevant Web link
Amalgamation of Environmental clearances and Expansion/ Amendment of Plants at GSFC Baroda Unit	SO 1533	September 14, 2006	Yes	Yes	https://www.gsfclimited.com/rc-ims

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation/guidelines which was not complied with	Provide details of the non – compliance	Any fines /penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Complied with all applicable laws.				

Leadership Indicators

1. **Provide break-up of the total energy consumed (in Gigajoules) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23 (Current FinancialYear)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	7,66,550	8,78,374
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed fromrenewable sources (A+B+C)	7,66,550	8,78,374
From non-renewable sources		
Total electricity consumption (D)	12,81,761	8,72,302
Total fuel consumption (E)	55,38,033	69,88,777
Energy consumption through other sources (F)	-	-
Total energy consumed from nonrenewable sources (D+E+F)	68,19,794	78,61,079

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – No

2. **Provide the following details related to water discharged:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – Primary and Secondary	37,65,654	40,61,793
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	**37,65,654**	**40,61,793**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

   We do not have any of our plant in water stress areas.

4. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

   Company does not have manufacturing facilities in any of the ecologically sensitive areas.

5. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-withsummary)	Outcome of the initiative
1	Renewable energy generation	GSFC has 152.8 MW windmills in the Saurashtra and Kutch Region, 10 MW Solar power plant at Charanka and 0.9 MW solar roof top. 32 to 35 % of GSFC's power requirement is fulfilled from renewable energy and we are further expanding its renewable energy capacities by installation of a new 15 MW Solar power project at Charanka, 140 kW Solar project at Baroda Unit & 640kW Solar project at Sikka Unit.	Reduction in GHG emissions.
2	Installation of roof rainwater harvesting	GSFC has installed a roof-top rainwater harvesting system (RTRWHS) to collect rain-water from the terraces of GSFC's Corporate building & 'A' Block to Chhani Pond and reuse in the plants. The implementation of Phase - II of RTRWHS for R&D, Central Lab, ADC is under progress and will be completed before next monsoon.	Water conservation.
3	Bio-methanation plant set-up	GSFC has recently commissioned a Bio-methanation plant for better management of food waste. Biogas generated is utilized in kitchen place of LPG.	Better waste management and reduction in fossil fuel consumption by replacing LPG.
4	In-house utilization of waste	Ground Sulphur Muck has been reused by either addition as a filler in ASP or by mixing with Phosphogypsum. This has resulted into addition of nutrient in the form of element sulphur.	Reduction in waste and material recovery.

6. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Company has identified various risks along with its categorization based on the severity which are related to business continuity / operation. Also the risk mitigation measures are also given for each identified risks. Company has developed online module for regular monitoring by all concerns, nodal officers along with the Risk management committee which was formed by the Company as per statutory compliance. The committee reviews the associated risks & their mitigation measures on monthly / quarterly basis to ensure for sustainable business operations.

On site emergency action plan is in place as a part of emergency planning and response which is one of the important elements of process safety management. The onsite emergency action plan contains information in details viz chemical hazards emergencies that can lead to Disasters, details of preparedness and measures to be taken to combat such emergencies which includes manmade and natural disasters. Software approach is utilized to find out the critical area and contour with exposure of chemical in terms of lethal dosages and lethal concentrations. Mock drills are held to gauge the efficiency of the site emergency action plan. Emergency combat trainings are conducted as per requirement.

Regarding offsite emergencies, GSFC Vadodara is one of the founder members of OIECR (offsite industrial emergency control room). GSFC has been conducting offsite drills and offering service to neighbouring industries during the outbreak of offsite disasters.

Emergency communication centre is functional round the clock; emergency combat trainings are conducted as per requirement. Emergency support team members also form part of mock drill responders. All mock drills are suitably documented. Two full-fledged fire stations having adequate manpower are functional round the clock with ten fire tenders; 04 utility emergency vehicles, 01 snorkel, more than 1700 fire extinguishers, 141000 cubic meter of dedicated fire water storage, fire hydrant network across the length and breadth; a dedicated safety team ensures safety of human resources and assets as also it complies with statutory requirements as applicable to GSFC.

7. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

No significant impact.

PRINCIPLE: 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

13

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	All India Organization of Employers, New Delhi	National
2	All India Plastic Manufacturing Association, Mumbai	National
3	Chemicals & Petrochemicals Manufacturers' Association, New Delhi	National
4	Employees Federation of India, Mumbai	National
5	Federation Of Indian Chambers of Commerce & Industry, Delhi	National
6	Indian Chemical Council, Mumbai	National
7	Fertiliser Association of India	National
8	Baroda Productivity Council (HR)	State
9	Exim Club, Baroda	State
10	Federation Of Gujarat Industries, Baroda	State
11	Indian Institute of Plant Engineers, Vadodara	State
12	Indian Institute of Welding, Baroda Branch	State
13	Vadodara Chamber of Commerce & Industries	State

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	Nil	

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
GSFC has offered feedback on proposed regulatory guidelines on IS 16603- Solid Waste Management as received from the Fertiliser Association of India (FAI).					

PRINCIPLE: 8 Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
		Nil			

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Nil						

3. **Describe the mechanisms to receive and redress grievances of the community.**

GSFC have a robust process to receive and redress concerns/ grievances received from the community wherein HoD of all departments works towards its redressal. Complaints are resolved in a timebound manner with proper documentation and closely monitored for resolution.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers *	2.3%	2.2%
Sourced directly from within the district and neighbouring districts	32.0%	34%

*Out of total 2,528 active vendors 1,576 are MSME vendors.

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Nil	Nil

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

Sr. No.	State	Aspirational District	Amount spent
1	Gujarat	NA	10 Crore
2	Telangana	NA	1.5 Crore

3. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Sr. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Nil				

4. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

5. **Details of beneficiaries of CSR Projects:**

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Education	5,900	72%
2	Drinking water Facility	15,000	Not Measured
3	Rural Development Projects	20,000	

PRINCIPLE: 9 Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We have a robust mechanism in place to receive and respond to consumer complaints and feedback i.e., Agrinet" call centre, dealer portals, consumer care helpline, personal interaction, email. We also have an escalation mechanism to review and resolve the complaints in a time bond manner.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Company has internal management system (IMS) which is in place for all plants. The Material Safety Data Sheet (MSDS) of all products are available on Company's portal and the same are being conveyed to our customers for safe & responsible usage, safe disposal etc. Company has also Responsible Care certification (RC) in which Company ensure all environmental, social, safety, health & security etc. aspects for it's all products/plants/units.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil			Nil		
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Not Applicable
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, we have an "IT Security Policy" to strengthen our cybersecurity.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable, as there were no issues for concerns related to advertising, delivery of essentials, product recalls and actions initiated by regulatory authorities for safety of companies' products.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information on products & services of the entity can be accessed on www.gsfclimited.com. Additionally, details on products & services are also propagated through farmer/retailer meetings, field demonstration, social media, literature etc.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

A detail specification of our products is available on our website, which can be accessed via https://www.gsfclimited.com/products. We also provide farm advisory services to farmers and channel partners related to application, application time, doses methodology etc. via regular field meetings, promotional campaigns, field demonstration and literature. We also share Product Brochures, MSDS and Term Card with customers and conduct Safety Awareness Sessions.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services**.

   The Company communicates with its customers through various media E.g.: Email, SMS, Advertisements, Website, Social Media platforms, customer surveys, helpdesk, customer feedback, seminars, CRM portal, product demonstration.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey regarding consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   No, since fertilizers is the Government controlled products, only statutory information as decided under regulatory mechanism can only be printed on packaging bags.

   Yes, we have a large network of employees, placed across the markets for regulating our fertilizer business, who are in direct touch with the market and is regularly reviewing and monitoring the intensity of consumer satisfaction about our product and services. We also have a set procedure for regularly taking feedbacks from customers.

5. **Provide the following information relating to data breaches:**

   a) **Number of instances of data breaches along-with impact**

      Nil

   b) **Percentage of data breaches involving personally identifiable information of customers**

      Nil

   Important note: The Business Responsibility and Sustainability Report ("BRSR") is also being filed in XBRL format with Stock Exchanges where shares of the Company are listed viz. BSE and NSE. In the event of any inconsistency between the print and XBRL versions of BRSR, the print version shall prevail.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MACRO-ECONOMIC STATEMENT 2022-23

Overview of the Economy

The global economy's recovery from the COVID-19 pandemic was disrupted by the Russia-Ukraine conflict in February 2022, causing disruptions in supply chains and price increases for critical commodities. This further aggravated existing inflationary pressures triggered by uneven demand recovery, loose monetary policy, and fiscal stimulus in many advanced economies. Emerging Market Economies (EMEs) were also affected by the spike in commodity prices, extreme weather conditions, and China's zero COVID-19 policy, leading to inflationary pressures.

To combat inflationary pressures, central banks globally have raised interest rates and ended bond purchase programs, resulting in the tightening of financial conditions and an outflow of capital from EMEs into a traditionally safer US market. The stronger dollar and higher commodity prices have resulted in higher current account deficits and inflationary pressures for many developing economies.

India's growth and macroeconomic stability were threatened by global developments. Rising foreign commodity prices and extreme weather conditions in India like unseasonal rains and extreme heat kept food inflation high. Retail inflation exceeded the Reserve Bank of India's (RBI) tolerance range in January 2022 and remained outside the target range for the next 11 months. In November and December 2022 retail inflation returned to below the upper end of the target range of 6% due to pre-emptive measures taken by the government, easing of global commodity prices, and monetary policy decisions of RBI.

The US Federal Reserve's monetary tightening caused an outflow of portfolio investments from India, resulting in pressure on the Rupee, which depreciated by 8.3% against the US dollar between April and December 2022. India's current account deficit (CAD) widened in FY 2022-23 due to higher global prices for crude oil, edible oils, and fertilizers.

The rebound in consumption, driven by demand for contact-intensive services, has led to steady growth momentum in service activity in Q3 of FY 2022-23. Purchasing Manager's Index (PMI) Services registered strong expansion, and the growth impetus in rail freight and port traffic remains upbeat, with improvement in the domestic aviation sector. Higher output in the manufacturing and services sectors raised the composite PMI, signaling a strong pace of expansion.

GST collections continue to grow. The total gross GST collection for 2022-23 stands at ₹ 18.10 Lakh crores which is 22% higher than that last year. Other high-frequency indicators, such as passenger traffic, e-way bills, and electronic toll collection, indicate healthy domestic economic activity.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth.

Economic growth

India's economy has shown resilience due to its large domestic market and loose integration in global value chains. Real GDP of India grew by 9.5% in H1 of FY 2022-23 which is higher than major economies The growth momentum in Q2 has been sustained in subsequent quarters of FY 2022-23.

Real GDP in the year 2022-23 is estimated to attain a level of ₹ 160.06 Lakh crore (as per the provisional estimates released by NSO on 31st May 2023) thereby showcasing a growth of 7.2% in 2022-23 as compared to 9.1% in 2021-22.High-frequency indicators like Purchasing Managers' Index (PMI) in manufacturing and index of industrial production have shown significant improvement, with growth in all sub-sectors except crude oil. Robust expansion in PMI services, indicative of service sector activity, observed since July 2022.

The growth in Nominal GDP (current prices) during 2022-23 is estimated to attain a level of ₹ 272.41 Lakh crore, as against ₹ 234.71 Lakh crore in 2021-22, showing a growth rate of 16.1% as per provisional estimates released by NSO on 31st May 2023.

As per press release by PIB dated 31st July 2023, Gross Fixed Capital Formation (GFCF) in the Indian economy has increased from ₹ 32.78 Lakh crore (constant 2011-12 prices) in 2014-15 to ₹ 54.35 Lakh crore in 2022-23 (Provisional Estimates).

The Government has continued to support the investment activity with capital expenditure. Private investment also picked up in FY 2022-23. As per union budget exports are estimated to grow at 12.5% in FY 2022-23 despite sustained supply chain disruptions and an uncertain geopolitical environment.

The economic growth of India in FY 2022-23 has been driven by private consumption and capital formation. To support economic growth further, the expansion of public digital platforms and path-breaking measures such as PM GatiShakti, the National Logistics Policy, and the Production-Linked Incentive schemes have been implemented. These measures aim to boost manufacturing output and facilitate efficient logistics operations in the country. With such initiatives, India is poised to become a leading player in the global supply chain, which is expected to have a positive impact on the economy.

According to the Economic Survey, the introduction of 5G services marked a significant development in Indian telecoms. While the digital revolution began with Aadhaar as a tool for door-to-door service delivery, UPI strengthened the system for online payments. Additionally, there are other programmes like CoWIN, e-RUPI, TReDS, Account Aggregators, ONDC, Open Credit Enablement Network (OCEN), etc.

India will have the chance to influence the global agenda and promote its interests while holding the G20 presidency. Government of India's priorities would include advancing equitable and sustainable growth, enhancing digital access and infrastructure, and bolstering the international trading system.

Agriculture

India's agriculture sector has been witnessing robust growth. As per the provisional estimates of National Income, released by The Ministry of Statistics and Programme Implementation (MoSPI) on 31st May'23, the growth of GVA (Gross Value Added) of agriculture and allied sectors (at 2011-12 prices) is 4.0% for the FY 2022-23. The share of GVA of agriculture and allied sectors in total economy at current prices for 2022-23 is 18.3%.

India's public digital infrastructure expansion is leading to accelerated financial inclusion and rapid formalization of the economy, which are growth differentiators not only for FY 2023-24 but also in the years ahead.

PM-PRANAM

"PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth" has been launched to incentivize States and Union Territories to promote alternative fertilizers and balanced use of chemical fertilizers.

Union Budget for FY 2023-24 major highlights for Agriculture Sector

1. Aims to increase capital expenditure and ensure equitable infrastructure investments across the country. The government is committed to the Four I's - Infrastructure, Investment, Innovation, and Inclusion - in the next 25 years, and is focusing on enhancing infrastructure development through increased capital expenditure.
2. **GOBARdhan scheme:** Establishment of 500 new 'waste to wealth' plants under GOBARdhan (Galvanizing Organic Bio-Agro Resources Dhan) scheme have been proposed for promoting circular economy. These will include 200 compressed biogas (CBG) plants, including 75 plants in urban areas, and 300 community or cluster-based plants at total investment of ₹ 10,000 crore.
3. **Bhartiya Prakritik Kheti Bio-Input Resource Centres:** Centre to facilitate one crore farmers to adopt natural farming over the next three years. For this, 10,000 Bio-Input Resource Centres to be set-up, creating a national-level distributed micro-fertilizer and pesticide manufacturing network.
4. **Agriculture Accelerator Fund** to be set-up to encourage agri-startups by young entrepreneurs in rural areas.
5. **Global Millets (Shree Anna):** To make India a global hub for 'Shree Anna', the Indian Institute of Millet Research, Hyderabad will be supported as the Centre of Excellence for sharing best practices, research and technologies at the international level. The year 2023 has been declared as the International Year of Millets (IYM) by the United Nations General Assembly (UNGA).

Enhanced Access to Agricultural Credit

The Government had set a target of ₹ 18.5 Lakh crores in agricultural credit flow in 2022-23. The Government had consistently increased this target every year and it has also been able to continuously surpass the target set every year over the past several years. In 2021-22, it was about 13 per cent more than the target of ₹ 16.5 Lakh crores.

Kisan Credit Cards have been issued to 3.89 crore eligible farmers with a KCC limit of ₹ 4,51,672 crore as on December 2022. With the Government of India extending the KCC facility to fisheries and animal husbandry farmers in 2018-19, now over 1.0 lakh (as on 17th October 2022) KCCs have been sanctioned for the fisheries sector and 9.5 Lakh (as of 4 November 2022) for the animal husbandry sector.

Union Budget 2023-24: ₹ 20 Lakh crore agricultural credit targeted at animal husbandry, dairy and fisheries.

Minimum Support Price (MSP)

Government has increased Minimum Support Price (MSP) for 22 mandated Kharif, Rabi and other commercial crops with at least 50 per cent margin over the all-India weighted average cost of production from 2018-2019. Relatively higher MSP was given to pulses and oilseeds in order to keep pace with the changing dietary patterns and achieve the goal of self-sufficiency.

i. MSP for Paddy (common) has increased to ₹ 2040 per quintal in 2022-23 from ₹ 1310 per quintal in 2013-14.

ii. MSP for Wheat increased from ₹ 1400 per quintal in 2013-14 to ₹ 2125 per quintal in 2022-23.

Food grain Production

As per third advance estimates released by Central Statistical Office (CSO) - Government Of India – MoSPI , total food grain production in the country is estimated at record 331 MMT which is higher by 5% as compared to previous year 2021-22.

The United Nations, at the behest of the Government of India, declared 2023, the International Year of Millets. The Government of India proposed and sponsored the International Year of Millets (IYM) 2023, which was accepted by the United Nations General Assembly. Government of India has emphasized making IYM 2023 a people's movement and has positioned India as the global hub for millets.

PM-KISAN

The Pradhan Mantri Kisan Samman Nidhi Yojana (PM-KISAN) is a central sector scheme launched on 24th February, 2019 at Gorakhpur, Uttar Pradesh, to supplement financial needs of land holding farmers.

Under the PM Kisan Yojana, financial assistance of ₹ 6,000 per year is provided in three equal installments every year in the bank accounts of crores of farmers in India.

Government of India has made cash transfers totaling ₹ 2.4 Lakh crore as on 9th March 2023 to around 11 crore farmers under the PM-Kisan scheme.

Allocation for PM KISAN (₹ 60,000 crores) remained the same in both the revised estimates 2022-23 and the budget estimates 2023-24.

Pradhan Mantri Fasal Bima Yojana (PMFBY)

Pradhan Mantri Fasal Bima Yojana (PMFBY) enters its 7th year of implementation. Over 36 crore farmer applications have been insured under PMFBY. ₹ 1.32 Lakh crore claim amounts have been disbursed to the insured farmers under PMFBY as on March 23 2023.

Union Minister of Agriculture & Farmers Welfare launched NCIP's (National Crop Insurance Portal) digitized claim settlement module namely DigiClaim under the ambit of Pradhan Mantri Fasal Bima Yojana (PMFBY) on 23rd March 2023 at Krishi Bhawan, New Delhi. With the launch of the module, claims can now be disbursed electronically, which will benefit the respective farmers of six states.

With the launch of a DigiClaim Module, insurance claims totaling ₹ 1260.35 crore have been disbursed on March 23, 2023 to insured farmers in the states of Rajasthan, Uttar Pradesh, Himachal Pradesh, Chhattisgarh, Uttarakhand and Haryana with the click of a button, and the process will continue as and when the claims are released.

The ongoing campaign 'Meri Policy Mere Hath' door-step campaign was launched to ensure that all farmers are well informed about their land records, policies, and the PMFBYs claim and grievance redressal process. 'Meri Policy, Mere Haath' campaign has been monumental in enhancing the awareness around PMFBY at the grass root levels.

Ayushman Bharat (PMJAY)

The Ayushman Bharat PMJAY is a health insurance scheme launched in 2018, aiming to provide a health cover of ₹ 5 Lakh per family per year for secondary and tertiary care hospitalization. It aims to over 10.74 crore poor and vulnerable families (or 50 crore beneficiaries) from the bottom 40% of the Indian population. More than 23.19 crores Ayushman cards have been created against verified beneficiaries as on 9th March 2023.

The budget for the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (PMJAY) — the national public health insurance fund, allocated ₹ 7,200 crore for FY 2023-24.

Industry

The cumulative growth rate of the combined Index of Eight Core Industries (ICI) during 2022-23 is reported as 7.8% as compared to the corresponding period of last year. The Eight Core Industries comprise 40.27 percent of the weight of items included in the Index of Industrial Production (IIP).

Cumulative index of production of Coal, Natural Gas, Petroleum Refinery Products, Fertilizers, Steel, Cement and Electricity increased by 14.8%, 1.6%, 4.8%, 11.3%, 9.3%, 8.7%, 8.9% respectively, whereas that of Crude Oil production declined by 1.7% during 2022-23 over the corresponding period of previous year.

The Aatmanirbhar Bharat and Make in India programmes have been significant initiatives to enhance India's manufacturing capabilities and exports across industries. The sector-specific Production Linked incentives (PLI) schemes, including PM MITRA, introduced in the aftermath of the pandemic is expected to help India become a global manufacturing hub and attract foreign investment, which will create jobs and boost economic growth.

PM MITRA

PM Mega Integrated Textile Regions & Apparel (PM MITRA) Park will be set up in Gujarat and six other states, namely, Tamil Nadu, Telangana, Karnataka, Maharashtra, Madhya Pradesh and Uttar Pradesh. As per original scheme the seven mega textile parks in these seven states would be established at a cost of around ₹ 4445 crore.

The PM MITRA mega textile parks will provide state-of-the-art infrastructure for the textiles sector, attract investment of crores and create lakhs of jobs. It will be a great example of 'Make in India' and 'Make For the World'. PM MITRA mega textile parks will boost the textiles sector in line with 5F (Farm to Fibre to Factory to Fashion to Foreign) vision.

Under PM MITRA, the first mega 1142 acres textile park of the country is going to come up at Vansi villagein Navsari, Gujarat, covering the complete textile value chain.

Green Hydrogen Mission

Under National Green Hydrogen Mission Centre to facilitate the transition of the economy to a low carbon intensity & reduce dependence on fossil fuel imports. India sets a target of annual production of 5 MMT by 2030.

Union Budget for FY 2023-24: Pradhan Mantri Kaushal Vikas Yojana 4.0, to be launched to skill lakhs of youth within the next three years covering new age courses for Industry 4.0 like coding, AI, robotics, mechatronics, IOT, 3D printing, drones, and soft skills.

INDUSTRIAL PRODUCT SCENARIO:

Not all headwinds are meant to be challenges. For instance, globally, nations and multinationals emphasized resilience in, diversification of, and securing their supply chains in light of geopolitical developments and global exigencies. For India, FY 2022-23 was special. It marked the 75th year of India's Independence. India became the world's fifth largest economy, measured in current dollars. The country presented huge potential and opportunities as an export hub and investment destination in the manufacturing and services space. The Financial Year started with the ongoing conflict in Ukraine, which continues to ripple its effects till date, and the pandemic had hardly subsided. Prices of food, fuel and fertilizer rose sharply. As inflation rates rose, central banks in advanced economies sought to tighten monetary policy. Many developing countries faced considerable economic hardship as the combination of weaker currencies, higher import prices, rising living costs, and a stronger dollar, which made debt servicing more expensive, proved too much to bear.

RBI's Monetary Policy Committee has increased the policy repo rate under the liquidity adjustment facility (LAF) by 250 basis points from 4.0% to 6.50% between May 2022 and February 2023. Global economic activity remained resilient amidst the persistence of inflation at elevated levels, turmoil in the banking system in some advanced economies (AEs), tight financial conditions and lingering geopolitical hostilities. Recent financial stability concerns have triggered risk aversion, flights to safety and heightened financial market volatility. Sovereign bond yields fell steeply in March 2023 on safe haven demand, reversing the sharp increase in February 2023 over aggressive monetary stances and communication. Of late the Equity markets have declined and the US dollar has pared its gains. Following the announcement of an output cut by OPEC+, crude oil reversed the entire price decline of the several weeks and ended slightly above the levels seen in February 2023.

On the domestic front, the world's second-largest vaccination drive involving more than 2 billion doses served to lift consumer sentiments that may have prolonged the rebound in consumption. This is evident in the housing market witnessing a significant decline in inventory overhang to 33 months in Q3 of FY 2022-23 from 42 months last year. Global growth has been projected to decline in 2023 and is expected to remain generally subdued in the following years as well. The slowing demand will likely push down global commodity prices and improve India's CAD in FY 2023-24. Despite these, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0% in FY 2023-24. These optimistic growth forecasts stem in part from the resilience of the Indian economy seen in the rebound of private consumption seamlessly replacing the export stimuli as the leading driver of growth. Advance estimates suggest that the Indian economy is expected to witness real GDP expansion of 7% in FY 2022-23.

The Company plans to complete the expansion of 6.6 KTPA Hydroxylamine Sulphate Crystal plant by FY 2023-24. The increased capacity of the Hydroxylamine Sulphate Crystal would assist the Company in gaining a greater market share. Phosphoric Acid & Sulphuric Acid Plants at Sikka Unit, Sulphuric Acid & Melamine expansion and 10 MW Electrolyzer based Green Hydrogen are progressing as per schedule. The Company has identified Capex plans of around ₹ 4,100 Crores for the above. Future Growth plan with expected outlay of around ₹ 4000 Crores at Dahej location is also being examined.

The sales of Industrial products have been impacted during FY 2022-23 in terms of international prices which are down by more than 45% on a year-over-year basis for Melamine, 7% for Caprolactam, and 13% for Nylon 6 chips, respectively. However, for Nylon-6 chips, the company was able to achieve ever highest sales due to increased availability post commissioning of new compounding lines. The oversupply and subdued downstream demand of Caprolactam in international market has resulted into lower prices of Caprolactam globally. Margin of Industrial products continued to remain under pressure during FY 2022-23 due to poor demand, upward price movement of raw materials like benzene and natural gas which has impacted the profitability of the Industrial Products segment.

Fertilizer Market Scenario

Agriculture Situation:

Consecutively, for 4th year, country received 'Normal' monsoon with extended rainy days till Oct'22. During initial time of June'22, the rainfall remained deficit, however, subsequently in July, August & September'22; country received very good rains, which supported agriculture operations well in Kharif season across the states. Overall, country received 925 mm of rains, higher by 6% over Long Period Average (LPA) rains received in the country in the past. Gujarat has received significantly higher rains by 29% over normal precipitation. Except Dahod district, all other 32 districts received normal to excess rains. Better rains coupled with extended rainy days helped in filling up all major reservoirs up to 89% level of their capacity at the end of the monsoon season and charged the soil moisture well, which continued better prospects for agriculture in Rabi season also followed in later half of the year.

Favorable escalation considered by GoI in MSP for Kharif & Rabi crops in the range of 5-8% motivated farmers to follow higher plantation. Overall, sowing of crops during the year registered a considerable growth of 6% over Normal area coverage and also 1% higher over the previous year. Expecting better return, sowing of Oil seeds, Pulses, Sugarcane, Cotton etc., has recorded substantial growth.

As per the third advance estimates of food production published by CSO, GoI, country has achieved record food grain production of 331 MMT, also higher by 5% over FY 2021-22.

Market Scenario:

With prediction of better monsoon to follow, FY 2022-23 had started with high hopes for better demand of Agri-Inputs, like fertilizers to prevail in the country. Further, steep increase in the prices of imported fertilizers & raw materials experienced in FY-21-22, impacted both production & imports of fertilizers in the country, especially in later half of FY 2021-22 and as a result the pipeline stock of fertilizes as on 01.04.22 had dried out to historical low levels.

Well recognizing the need for ensuring adequate availability of fertilizers in the country, especially under the situation of continued Geo-Political disturbance between Russia & Ukraine and restricted export policy for fertilizers followed by China, both combined disrupting supply sides of fertilizers for India, GoI has considered fixation of NBS rates in a most favorable manner.

The year had begun with such important riders as mentioned here above, favoring fresh fertilizer demand in the country.

During initial period, on account of delayed & deficit rains, fertilizer demand had remained moderate, however, subsequently improved performance of south west monsoon has brightened prospects for agriculture and fertilizer demand in the country to a considerable extent.

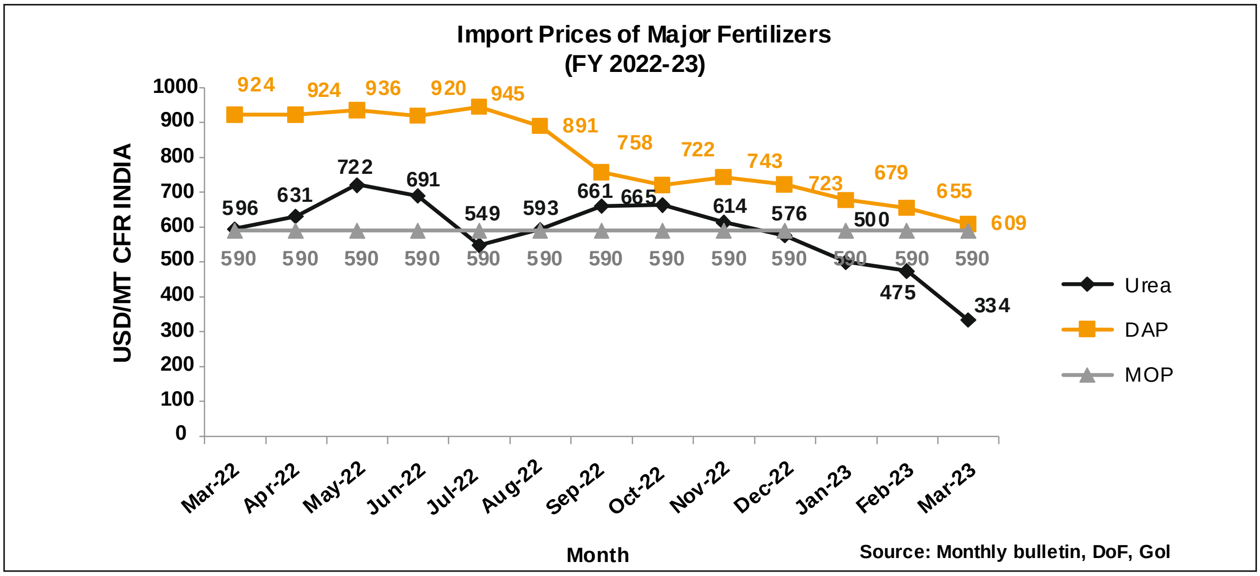
The war between Russia & Ukraine continuously impacted Global demand and prices of food, which in turn had its influence on both, prices as well as availability of fertilizers in the international market during initial time of H1-2022-23. The development had critical bearing for country like India, largely dependent on imports of both, fertilizers and intermediates. However, subsequently on account of lack of sufficient demand support globally, prices of fertilizers & inter-mediates started diffusing from Q2-22/23. On the other hand resumption of fertilizer exports through China at normal level and availability of more quotas through Russia & Middle East provided breather in overall availability situation. Further, higher supplies considered by Saudi Arabia & Russia at reasonable price helped the country in making up the overall deficit in availabilities to a considerable extent.

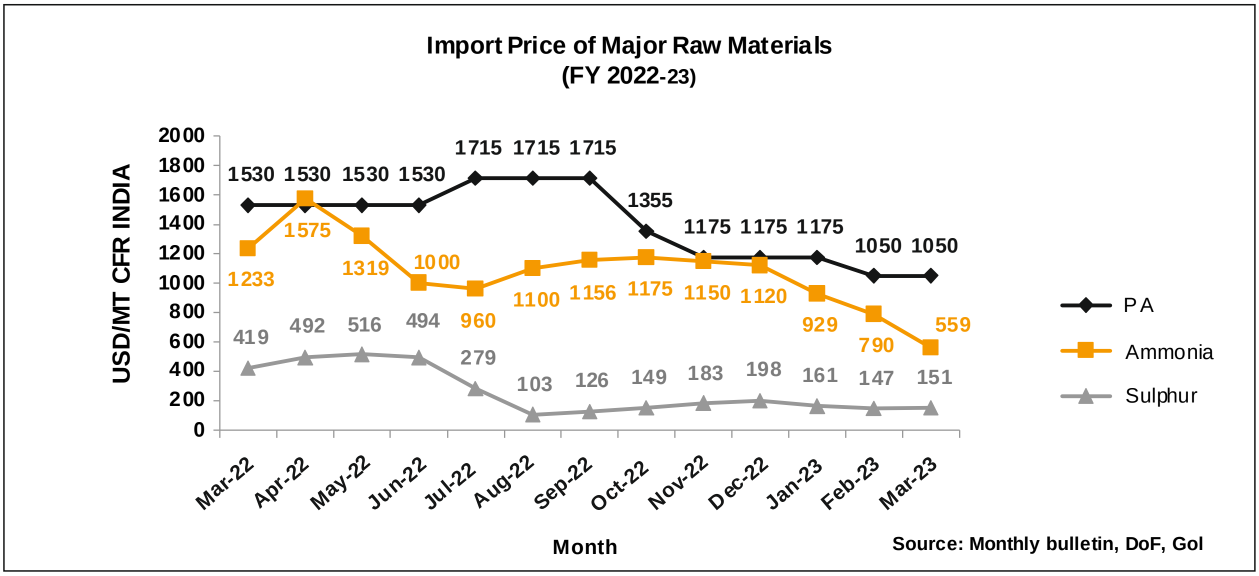
Price of DAP, which was prevailing in the range of USD 920 PMT during Kharif-22 season came down in the range of USD 700 PMT, a decline of 35% in later half of the year. Similarly, prices of PA, Ammonia & Sulphur had proportionately depreciated. However, the magnitude of decline in prices of raw materials was not exactly in proportion to what has been experienced in case of finished fertilizers like DAP. Throughout the peak time of fertilizer demand, DoF was utmost vigilant to ensure equitable distribution of fertilizers across the country so as to avoid any shortage like situation. State wise and company wise availability situation was reviewed on weekly basis to ensure supply adequacy across the states.

Overall, even under challenging Global situation, India could sail smoothly in terms of ensuring adequate availabilities of fertilizers to the farmers at reasonable prices to support agriculture.

During the financial year under review, GoI enacted two mandates, I) One Nation One Fertilizer (ONOF), wherein all the companies have to sell their fertilizers in one single brand ‘BHARAT’ and II) All the shops of fertilizer trade are to be converted into an identical retail outlets called Pradhan Mantri Kisan Samridhi Kendra (PMKSK), which can facilitate as “One Stop Shop” and can also provide farm advisory services to farmers in addition to providing information on various Govt. schemes.

Relatively lower MRP followed for DAP vs that of other non-DAP /NPKs products, tempted farmers to use more of DAP. Most selling NPK fertilizer i.e. APS faced major heat in the market. Further, the states where traditionally NPKs had preference over DAP, there was a marked reversal, favoring increased preference for DAP, replacing demand for NPKs. The declining preference for NPK group of products has made it challenging to sustain the sales of products like AS & APS in the market.





Performance of Fertilizer Industry

Better seasonal prospects, moderate supplies, lenient support from GoI, in terms of fixing NBS rates & deciding MSP created conducive business environment during the year for fertilizer industry, including for importers.

The declining trend in International prices and ease in its availability developed as the year progressed were favoring, both imports as well as manufacturing of fertilizers in the country in P&K sector. However, imports had an edge over domestic production in terms of cost economics and therefore contribution of imports in making the overall availability of fertilizers remained prominent in this sector.

The positive business environment favored domestic production of fertilizers in the country, which grew @ **11% (5 MMT**) on YoY basis. Especially, with revamping of old Urea plants and gradually attaining stability in plant operations helped in increasing Urea production by 3.5 MMT **(14%)** over FY 2021-22. Production of DAP & SSP had a moderate growth in the range of **3-5%,** however, that of NPKs registered considerable growth @**12%** (1.1 MMT) during the period.

Declining global prices of fertilizers in a consistent manner remained encouraging for Indian buyers. However, overall imports grew marginally by **3%** (0.6 MMT), largely on account of significant reduction made in Urea imports by GoI to the tune of about 1.5 MMT on YoY basis. In case of Phosphatic group of products, imports of DAP & NPKs rose with a higher magnitude (**41%**). Imports of MOP has declined substantially by **24%**, for want of demand support.

In spite of having conducive market environment; practically there was no growth in actual sales of fertilizers made to farmers (PoS) during the year. Having favorable MRP, sales of DAP has grown over 1.2 MMT, 13 %, substituting sales of NPKs with similar magnitude. Sales of MOP have declined considerably, close to 1.0 MMT. Sales of SSP also registered a negative growth @ 12% (0.7 MMT) during the year under review.

Business Performance of GSFC: FY-2022/23

On account of economic viability constraint, production through Sikka Unit remained moderate during the year. On the other hand imports of Urea under Govt. account at Rozy port handled by GSFC reduced substantially @ 1.25 LMT on YoY basis. These two aspects impacted the overall availability of fertilizers considerably at GSFC during the year under review.

In line with overall availabilities built up, we have sold **18.01 LMT** fertilizers during the year under review. Practically, we were stocked out at the end of 31.03.23.

Having moderate availabilities, GSFC's endeavor was to sell available quantities most effectively in the economic segments, which can fetch better margins for the company. Based on this focused objective, GSFC could make around **85%** of its total fertilizer's sales in Gujarat & Primary Market which was also 1% higher over FY 2021-22. Contribution of Gujarat on standalone basis has increased to **52%** in aggregate fertilizer sales of the company from 50% in 2021-22.

In order to sustain the market share of DAP, especially in our home state of Gujarat, GSFC imported 1.15 LMT quantity of DAP through two vessels during the year, which has been sold efficiently, within the overall cycle of 90 days.

Your Company effectively controlled the physical inventories of fertilizers at Plant, Port & Field warehouses and maintained consistent follow-up with our team as well as with the dealers to ensure timely recovery of sales proceeds from the market and reduced the over dues substantially during the year.

Company also consistently monitored the status of un-cleared PoS stocks across the states & followed up with the team on regular basis so as to enable us in receiving admissible subsidies in time. Company registered PoS sales of **17.30 LMT** during the year, which is in proportion to the 1st point sales achieved during the period.

Future Outlook for Fertilizer Industry:

The bumper harvest achieved during FY 2022-23, coupled with favorable output prices of farm produce realized in the market may proportionately enable farmers for reasonable spending on agri-inputs towards Kharif'23 season. Demand of agri-inputs like fertilizers is largely dependent on performance of the monsoon. IMD predicted about likely behavior of monsoon as 'Normal' (96% rains w.r.t LPA) in rainy season 2023.

Now with better availability of fertilizers through alternative countries, besides opening up exports through China, impact of Russia-Ukraine war has relatively diffused. Therefore, availability of fertilizers, especially P&K products may not remain a constraint, unlike the situation faced over past 2 years.

Import prices of two major fertilizers, DAP & Urea have prevailed significantly lower during Q1-23/24, which are the lowest in past two years.

Similarly, prices of raw materials like PA, Ammonia, Sulphur are having consistently declining trend, which will support Indian domestic industry to follow higher production. Prices of PA & Ammonia have declined in the range of USD 970 & USD 300 PMT respectively during the period of Q1-23/24.

Significant increase in Urea production achieved through revival of the old plants will extend great relief to Govt. for its imports. As followed during FY 2022-23, GoI may proportionately curtail Urea imports further in FY 2023-24.

The higher stock levels of fertilizers in the country as on 01.04.23, coupled with likely momentum to be achieved in fresh production/ imports, FY 2023-24 is likely to witness the situation of comfortable availabilities in the fertilizer sector.

Adequate availability of major products like DAP & Urea and its reasonable MRP may continue to be challenging to sustain market growth for products like AS & APS.

Selling prices of fertilizers are unlikely to get increased, at least in Kharif'23 season.

The prevailing price trend of raw materials and its adequate availability will support Phosphatic production at our Sikka Unit.

Raw Material Prices:

The international prices of raw materials were having a sharp increase during FY 2022–23 as compared to 2021–22.

The average CFR prices of Phosphoric Acid (PA – P_2O_5) which was USD 1255 per ton P_2O_5 during FY 2021–22 went high to USD 1368 (9%) per ton P_2O_5 during FY 2022-23. As on 31/03/2023, the price of PA was USD 1050 per ton P_2O_5.

The average prices of Ammonia increased sharply during FY 2022-23 as compared to 2021–22. The average CFR prices of Ammonia during 2021–22 was USD 675. It increased to USD 904 (+ 34%) per ton during 2022-23. As on 31/03/2023, the price of Ammonia was USD 415 per ton.

The average CFR price of Rock Phosphate, which is mainly derived from price of Phosphoric Acid, increased substantially in FY 2022–23 as compared to FY 2021–22. The average CFR price of Rock Phosphate during FY 2021–22 was USD 162 per ton. It increased to USD 229 (+41%) per ton during FY 2022–23. As on 31/03/2023, the price of Rock Phosphate was USD 151 per ton.

The average CFR price of Sulphur increased during 2022-23 as compared to FY 2021-22. The average CFR price of Sulphur during FY 2021-22 was USD 256.33 per ton. It went up to USD 271.70 (+ 6 %) per ton during 2022-23. As on 31/03/2023, the price of Sulphur was USD 147.63 per ton.

The price of Benzene increased during FY 2022-23 as compared to FY 2021-22. The average CFR price of Benzene during FY 2021-22 was USD 1006.75 per ton, which increased to USD 1066.08 (+6 %) per ton during FY 2022-23. As on 31/03/2023, the price of Benzene was USD 1002.14 per ton.

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

Product	2021- 22	2022-23	% Increase / Decrease	Prices as on 31/03/2023
Phos. Acid (C & F), P_2O_5	1255	1368	(+)9	1050
Ammonia (C & F)	675	904	(+)34	415
Rock Phosphate (C & F)	162	229	(+)41	151
Sulphur (C & F)	256.33	271.70	(+) 6	147.63
Benzene (C & F)	1006.75	1066.08	(+) 6	1002.14

FINANCIAL PERFORMANCE OF THE COMPANY DURING FY 2022-23:

Particulars	Units	2022-23	2021-22	Change	Change in %	Reason For Change
Trade Receivables Turnover	Times	12.90	13.70	-0.80	-6	
Inventory Turnover	Times	17.82	16.29	1.53	9	
Interest Coverage Ratio	Times	274.46	327.80	-53.34	-16	
Current Ratio	Times	5.17	3.43	1.74	51	Current Ratio was higher due to lower Trade Payables at the end of FY 22-23.
Debt Equity Ratio	Times	-	-	-	-	
Operating Profit Margin	%	15.61	16.59	-0.98	-6	
Net Profit Margin	%	11.45	9.90	1.55	16	
Return on Net Worth (ROE)	%	10.94	8.56	2.38	28	Return on Equity improved because of higher turnover and profits during the year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

There exists a robust and comprehensive system of internal controls. 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 close 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.

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	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
PRODUCTION											
FERTILIZERS	MT	1389458	1461910	1908828	1665824	1733957	1678958	1507911	1491741	1385857	1423059
Ammonium Sulphate	MT	500246	503100	487250	445630	374720	372330	337370	334030	318680	306671
Ammonium Sulphate Phosphate	MT	300380	251330	268730	267140	291940	282360	313860	328430	337930	336340
Di-Ammonium Phosphate	MT	193810	307880	565790	484720	459090	503830	411850	370200	314600	390300
N P K	MT	20550	28870	208730	128120	193150	154220	38340	47650	15460	19520
UREA	MT	371070	362826	370700	332705	405360	361181	406571	411431	399187	370228
CAPROLACTAM	MT	87198	86639	81927	83093	91479	86662	86191	86297	89918	84856
NYLON-6	MT	26794	25623	24455	24296	23887	20215	17421	9885	9400	9751
MELAMINE	MT	47756	52847	38732	29215	14161	15188	14886	15697	14284	14916
ARGON	'000NM3	3564	3294	3325	3116	3574	3319	3549	3581	3611	3334
SALES											
FERTILIZERS*	MT	1377337	1504194	1945122	1682171	1598428	1604222	1412044	1434684	1320471	1383154
Ammonium Sulphate	MT	475917	523891	497430	446117	396109	360555	308214	329778	315926	309843
Ammonium Sulphate Phosphate	MT	279885	264959	299160	244482	262134	299025	290107	334072	334193	335865
Di-Ammonium Phosphate	MT	230822	297765	563510	524410	399309	500999	417820	368874	302666	386585
N P K	MT	20579	46431	214999	141409	184270	130194	35024	46558	14628	25811
UREA	MT	370134	371148	361049	325536	366763	313448	360879	355402	353058	325051
CAPROLACTAM*	MT	57402	60359	58170	58764	65596	63217	63101	66483	68901	65725
NYLON-6	MT	29187	27644	28150	23752	25311	22569	13697	9999	9701	9915
MELAMINE	MT	48486	48452	40173	26216	13953	15298	15341	15096	14283	15378
ARGON	'000NM3	3545	3292	3349	3099	3563	3317	3546	3599	3622	3313

*excluding captive consumption

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. 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 grade fertilizers 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. Further the Company has put in –place a digital risk management portal under which each identified risk is catogarised, monitored and mitigation procedures are devised and implemented so as to minimise them (risks).

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 putting efforts to innovate and improve products, processes & technologies to meet the needs and exceed the expectations of customers and works on conceptualization of emerging ideas in the field of fertilizers, industrial products, biotechnology, waste utilization & corrosion & metallurgy. The R&D facilities at Vadodara Unit also includes a demo pilot plant to establish & optimize parameters for scale up of new processes developed at lab scale and to manufacture products in small quantity for initial market seeding.

Your company, being a responsible organization, is always promised to put efforts and contribute towards cleaner future. Keeping this in mind, your Company has taken various green initiatives for effective waste management practices across the complex. As a part of these initiatives, a biogas pilot plant is installed at township nursery to generate energy from waste. This plant is designed for processing of 500kg/Day of food waste to generate biogas. This biogas can be utilized at guesthouse for cooking purpose. Alternatively biogas can also be used to generate electricity and slurry/remains can be used as fertilizer.

Your company is also promoting Organic fertilizers for reduced health hazard and sustainable agriculture. In this line, an organic fertilizer product named "Sardar SUDHAN" developed by fortification and granulation of the material derived from dung based gobargas plants. These gobargas plants are installed in villages under GOBAR (Galvanizing Organic Bio-Agro Resources) – DHAN scheme as a part of Manure management program of NDDB. Your company has also executed MoU with NDDB for further research inputs and marketing of product.

Liquid fertilizers are gaining more importance day by day because of its easy application through foliar spray, fast response and less logistics cost. Your company has also added a product to this segment by developing a FCO grade Calcium Nitrate Suspension, fortified with Magnesium. This product is a nitrogen fertilizer with added nutrients like calcium and magnesium and can be used in fruit and vegetable crops.

In addition to research on new product & process development, R&D of your company has also played a vital role in offering technical services to plants for trouble free operation by providing inputs for heat treatment, welding, import substitution, MoC selection, Material compatibility study, lube oil analysis by ferrography & corrosion and microbial activity monitoring in cooling towers of all operating plants. During the year, 14 Root Cause Failure Analysis jobs were done and more than 120 locations on various critical equipment's was studied for assessment of possible damage and monitoring of extent of degradation of material of construction due to high temperature/ stress conditions. These efforts has resulted into direct/indirect benefit to organization in the form of better MOC selection, reducing down time, import substitution, better repair practices, extension of service life & change in material specifications for better performance.

GSFC Agrotech Limited

GSFC Agrotech Ltd., a wholly owned subsidiary of GSFC was established in the year 2012 with an objective to aggressively diversify into non-bulk category of agri-inputs. It also aimed at providing single stop solution to the farmers by providing reliable Agri-products at reasonable prices along with farm advisory services.

GATL manages 286 retail outlets under COCO model across the state of Gujarat, part of Rajasthan and is pursuing to strengthen its existing space as well as to expand in other states in coming years. Taking further the legacy of Sardar brand with aggressive marketing tactics and other initiatives including participation in government projects, GATL outlets have solidified their reputation as a reliable retail entity in both bulk fertilizer and non-bulk agri input space and touches base with more than Six lac farmers annually.

We consider farmer as our partner and are committed to providing an assured supply of a comprehensive range of agri-inputs to our customers and for that very reason GATL embraced multi brand strategy through co-marketing tie-ups.

GATL has also expanded its product portfolio, especially in organic segment under SARDAR brand and has set its footprints in hilly states of Himachal Pradesh and Jammu & Kashmir. This eventually enhanced presence of Sardar brand in new geographies.

Your company also has a state of the art DBT certified Tissue Culture lab and has developed tissue culture protocols for fruits, flowers and commercial crops. Besides other projects, GATL undertakes Agronomy services under MIS project of GGRC providing advisory services to more than 75,000 farmers annually.

SAFETY, HEALTH AND ENVIRONMENT:

Safety Management system has been strengthened by enhancing control measures during the time period under discussion. Safety Control has been pegged up by way of additional supervision particularly on contract workers. Site safety inspections have been enhanced by allotting half of the total available time to site safety activities. Safety checklists have been revisited, revised and updated. Hazard and Operability study has been conducted as per need. Quantitative Risk assessment has been conducted for the entire Vadodara unit as well as Sikka Units. Quantitative Risk assessment has been carried out in respect of PESO licensed premises in GSFC Vadodara.

Shut down and startups have been concluded safely during this period. Tool box talk, Pep talks etc have been increased multifold. Safety trainings to employees, contractors and visitors have been intensified. Fire prevention and Emergency management has been constantly upgraded. Purchase order has been placed for the procurement of Snorkel which would scale 54 Meter height.

Emergency Control Centre (ECC) has been functional round the clock and is stationed in R&D building. The operational manpower of ECC has been outsourced. Trainings to employees and Contract workers on Safety and Fire prevention have been a regular phenomenon that has attracted more than 2880 participants.

The safety initiatives and increased surveillance with greater imposition of Control have shown the impact and GSFC Vadodara has bagged two national level award as follows

1. Awarded HSE Excellence in Chemicals on 16 December 2022 in New Delhi INDIA HSE SUMMIT Sixth Edition.
2. Awarded FICCI GIZ Golden Award on 28 February 23 in the category of Industrial Disaster risk mitigation. The function was held in Delhi.
3. Responsible Care (RC) is the global chemical industry's voluntary initiative to drive continuous improvement in safe chemicals management and achieve excellence in environmental, health, safety and security performance. Responsible Care Logo is awarded to chemical industries by Indian Chemical Council (ICC), Mumbai. GSFC has been granted RC Logo Certification for second consecutive term for next 3 years from January 2023 to December 2025.

HUMAN RESOURCES:

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

For and on behalf of the Board

Sd/-
Raj Kumar, IAS
Chairman
(DIN: 00294527)

Place : Fertilizernagar
Date : 22nd August, 2023

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- 2022-23, (6) Fertilizer Market Bulletins and (7) Ministry of Agriculture & Farmers' Welfare, GoI. (7) Union Budget 2023-24 (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 position, 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 real sense of the term. Our disclosures strives 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 analogy has its roots in the following canons:

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 and 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. Further, during the year under review, the change in category of the Managing Director took place twice, i.e. from non-executive to executive and from executive to non-executive in view of the Government directives.

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, 2023 was eight; its composition is tabulated below:

Sr. No.	Name of Directors	Category
1	Shri Raj Kumar, IASChairman (w.e.f. 21.02.2023)	Promoter, Non- ExecutiveNon Independent Non Rotational Director
2	Shri Pankaj KumarChairman (till 01.02.2023)	Promoter, Non- ExecutiveNon Independent Non Rotational Director
3	Shri Mukesh Puri, IAS Managing Director	Promoter, Executive/ Non-executiveNon Independent Non Rotational Director
4 5	Smt. Mamta Verma, IAS Shri J.P Gupta, IAS	Non Executive, Non Independent Rotational Directors

6	Shri Tapan Ray	Non Executive
7	Prof. Ravindra Dholakia	Independent
8	Smt. Gauri Kumar	Non Rotational Director
9	Dr. Sudhir Kumar Jain	

In all, five meetings of the Board of Directors of the Company were held during the Financial Year 2022-23 as detailed below:

Sr. No.	Dates of Board meeting	Board strength	No. of Directors present
1.	26-05-2022	8	6
2.	21-07-2022	8	7
3.	21-10-2022	8	7
4.	09-11-2022	8	8
5.	07-02-2023	7	5
6.	29-03-2023	8	7

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 2022-23 at the Board Meetings and the 60th 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 Raj Kumar, IAS Chairman (w. e. f. 21.02.2023)	Promoter's i.e. GOG Nominee Non-Executive Director	-	1	NA	10	2	1
2	Shri Pankaj Kumar, IAS Chairman (till 01.02.2023)	Promoter's i.e. GOG Nominee Non-Executive Director	-	3	No	10	-	-
2	Shri Mukesh Puri, IAS Managing Director	Promoter's i.e. GOG Nominee Executive Director	-	6	Yes	5	-	1
4	Smt. Mamta Verma, IAS	Non Executive, Non Independent Rotational Director	-	5	Yes	9	-	-
5	Shri J.P Gupta, IAS	Non Executive, Non Independent Rotational Director	-	4	Yes	10	-	1
6	Shri Tapan Ray	Non-Executive/ Independent Director	-	6	Yes	8	-	2
7	Prof. Ravindra Dholakia	Non-Executive/ Independent Director	-	5	Yes	6	3	2
8	Smt. Gauri Kumar	Non-Executive/ Independent Director	-	6	No	5	1	2
9	Dr. Sudhir Kumar Jain	Non-Executive/ Independent Director	-	4	Yes	8	2	3

(*) 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 2023 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, 2023.**

Name of Director	Names of Listed Entity	Category
Shri Raj Kumar	Gujarat Alkalies and Chemicals Limited.	Non-executive & Chairman
	Gujarat State Petronet Limited	Non-executive & Non-Independent
	Gujarat Gas Limited	Non-executive & Chairman
Shri Mukesh Puri	Gujarat Narmada Valley Fertilizers & Chemicals Ltd.	Non-executive & Non-Independent
Shri J P. Gupta	Gujarat Alkalies & Chemicals Limited	Non-executive & Non-Independent
	Gujarat State Petronet Ltd.	Non-executive & Non-Independent
	Gujarat Narmada Valley Fertilizers & Chemicals Ltd.	Non-executive & Non-Independent
Smt. Mamta Verma	Torrent Power Ltd.	Non-executive & Non-Independent
	Gujarat Narmada Valley Fertilizers & Chemicals Ltd.	Non-executive & Non-Independent
Shri Tapan Ray	Gujarat State Petronet Ltd.	Non-executive & Independent
	CMS Info Systems Limited	Non-executive & Independent
Prof. Ravindra Dholakia	Adani Energy Solutions Limited	Non-executive & Independent
	Gujarat Industries Power Company 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

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 Raj Kumar	✓	✓	✓	✓	✓
Shri Mukesh Puri	✓	✓	✓	✓	✓
Smt. Mamta Verma	✓	✓	✓	✓	✓
Shri J. P. Gupta	✓	✓	✓	✓	✓
Shri Tapan Ray	✓	✓	✓	✓	✓
Prof. Ravindra Dholakia	✓	✓	✓	✓	✓
Dr. Sudhir Kumar Jain	✓	✓	✓	✓	✓
Smt. Gauri Kumar	✓	✓	✓	✓	✓

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

Shri Raj Kumar, IAS has been appointed as Chairman w. e. f. 21.02.2023 in place of Shri Pankaj Kumar, IAS (till 01.02.2023).

Shri J. P. Gupta, IAS shall be liable to retire by rotation at the ensuing Annual General meeting and has offered himself for re-appointment.

Shri Tapan Ray, Smt. Gauri Kumar, Prof. Ravindra Dholakia, Dr. Sudhir Kumar Jain, 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 under appointment/ re-appointment at 61st Annual General Meeting is annexed to the Notice convening the 61st 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.

☞ ***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 2022-23 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.

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 quarterly Certificate of Compliance with all the applicable laws to the Company is being placed before the Board at its every quarterly 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 Pankaj Kumar, IAS	*52,500
Shri Raj Kumar, IAS	*17,500
Shri Tapan Ray	4,37,500
Prof. Ravindra Dholakia	3,15,000
Smt. Gauri Kumar	3,50,000
Dr. Sudhir Kumar Jain	2,27,500
Smt. Mamta Verma, IAS	*1,92,500
Shri J. P. Gupta, IAS	*1,57,500

(*) Deposited in the Govt.Treasury.

The Company pays sitting fee @ ₹ 17,500/- per meeting to the Directors. 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 2022-23 are as under:

Name of MD	Salary & Perquisites
Shri Mukesh Puri, IAS Managing Director	Nil

The Company currently does not have any Stock Option Plan in place. All the Directors have been reimbursed expenses if 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. Management letters / letters of internal control weaknesses issued by the statutory auditors.
3. Internal audit reports relating to internal control weaknesses.
4. The appointment, removal and terms of remuneration of the Chief Internal Auditor.
5. Statement of deviations ;
   (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
   (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

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 31.03.2023
22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

During the Financial Year 2022-23, five meetings of Finance-cum-Audit Committee were held i.e. on 25-05-2022, 19-07-2022, 07-11-2022, 04-02-2023 and 28-03-2023. 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	Prof. Ravindra Dholakia(Chairman of the Committee)	IndependentNon-Executive	5	5
2	Smt. Gauri Kumar	IndependentNon-Executive	5	5
3	Shri J. P. Gupta, IAS	Non-IndependentNon-Executive	5	3
4	Shri Tapan Ray	IndependentNon-Executive	5	5

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.

Prof. Ravindra Dholakia, Chairman of the Finance-cum-Audit Committee remained present at the last i.e. 60th Annual General Meeting held on 27.09.2022.

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 Dr. Sudhir Kumar Jain, Chairman of the Committee, Shri Tapan Ray, Shri Mukesh Puri, Managing Director as on 31.03.2023. Shri V V Vachhrajani, Company Secretary & Sr. Vice President (Legal & IR) was the Compliance Officer till 10th February, 2023 for complying with requirements of Securities Laws and Listing Regulations with Stock Exchanges.

During the FY 2022-23, three meetings of the Committee were held i.e. on 19-07-2022, 09-11-2022 and 03-02-2023. The details of Committee members and their attendance at the Committee meetings during the Financial Year 2022-23 are furnished below:

Sr. No	Name of the Members	No. of meetings held during the tenure of Directors	No. of Meetings Attended
1	Dr. Sudhir Kumar Jain	3	3
2	Shri Tapan Ray	3	3
3	Shri Mukesh Puri, IAS, Managing Director	3	3

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 ₹ 2/- each** per transfer request and the authority for approval of more than **5000 shares of ₹ 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:

- 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. 2022-23 and their status as on date. It is further reported that as on 31-03-2023, there are no outstanding complaints pertaining to and received during the F.Y. 2022-23:

(a)	No. of complaints received from Shareholders/ Investors during the financial year 2022-2023.	44
(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 2022-23. (IEPF 1033 TM cases)	1170
(d)	No. of pending requests for share transfers, transmissions and transposition of shares as on 31-03-2023.	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, 2023 total 39,16, 97,193 Equity Shares of ₹ 2/- each representing 98.30% 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 31.03.2023:

- Shri Mukesh Puri- Chairman of the Committee, Non-Independent & Executive Director
- Dr. Sudhir Jain -Member- Independent & Non-Executive Director
- Shri Tapan Ray - Member- Independent & Non-Executive Director
- Shri J. P. Gupta - Member- Non-Independent, Non-Executive Director

During the year 2022-23, one meeting was held on 28.03.2023. 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 31.03.2023:

(1) Smt. Gauri Kumar, Chairman of the Committee- Non Independent & Non executive Director,

(2) Dr. Sudhir Kumar Jain, Member- Non Independent & Non executive Director

(3) Shri Tapan Ray- Member- Non Independent & Non executive Director

(4) Smt. Mamta Verma- Member- Non Independent & Non executive Director

Shri Mukesh Puri, IAS Managing Director, is invited to attend the meetings as a Special Invitee.

During the FY 2022-23, two meetings of the Committee were held i.e. on 04-10-2022 and 04-11-2022.

The details of Committee members and their attendance at the Committee meetings during the Financial Year 2022-23 are furnished below:

Sr. No.	Name of the Members	No. of meetings held during the tenure of Directors	No. of Meetings Attended
1.	Smt. Gauri Kumar	2	2
2	Dr. Sudhir Kumar Jain	2	1
3	Shri Tapan Ray	2	2
4	Smt. Mamta Verma	2	2

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: 3024 Nos. of permanent employees 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.

Sr. No	Name	Designation	Date Of Joining	Date Of Birth	Qualification	Age	Experience Yrs.	Prev. Exp.
1	V D NANAVATY	ED(FINANCE) & CFO	21/03/2002	13/05/1964	ICWA COSTING, A. C.A. ADV. ACCOUNTANCY, ASSO. COMP SECR CO. LAW, TAXATION	58.9	21.06	13.17
2	A K JAUHARI	SVP (IP)	01/09/1986	29/05/1963	B.TECH. PLASTICS, P.G. DIPLOMA MKTG& SALES MGT	59.9	36.61	0.00
3	S H PUROHIT	SVP(HRS)	16/02/2018	06/05/1964	MSW, P.G. DIPLOMA IR & PM, L.L.B. LABOUR LAW, P.G. DIPLOMA HUMAN RES. MGT.	58.9	5.16	29.79
4	H N GURJAR	ED(PROJECTS)	10/04/1988	29/01/1964	B.E. MECHANICAL, DIPLOMA IN PURCH.MGT.I.P.	59.2	35.00	0.00
5	S K BAJPAI	SVP (FINANCE)	28/09/1993	05/09/1967	ICWA ACCOUNTANCY, CO. SECRETARY, L.L.B.	55.6	29.55	1.54
6	S V VARMA	ED (AB)	28/08/1992	18/09/1968	B.E. ELECTRONICS, P.G. DIPLOMA MANAGEMENT, M.B.A. FINANCE MGT	54.6	30.62	0.00
7	S A SHAH	SR VP(PLM)	29/05/1989	12/02/1965	B.E. MECHANICAL	58.2	33.90	0.00
8	C K MEHTA	SR. VICE PRESIDENT (OP-I, S&FS AND SU)	16/12/1986	12/07/1963	B.E. CHEMICAL	59.8	36.34	0.00
9	R S ERANDE	SR VP(OP-II), MR (BU) & FACTORY MANAGER	11/04/1990	13/03/1966	B.E. CHEMICAL ENGG	57.1	33.03	0.00
10	A V BHAVE	SR VICE PRESIDENT (PROJECT DEVELOPMENT)	11/04/1990	10/12/1965	B.E. CHEMICAL ENGG	57.4	33.02	0.00

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.

As mandated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year 2022-23, two meetings of Risk Management Committee were held on 22.07.2022 and 11.01.2023. Further there is no gap of more than 180 days between the two meetings of the Risk Management Committee.

The details of Committee members and their attendance at the Committee meetings during the Financial Year 2022-23 are furnished below:

Sr. No.	Name of the Members	No. of meetings held during the tenure of Directors	No. of Meetings Attended
1	Shri Mukesh Puri, IAS Managing Director Chairman of the Committee	2	2
2	Prof. Ravindra Dholakia	2	2
3	Smt. Gauri Kumar	2	1
4	Shri J. P. Gupta, IAS	2	1
5	Shri Tapan Ray	2	2

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	60th AGM	59th AGM	58th AGM
Date	September 27, 2022	September 27, 2021	September 30, 2010
Start Timing	11:30 AM	03:30 PM	10:30 AM
Venue	Through Video Conferencin ("VC") / other Audio Visual Means ("OAVM").		

- 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 DISCLOSURES

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.

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.

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 2022-23 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 2022-23 and hence no complaint is outstanding as on 31.03.2023 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 pen drive 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 are provided with the comprehensive kit giving the complete insight about the Company and its field of operations, including the compliance requirements as required in terms of the Companies Act, 2013 as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In terms of the SEBI (LODR) Schedule V of SEBI ((Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of familiarization programmes imparted to Independent Directors are available at following link.

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

☞ **Independent Directors' Meeting**

During the year under review, the Independent Directors met on 26.04.2022, 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.

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. 61st AGM e-voting process & Book Closure Notice
11. Notice of 61st 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 has been submitted to Stock Exchange(s) as follows:

Report for the quarter ended	Date of submission to Stock Exchange(s)
30-06-2022	21-07-2022
30-09-2022	09-11-2022
31-12-2022	07-02-2023
31-03-2023	25-05-2023

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 61st Annual General Meeting of the Company will be held on 22nd day of September, 2023 at 1100 hrs 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, 2023	Latest by 14th August, 2023
Unaudited Results for Quarter ending September 30, 2023	Latest by 14th November, 2023
Unaudited Results for Quarter ending December 31, 2023	Latest by 14th February, 2024
Audited Results for Quarter/ Year ending March 31, 2024	Latest by 30th May, 2024

c) Book Closure Date:

The Register of Members of the Company shall remain closed from 08th September, 2023 (Friday) to 22nd September, 2023 (Friday). (Both days inclusive).

d) Dividend payment date:

Dividend shall be paid on and after 28th September, 2023.

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. 2023-24 has been paid by the Company.

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

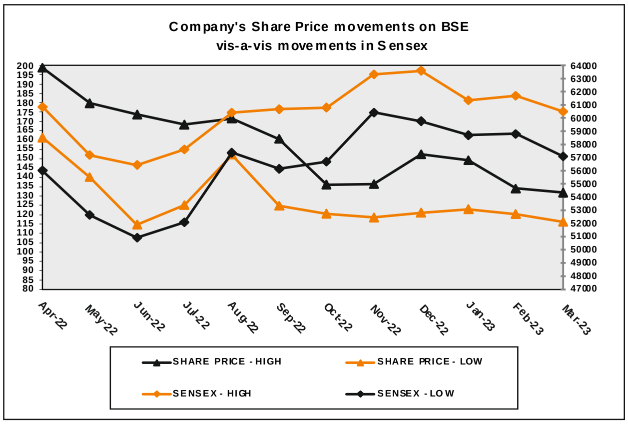
(iii) Corporate Identification Number (CIN): L99999GJ1962PLC001121.

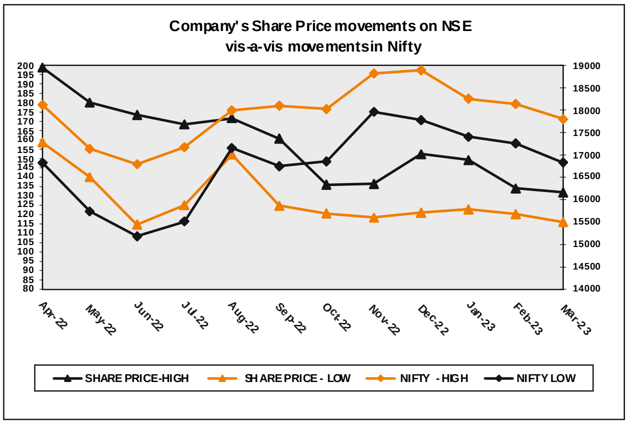
(iv) Stock Market Data:–

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-22	60845.10	56009.07	198.70	161.35	18114.65	16824.70	198.80	158.60
May-22	57184.21	52632.48	179.70	140.05	17132.85	15735.75	179.95	140.10
Jun-22	56432.65	50921.22	173.70	114.65	16793.85	15183.40	173.40	114.65
Jul-22	57619.27	52094.25	168.20	125.05	17172.80	15511.05	168.25	125.00
Aug-22	60411.20	57367.47	171.50	152.10	17992.20	17154.80	171.65	152.10
Sep-22	60676.12	56147.23	160.55	124.70	18096.15	16747.70	160.65	124.80
Oct-22	60786.70	56683.40	136.00	120.55	18022.80	16855.55	136.00	120.55
Nov-22	63303.01	60425.47	136.35	118.50	18816.05	17959.20	136.45	118.45
Dec-22	63583.07	59754.10	152.30	121.05	18887.60	17774.25	152.40	121.00
Jan-23	61343.96	58699.20	149.20	123.00	18251.95	17405.55	149.30	122.90
Feb-23	61682.25	58795.97	134.00	120.30	18134.75	17255.20	134.00	120.30
Mar-23	60498.48	57084.91	131.90	116.10	17799.95	16828.35	131.95	116.00

The graphical presentations is presented to 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 2022 to March 2023.





(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, 2023:

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	80,62,952	2.02
Companies & Banks	11,99,22,108	30.10
Individuals, Co-operative Societies & Co-operative Banks	11,96,92,565	30.04
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	**161646**	**84.10**	**20456236**	**5.13**
501 – 1000	**14496**	**7.54**	**11687625**	**2.93**
1001 – 2000	**7961**	**4.14**	**12074258**	**3.03**
2001 – 3000	**2732**	**1.42**	**6990325**	**1.75**
3001 – 4000	**1280**	**0.67**	**4614202**	**1.16**
4001 – 5000	**1095**	**0.57**	**5209526**	**1.31**
5001 – 10000	**1561**	**0.81**	**11630326**	**2.92**
10001 and above	**1437**	**0.75**	**325815032**	**81.76**
Total		**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, 2023 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, 2022.	190	16845
ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year 2022-2023.	8	1480
iii)	Number of Shareholders whose shares were transferred to the Unclaimed Suspense Account during the year 2022-2023.	Nil	Nil
iv)	Number of Shareholders whose shares were transferred from the Unclaimed Suspense Account to the IEPF Authority during the year 2022-2023	132	12245
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, 2023.	50	3120

The Voting rights in respect of the said shares stand frozen.

- No pledge has been created over the Equity Shares held by the Promoters as on March 31, 2023.
- 98.30% of the Equity Shares have been dematerialized till 31/03/2023. 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 2023-24.
- Dividend @ 10/- per share of ₹ 2/- each has been recommended by the Board of Directors on the Equity Shares which shall be paid/ distributed on or after 28th September, 2023 upon its approval by the Shareholders in the ensuing 61st Annual General Meeting.
- The Company has paid ₹ 23.97 lakhs 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.
- During the FY 2022-23 the Company has passed one Ordinary Resolution by Postal Ballot for appointment of Shri Raj Kumar, IAS (DIN 00294527) as Director and Chairman of the Company. The Postal Ballot was conducted by Mr. Niraj Trivedi, Practicing Company Secretary, and the same was carried out as per the provisions of Sections 108 & 110 and other applicable provisions of the Companies Act, 2013 read with Rules framed thereunder and in line with General Circulars issued by the Ministry of Corporate Affairs and in accordance with Regulation 44 & other applicable provisions of the SEBI (LODR) Regulations, 2015, for the time being in force and as amended from time to time.
- In respect of adoption of other non-mandatory requirements as specified in Part E of Schedule II of the SEBI (LODR) Regulations, 2015, the Company will review its implementation at appropriate time.

- **Unit-wise Plant locations :**

The Company's Units are located as follows:

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

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

(k) List of all credit ratings obtained by the Company during the Financial Year 2022-23

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 2022-23.

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 2022-23.

Sd/-
Shri Mukesh Puri,
Managing Director

Date : 22nd August, 2023
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, returns and disclosures received from the Directors of Gujarat State Fertilizers & Chemicals Limited, having CIN: L99999GJ192PLC001121 and having Registered Office situated at P.O. Fertilizernagar, 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 10(i) of the 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, 2023, has been debarred or disqualified from being appointed or continuing as the Director of the Company, 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* in the Company*
1	Ravindra Harshadrai Dholakia	00069396	02/09/2020
2	Raj Kumar	00294527	21/02/2023
3	Tapan Ray	00728682	02/09/2020
4	Gauri Kumar	01585999	02/09/2020
5	Mamta Verma	01854315	01/07/2021
6	Jagdish Prasad Gupta	01952821	14/12/2021
7	Mukesh Gulshanrai Puri	03582870	06/12/2020
8	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 the 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 : 1ST June, 2023
Place : Vadodara

SIGNATURE : **Sd/-**
NAME OF PCS : **NIRAJ TRIVEDI**
FCS : **3844**
C.P. NO. : **3123**
UDIN : **F003844E000439070**

CORPORATE GOVERNANCE CERTIFICATE

For the Financial Year ended March 31, 2023

[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, 2023 ("review period"), 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: A009711E000813602
ICSI PR No. 884/2020

Place : Vadodara
Date : 17th August, 2023

FINANCIAL HIGHLIGHTS OF TEN YEARS

PARTICULARS	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
OPERATING RESULTS										(₹ in Crores)
GROSS INCOME	**11445**	9178	7683	7730	8679	6404	5477	6326	5563	5671
GROSS PROFIT	**1750**	1483	690	297	791	610	478	694	675	640
DEPRECIATION	**182**	178	176	170	126	119	103	97	101	145
EXCEPTIONAL ITEMS	**0**	0	0	0	0	0	-	-	-	-
PROFIT/(LOSS) BEFORE TAX	**1568**	1305	513	127	665	491	375	597	574	495
TAX	**275**	414	96	28	171	15	-45	188	173	153
PROFIT/(LOSS) AFTER TAX	**1293**	891	418	99	494	476	420	409	401	342
DIVIDEND	**398.48**	100	88	48	88	88	88	88	88	80
DIVIDEND TAX	**0**	0	0	0	18	18	18	18	18	13
AMOUNT PER SHARE (RUPEES)*										
SALES	**284**	226	188	191	215	158	137	159	134	136
EARNING	**32**	22	10	2	12	12	11	10	10	9
CASH EARNING	**34**	29	17	7	17	14	11	12	13	12
EQUITY DIVIDEND	**10**	2.5	2.2	1.2	2.2	2.2	2.2	2.2	2.2	2
BOOK VALUE	**300**	293	229	171	182	182	165	122	112	107
MARKET PRICE:										
HIGH	**199**	169	107	111	138	166	132	91	125	63
LOW	**115**	82	36	30	86	113	64	57	53	44

* Per share figures are based on face value of ₹ 2/- per share.

Figure from 2015-16 are as per IND AS

Independent Auditor's Report

TO THE MEMBERS OF GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Gujarat State Fertilizers & Chemicals Limited ("the Company"), which comprise the balance sheet as at March 31, 2023, 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, and notes to the standalone 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 Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind As") and the other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements 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 Standalone 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 together with ethical 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 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 ₹ 23,713.53 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.	***<u>Principal Audit Procedures</u>*** Our audit procedure included: • Evaluated the related accounting policy for provisioning for tax exposures and obtained details of completed tax assessments and demands upto the year ended March 31, 2023 from the management. • 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, 2023 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: The 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 March 31, 2023 works out to ₹ 4,988.51 Lakhs & ₹ 142.63 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*** Our audit procedure included: • 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 48(i) to the Standalone Financial Statements.
Assessment of implications of Government policies/notifications on recognition of subsidy revenue and its recoverability: During the year, the company has recognised subsidy revenue amounting to ₹ 5,81,031.69 Lakhs and the aggregate amount of subsidy receivable as at March 31, 2023 is ₹ 1,76,029.18 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 judgments of the management. The areas of subjectivity and judgment 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*** Our audit procedure included: • Understood and evaluated the design and tested the operating effectiveness of controls as established by the management in recognition of subsidy revenue and assessment of the recoverability of outstanding subsidy. • 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 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": The company 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, the company used 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 45 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, Management Discussion and Analysis, Corporate Governance Report and Shareholder's Information but does not include the standalone 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.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 (Revised) 'The Auditor's Responsibilities Related to Other Information'.

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, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, as amended. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters 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 Matter

The standalone financial statements of the Company, for the year ended March 31, 2022 have been audited by the predecessor auditors. The report of the predecessor auditors dated May 26, 2022 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 Statement of Cash Flow 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, as amended.
   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 standalone 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 standalone 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 has been no delay in transferring amounts, required to be transferred, to the Investor's Education and Protection Fund by the company.

iv. (a) The management has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of their knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. The final dividend proposed in the previous year, declared and paid by the company during the year, is in compliance with section 123 of the Act.

As stated in note 20 to the standalone financial statement, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Parikh Mehta & Associates
Chartered Accountants
Firm Reg. No.: 112832W

Sd/-
Tejal Parikh
Partner
Membership No. 10960
UDIN : 23109600BGUHZW4942

Place : Vadodara
Date : May 25, 2023

ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT FOR THE PERIOD ENDED MARCH 2022

(Referred to in Paragraph 1 under the Heading of "Report on Other Legal and Regulatory Requirements" section of our Report of even date)

Based on the Audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us in the normal course of audit, we report that:

(i) In respect of the Company's Property, Plant & Equipment and Intangible Assets;

a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment, capital work in progress and relevant details of right-of-use assets.

B) The Company has maintained proper records showing full particulars, of Intangible Assets.

b) The company has a programme of physical verification to cover all the items of Property, Plant & Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant & Equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification.

c) Based on our verification of the documents provided to us and according to the information and explanation given by the management, the title deeds of all immovable properties (other than those that have been taken on lease) disclosed in the standalone financial statements are held in the name of the company as at the balance sheet date. In respect of immovable properties that have been taken on lease and disclosed in the standalone financial statements as at the balance sheet date, the lease agreements are duly executed in favor of the company, except for following: (₹ in Lakhs)

Description of immovable properties taken on lease	Gross Carrying Value (as at the Balance Sheet Date)	Carrying Value (as at the Balance Sheet Date)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Dahej Land	30,860.19	27,670.51	–	No	99	The Lease deed execution is pending because of technical issues like Gaucher land, land occupied by Canal & wells/approach-roads, etc. *(not in dispute)

d) The company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.

e) According to the information and explanations given to us and on the basis of examination of the records of the company, no proceedings have been initiated nor pending against the company as of March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.

(ii) In respect of Inventories

a) Inventories, except goods-in-transit, were physically verified during the year by the Management at reasonable intervals. The coverage and procedure of such verification by the management is appropriate having regard to size of the company and nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on physical verification of inventories when compared with books of account.

b) According to the information and explanations given to us and on the basis of examination of the records of the company, the company has been sanctioned working capital limits in excess of 5 Crores, in aggregate, at any points of time during the year, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the company of the respective quarters.

(iii) In respect of Investment made, guarantee or security provided or grant of loans and advances in the nature of loans, secured or unsecured to companies, firms, Limited Liabilities Partnership or any other parties :

a) In our opinion and according to the explanation given to us, the company has granted loans or provided advances in the nature of loans during the year as follows: (₹ in Lakhs)

Particulars	Loans
Aggregate amount of loan given during the year:	
- Employees	3,042.75
Balance outstanding as at the balance sheet date in respect of above case:	
- Employees	24,202.69

b) According to the information and explanations given to us and based on the audit procedures carried out by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans provided during the year are prima facie, not prejudicial to the interest of the Company. The Company has not provided anyguarantee during the year.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advances in thenature of loans to any party during the year.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advancesin the nature of loans to any party during the year.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or freshloans granted to settle the overdues of existing loans given to same parties.

f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Hence reporting under clause 3(iii)(f) of the Order does not arise.

(iv) The Company has not given anyloans, investments, guarantee and security under Section 185 of the Act. In respect of the investments made and loans given, in our opinion and according to the information and explanation given to us and on the basis of examination of records of the Company, the Company has complied with the provision of Section 186 of the Act.

(v) According to the information and explanation given to us,the Company has not accepted any deposits from the public during the year and consequently the directives issued by Reserve Bank of India, the provisions of section 73 to 76 of the Act and Rules framed there under are not applicable to the Company. Accordingly, reporting under clause 3(v) of the Order does not arise.

(vi) 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) **In respect of statutory dues**

a) In our opinion and according to the information and explanation given to us, the Company has generally been regular in depositing its undisputed statutory dues including Provident Fund, Employees' State

Insurance, Income-tax, Goods and Service Tax, Customs duty, cess and other material statutory dues applicable to it to the appropriate authorities. There are no undisputed statutory dues outstanding for more than six months as onMarch 31, 2023.

b) According to the information and explanations given to us and on the basis of examination of the records of the company, detail of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Service Tax which have not been deposited as on March 31, 2023 on account of disputes are given below:

(₹ in Lakhs)

Name of Statute	Nature of Dues	Forum of dispute	Period of amount	Total Amount (excl. interest and penalty)	Unpaid Amount (excl. interest and penalty)
Central Excise Act,1944	Excise Duty	CESTAT	F.Y. 2009-10 F.Y. 2012-13 F.Y. 2014-15	380.17	352.15
		Commissioner (Appeals)	F.Y. 1991-95	80.20	80.20
Customs Act, 1962	Custom Duty	Commissioner (Appeals)	F.Y. 2016-18 F.Y. 2019-22	1110.62	1027.33
Finance Act, 1994	Service Tax	Commissioner (Appeals)	F.Y. 2013-18	162.55	150.45
		Supreme Court	F.Y. 2010-13	11.51	10.36
		CESTAT	F.Y. 2005-12 F.Y. 2014-18	167.39	97.14
		Commissioner	F.Y. 2013-14	12.20	11.29
Gujarat Value Added Tax Act, 2003	Gujarat Value Added Tax	Joint/Dy. Commissioner	F.Y. 2007-08 F.Y. 2012-13	363.87	303.87
		VAT Tribunal	F.Y. 2006-07 F.Y. 2009-10 F.Y. 2011-12	121.54	Nil
Central Sales Tax Act, 1956	Central Sales Tax	Additional Commissioner of Sales Tax	F.Y. 1998-99	0.14	0.14
		Assistance Commissioner of Sales Tax, West Bengal	F.Y. 1995-96 F.Y. 1997-98	2.21	2.21
		Joint/Dy. Commissioner	F.Y. 2006-08	753.35	639.85
		Tribunal	F.Y. 2008-11	1024.91	744.91
Bihar GST Act, 2017	Goods and Service Tax	Commissioner (Appeals)	F.Y. 2018-21	96.35	86.72
Central GST Act, 2017	Goods and Service Tax	Commissioner (Appeals)	F.Y. 2017-18	28.22	22.58
Income Tax Act, 1961	Income Tax	Assessing Officer	F.Y. 2014-15	260.95	260.95
			F.Y. 2017-18	0.54	0.54

(viii) According to the information and explanation given to us, there are no transactions / previously unrecorded income which are required to be recorded in the books of accounts have been surrendered of disclosed as income during the year in the tax assessments under the Income-Tax Act, 1961.

(ix) a) In our opinion and according to the explanation given to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.Accordingly, reporting under clause 3(ix)(a) of the order does not arise.

b) In our opinion and according to the explanation given to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.Accordingly, reporting under clause 3(ix)(b) of the order does not arise.

c) In our opinion and according to the explanation given to us, the Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year. Accordingly, reporting under clause 3(ix)(c) of the order does not arise.

d) On the overall examination of the financial statement of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) On the overall examination of the financial statement of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.Accordingly, reporting under clause 3(ix)(e) of the order does not arise.

f) In our opinion and according to the explanation given to us, the Company has not raised any loans during the year. Accordingly, reporting under clause 3(ix)(f) of the order does not arise.

(x) a) During the year, the Company has not raised any funds through Initial Public Offer or Further Public Offer (including debt instruments). Accordingly, reporting under clause 3(x)(a) of the order does not arise.

b) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the order does not arise.

(xi) a) Based on the audit procedures performed and according to the explanation provided to us, no material fraud by the Company or on the Company have been noticed or reported during the year.

b) According to information and explanations given to us, no report under sub-section (12) of Section 143 of the Act hasbeen filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the CentralGovernment, during the yearand up to the date of this report.

c) According to information and explanations given to us, no whistle blowercomplaints received by the Company during the year.

(xii) The company is not a Nidhi Company and hence reporting under clause 3(xii) of the order is not applicable.

(xiii) In our opinion and as per the information and explanations given to us and based on our examination of the records of the company, 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 such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

(xiv) a) In our opinion and as per the information and explanations given to us, the Company has adequate internal audit system commensurate with the size and nature of its business.

b) We have considered internal audit reports of the company issued till the date, for the period of the audit.

(xv) Based on the audit procedures performed and according to the explanations provided to us, the Company has not entered into any non-cash transactions with directors or persons connected with them, during the year. Accordingly, provisions of section 192 of the Act are not applicable.

(xvi) In respect of the Reserve Bank of India Act,1934:

a) In our opinion and explanation given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934. Accordingly, reporting under clause 3 (xvi)(a), (b) &(c) of the order does not arise.

b) In our opinion and explanation given to us, the group does not have any Core Investment Company as part of the group. Accordingly, reporting under clause 3(xvi)(d) of the order does not arise.

(xvii) The company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause3(xviii) of the order does not arise.

(xix) According to the information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) The company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under Clause 3(xx) of the order does not arise.

(xxi) In respect of below mentioned companies included in the consolidated financial statements of the company, whose audits under section 143 of the Act has not been completed, the CARO report as applicable in respect of those entities are not available and consequently have not been provided to us as on the date of this audit report.

Name of the Company	CIN	Nature of Relationship
GSFC Agrotech Ltd.	U36109GJ2012PLC069694	Subsidiary Company
Vadodara Jal Sanchay Pvt Ltd.	U41000GJ2020PTC114896	Subsidiary Company
Gujarat Port and Logistics Company Ltd.	U63010GJ2020PLC112471	Subsidiary Company
Vadodara Enviro Channel Ltd.	U51395GJ1999PLC036886	Associate Company
Gujarat Green Revolution Company Ltd.	U63020GJ1998PLC035039	Associate Company
Karnalyte Resources Inc.	Not Applicable	Foreign Associate

For Parikh Mehta & Associates
Chartered Accountants
Firm Reg.No.: 112832W

Sd/-
Tejal Parikh
Partner
Membership No. 109600
UDIN : 23109600BGUHZW4942

Place : Vadodara
Date : May 25, 2023

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 March 31, 2023 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 March 31, 2023, 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 Parikh Mehta & Associates
Chartered Accountants
Firm Reg. No.: 112832W

Sd/-
Tejal Parikh
Partner
Membership No. 109600
UDIN : 23109600BGUHZW4942

Place : Vadodara
Date : May 25, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in lakhs)

Particulars	Note	As at 31st March 2023	As at 31st March 2022
A. ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipments	5	2,53,088.47	2,64,739.41
(b) Capital work-in-progress	5	19,901.86	15,743.23
(c) Right of Use Assets	5	4,151.71	2,565.47
(d) Other Intangible assets	6	173.88	116.82
(e) Financial Assets			
(i) Investments			
- Investments in associates	7	4,749.84	2,771.28
- Investments in others	7	5,23,109.74	6,23,734.75
(ii) Others financial assets	8	2,994.73	2,826.93
(f) Income tax assets (Net)	23	6,198.22	5,988.38
(g) Other non current assets	9	33,530.07	31,273.06
		8,47,898.52	**9,49,759.33**
2. Current assets			
(a) Inventories	10	1,17,565.54	1,29,886.00
(b) Financial Assets			
(i) Trade receivable	11	49,151.28	35,899.13
(ii) Government subsidies receivable	12	1,76,029.18	71,011.44
(iii) Cash and cash equivalents	13	1,08,257.02	30,728.05
(iv) Bank balances other than (iii) above	14	34,025.48	853.20
(v) Loans	15	24,793.53	23,139.01
(vi) Others financial assets	16	1,257.78	1,34,031.98
(c) Other current assets	17	18,308.59	22,186.51
		5,29,388.40	**4,47,735.31**
3. Assets held for sale	18	**-**	**0.25**
TOTAL ASSETS		**13,77,286.92**	**13,97,494.89**

BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in lakhs)

Particulars	Note	As at 31st March 2023	As at 31st March 2022
B. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	19	7,969.55	7,969.55
(b) Other Equity	20	11,88,382.93	11,58,900.70
		11,96,352.48	**11,66,870.25**
LIABILITIES			
1. Non-current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities - Non Current	24	148.23	170.20
(b) Provisions	21	31,060.53	39,745.12
(c) Deferred tax liabilities (Net)	23	47,308.47	60,279.45
		78,517.23	**1,00,194.77**
2. Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	-	282.27
(ii) Lease Liabilities - Current	24	90.62	97.37
(iii) Trade payables	25		
- Total outstanding dues of micro enterprise and small enterprise		1,486.79	534.35
- Total outstanding dues of creditors other than micro enterprise and small enterprise		57,156.26	76,047.47
(iv) Other financial Liabilities	26	24,849.54	24,953.56
(b) Other current liabilities	27	6,893.22	3,412.81
(c) Provisions	28	9,622.10	15,474.57
(d) Current tax liabilities (Net)	23	2,318.68	9,627.47
		1,02,417.21	**1,30,429.87**
TOTAL EQUITY & LIABILITIES		**13,77,286.92**	**13,97,494.89**
See accompanying notes forming part of the financial statements	1 to 49		

In terms of our report attached.

For **Parikh Mehta & Associates**
Chartered Accountants
Firm Registration No.: 112832W

Tejal Parikh
Partner
Membership No.: 109600

Mukesh Puri
Managing Director
(DIN-03582870)

Tapan Ray
Director
(DIN-00728682)

V. D. Nanavaty
ED (Finance) & CFO
and Company Secretary

Gandhinagar
25th May, 2023

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakhs)

Particulars	Note	Year Ended 31st March	
		2023	2022
I Income			
Revenue from operations	29	11,29,802.67	8,99,778.38
Other income	30	14,648.52	18,034.27
Total income		**11,44,451.19**	**9,17,812.65**
II Expenses			
Cost of materials consumed	31	5,85,134.00	4,88,159.64
Purchase of stock in trade		1,02,011.77	58,133.92
Changes in inventories of finished goods, work in process and stock in trade	32	540.74	(16,888.78)
Power and Fuel		1,24,965.03	98,083.24
Employee benefits expense	33	65,646.29	65,584.99
Finance costs	34	1,489.42	962.98
Depreciation and amortization expense		18,151.31	17,817.54
Other expenses	35	89,759.06	75,470.54
Total Expenses		**9,87,697.62**	**7,87,324.07**
III Profit before tax		**1,56,753.57**	**1,30,488.58**
IV Tax expense			
Current tax		41,033.58	32,893.61
Deferred tax	23	(11,567.89)	7,957.47
Earlier Year Tax	23	(2,019.74)	547.57
V Profit for the year		**1,29,307.62**	**89,089.93**
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		3,614.58	2,046.15
Income tax effect on above		(1,918.38)	(715.01)
Net fair value (loss) / gain on investments in equity instruments at FVTOCI		(1,00,728.72)	1,98,100.87
Income tax effect on above		9,169.31	(27,299.88)
Net other comprehensive income that will not be reclassified to profit or loss		**(89,863.21)**	**1,72,132.13**
VII Total Comprehensive Income for the year (V+VI)		**39,444.41**	**2,61,222.06**
Earnings per equity share (face value of ₹ 2/- each)			
Basic and Diluted Earnings per equity share:	36	**32.45**	**22.36**
See accompanying notes forming part of the financial statements	1 to 49		

In terms of our report attached.

For **Parikh Mehta & Associates**
Chartered Accountants
Firm Registration No.: 112832W

Tejal Parikh
Partner
Membership No.: 109600

Mukesh Puri
Managing Director
(DIN-03582870)

Tapan Ray
Director
(DIN-00728682)

V. D. Nanavaty
ED (Finance) & CFO
and Company Secretary

Gandhinagar
25th May, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakhs)

	Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
A	**Cash Flow From Operating Activities :**		
	Profit Before Tax	**1,56,753.57**	**1,30,488.58**
	Adjustments for :		
	Depreciation and amortisation expense	18,151.31	17,817.54
	Amortisation of lease hold land	297.53	297.53
	Unrealised Foreign Exchange(Gain)/Loss	(329.83)	282.86
	Provision for Assets Retiring Obligation	196.74	181.46
	Finance cost	1,005.20	360.88
	Interest income	(5,626.74)	(5,306.20)
	Loss/ (Profit) on fixed assets sold/written off	(128.49)	(302.84)
	Dividend income	(5,239.54)	(4,356.47)
	Provision for doubtful debts/advances	157.63	123.38
	Operating Profit before Working Capital Changes	**1,65,237.38**	**1,39,586.72**
	Movements in working capital:		
	Inventories	12,320.46	(39,081.90)
	Trade receivables, loans and advances and other assets	(18,480.84)	(59,388.30)
	Trade payables, other current liabilities and provision	(19,621.10)	6,654.32
	Cash Generated from Operations	**1,39,455.90**	**47,770.84**
	Direct taxes paid (net of refunds)	(46,532.47)	(22,619.09)
	Net Cash Flow from Operating Activities	**92,923.43**	**25,151.75**
B	**Cash Flow From Investing Activities :**		
	Purchase of property, plant & equipments (including CWIP & capital advances)	(14,175.34)	(9,445.38)
	Purchase of non current investments	(1,978.56)	-
	Interest received	6,931.48	3,228.21
	Dividend received	5,239.54	4,356.47
	Net Cash Flow used in Investing Activities	**(3,982.88)**	**(1,860.70)**
C	**Cash Flow From Financing Activities**		
	Net increase/(decrease) in short term borrowings	(282.27)	(3,218.70)
	Interest paid	(968.71)	(330.44)
	Dividend paid	(9,991.06)	(8,784.69)
	Lease Liability Payment	(133.04)	(135.88)
	Lease Interest Paid	(36.49)	(30.91)
Net Cash Flow from/ (used in) Financing Activities		**(11,411.58)**	**(12,500.62)**
Net Increase/ (Decrease) in Cash & Cash Equivalents		**77,528.97**	**10,790.43**
Cash and Cash Equivalents as at the beginning of the year		**30,728.05**	**19,937.62**
Cash and Cash Equivalents as at end of the year (Refer Note-13)		**1,08,257.02**	**30,728.05**
Notes:			
Components of Cash and cash equivalents			
Cash on hand		4.06	4.24
Balances with banks			
In current accounts		2,663.45	2,635.45
Debit balance in Cash Credit Account		3,087.41	1,588.36
Deposit with original maturity of less than three months		1,02,502.10	-
Liquid Deposits with Financial Institutions		-	26,500.00
Total Cash and cash equivalents		**1,08,257.02**	**30,728.05**
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 **Parikh Mehta & Associates**
Chartered Accountants
Firm Registration No.: 112832W

Tejal Parikh
Partner
Membership No.: 109600

Mukesh Puri
Managing Director
(DIN-03582870)

Tapan Ray
Director
(DIN-00728682)

V. D. Nanavaty
ED (Finance) & CFO
and Company Secretary

Gandhinagar
25th May, 2023

STATEMENT OF CHANGES IN EQUITY (SOCIE)

Note (a) : Equity share capital **(₹ in lakhs)**

Particulars	Amount
Balance as at April 01, 2021	7,969.55
Changes in equity share capital due to prior period errors	-
Restated balance as at April 01, 2021	7,969.55
Changes in equity share capital during the year	-
Balance as at March 31, 2022	7,969.55
Balance as at April 01, 2022	7,969.55
Changes in equity share capital due to prior period errors	-
Restated balance as at April 01, 2022	7,969.55
Changes in equity share capital during the year	-
Balance as at March 31, 2023	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, 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**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated Balance as at 1st April, 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
Profit for the year	-	-	-	-	89,089.93	-	89,089.93
Other comprehensive income for the year net of income tax	-	-	-	-	-	1,70,800.99	1,70,800.99
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	1,331.14	-	1,331.14
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**90,421.07**	**1,70,800.99**	**2,61,222.06**
Dividends paid [Note 20]	-	-	-	-	(8,766.49)	-	(8,766.49)
Transfer to General reserve	-	-	-	49,000.00	(49,000.00)	-	-
Balance as at March 31, 2022	**1,256.33**	**30,524.02**	**3,335.00**	**5,56,153.31**	**68,385.23**	**4,99,246.81**	**11,58,900.70**
Balance as at April 01, 2022	**1,256.33**	**30,524.02**	**3,335.00**	**5,56,153.31**	**68,385.23**	**4,99,246.81**	**11,58,900.70**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated Balance as at 1st April, 2022	1,256.33	30,524.02	3,335.00	5,56,153.31	68,385.23	4,99,246.81	11,58,900.70
Profit for the year	-	-	-	-	1,29,307.62	-	1,29,307.62
Other comprehensive income for the year net of income tax	-	-	-	-	-	(91,559.41)	(91,559.41)
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	1,696.20	-	1,696.20
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**1,31,003.82**	**(91,559.41)**	**39,444.41**
Dividends paid [Note 20]	-	-	-	-	(9,962.18)	-	(9,962.18)
Transfer to General reserve	-	-	-	49,000.00	(49,000.00)	-	-
Balance as at March 31, 2023	**1,256.33**	**30,524.02**	**3,335.00**	**6,05,153.31**	**1,40,426.87**	**4,07,687.40**	**11,88,382.93**

See accompanying notes forming part of the financial statements

In terms of our report attached.

For **Parikh Mehta & Associates**
Chartered Accountants
Firm Registration No.: 112832W

Tejal Parikh
Partner
Membership No.: 109600

Mukesh Puri
Managing Director
(DIN-03582870)

Tapan Ray
Director
(DIN-00728682)

V. D. Nanavaty
ED (Finance) & CFO
and Company Secretary

Gandhinagar
25th May, 2023

Notes to the financial statements for the year ended March 31, 2023

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 25, 2023.

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, 2023 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.

Revenue towards satisfaction of a performance obligation is measured at the amount of the transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of fertilizer products sold is net of variable consideration on account of various discounts, incentives, rebates and 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.

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

The Company's lease asset primarily consists of leases for immovables. 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.

However, Raw material and work-in-progress held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined Weighted Average Cost basis.

Finished goods and work-in-progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on Weighted Average Cost basis.

Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost basis.

All other inventories of stores and consumables are valued at Weighted Average Cost basis.

Stores and Spares include equipment spare parts, and others which are held as inventory by the Company.

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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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, 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; other than trade receivables which are measured at transaction price as per Ind As 115.

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.

Investments in subsidiaries, joint ventures and associates

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.

3.17 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, which gives highest priority to quoted prices in active markets and the lowest priority to unobservable inputs.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for inputs other than quoted prices included within Level 1 that are observable for the asset or Liability either directly or indirectly.
- Level 3 - Valuation techniques for inputs that are unobservable for the asset or liability.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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, 2023 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 21 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.

Recent Accounting Pronouncements

On 31 March 2023, MCA notified Companies (Indian Accounting Standards) Amendment Rules, 2023, effective from 1 April 2023, to further amend the Companies (Indian Accounting Standards) Rules, 2015. Amendments were made to the following Ind AS:-

a) Ind AS 101 (First-time adoption of Indian Accounting Standards),

b) Ind AS 102 (Share based payment),

c) Ind AS 103 (Business Combinations),

d) Ind AS 107 (Financial Instruments: Disclosures),

e) Ind AS 109 (Financial Instruments),

f) Ind AS 115 (Revenue from Contracts with Customers),

g) Ind AS 1 (Presentation of Financial Statements),

h) Ind AS 8 (Accounting Policies, Changes in Accounting Estimates and Errors),

i) Ind AS 12 (Income Taxes) &

j) Ind AS 34 (Interim Financial Reporting)

The Company is not expecting any significant impact in the financial statements from these amendments. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options.

Notes to the Financial Statements

5. (i) Property, Plant and Equipment

(₹ in lakhs)

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
PARTICULARS	As at 01-Apr-22	Additions	Deductions/ Adjustments	As at 31-Mar-23	As at 01-Apr-22	Charge for the year	Deductions/ Adjustments	As at 31-Mar-23	Balance As at 31-Mar-23	Balance As at 31-Mar-22
Freehold land	3,616.59	24.03	-	3,640.62	-	-	-	-	3,640.62	3,616.59
Buildings	20,971.43	1,343.91	3.26	22,312.08	4,224.63	721.87	0.36	4,946.14	17,365.94	16,746.80
Bridge, culverts,bunders,etc.	0.18	-	-	0.18	0.13	0.02	-	0.15	0.03	0.05
Roads	441.55	-	-	441.55	143.58	34.81	-	178.39	263.16	297.97
Plant and machinery	3,02,673.97	2,391.10	325.41	3,04,739.66	71,542.83	14,960.34	307.79	86,195.38	2,18,544.28	2,31,131.14
Furniture and fittings	1,227.43	57.77	3.69	1,281.51	373.84	133.47	3.50	503.81	777.70	853.59
Motor Vehicles	297.09	43.88	76.98	263.99	160.32	29.26	70.65	118.93	145.06	136.77
Railway sidings	2,208.14	-	-	2,208.14	802.82	121.60	-	924.42	1,283.72	1,405.32
Office equipment	1,287.28	251.31	67.55	1,471.04	715.35	156.23	64.12	807.46	663.58	571.93
Computers and Data Processing units	820.00	562.29	51.50	1,330.79	386.63	191.60	48.93	529.30	801.49	433.37
Laboratory equipment	1,660.86	88.95	47.13	1,702.68	658.08	165.59	38.67	785.00	917.68	1,002.78
Electrical Installation and Equipment	13,356.72	1,530.55	8.97	14,878.30	4,818.76	1,387.13	8.52	6,197.37	8,680.93	8,537.96
Library books	16.96	-	-	16.96	11.82	0.90	0.04	12.68	4.28	5.14
TOTAL	**3,48,578.20**	**6,293.79**	**584.49**	**3,54,287.50**	**83,838.79**	**17,902.82**	**542.58**	**1,01,199.03**	**2,53,088.47**	**2,64,739.41**
Capital work in progress									**19,901.86**	**15,743.23**

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
PARTICULARS	As at 01-Apr-21	Additions	Deductions/ Adjustments	As at 31-Mar-22	As at 01-Apr-21	Charge for the year	Deductions/ Adjustments	As at 31-Mar-22	Balance As at 31-Mar-22	Balance As at 31-Mar-21
Freehold land	3,242.26	374.33	-	3,616.59	-	-	-	-	3,616.59	3,242.26
Buildings	20,765.75	205.68	-	20,971.43	3,537.29	687.34	-	4,224.63	16,746.80	17,228.46
Bridge, culverts,bunders,etc.	0.18	-	-	0.18	0.11	0.02	-	0.13	0.05	0.07
Roads	441.55	-	-	441.55	108.77	34.81	-	143.58	297.97	332.78
Plant and machinery	3,05,464.62	4,074.57	6,865.22	3,02,673.97	63,143.98	14897.82	6498.97	71,542.83	2,31,131.14	2,42,320.64
Furniture and fittings	1,162.89	68.70	4.16	1,227.43	248.34	129.19	3.69	373.84	853.59	914.55
Motor Vehicles	244.75	71.05	18.71	297.09	161.68	15.54	16.90	160.32	136.77	83.07
Railway sidings	2,208.14	-	-	2,208.14	681.22	121.60	-	802.82	1,405.32	1,526.92
Office equipment	1,031.33	273.89	17.94	1,287.28	588.79	143.54	16.98	715.35	571.93	442.54
Computers and Data Processing units	786.68	94.51	61.19	820.00	315.59	128.92	57.88	386.63	433.37	471.09
Laboratory equipment	1,577.71	99.53	16.38	1,660.86	509.70	161.51	13.13	658.08	1,002.78	1,068.01
Electrical Installation and Equipment	13,087.88	329.11	60.27	13,356.72	3,625.31	1250.71	57.26	4,818.76	8,537.96	9,462.57
Library books	16.96	-	-	16.96	10.57	1.25	-	11.82	5.14	6.39
TOTAL	**3,50,030.70**	**5,591.37**	**7,043.87**	**3,48,578.20**	**72,931.35**	**17,572.25**	**6,664.81**	**83,838.79**	**2,64,739.41**	**2,77,099.35**
Capital work in progress									**15,743.23**	**11,698.95**

5. (ii) Right of Use Assets

(₹ in lakhs)

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
PARTICULARS	As at 01-Apr-22	Additions	Deductions/ Adjustments	As at 31-Mar-23	As at 01-Apr-22	Charge for the year	Deductions/ Adjustments	As at 31-Mar-23	Balance As at 31-Mar-23	Balance As at 31-Mar-22
Leasehold Building	546.08	100.64	217.92	428.80	279.27	92.81	200.62	171.46	257.34	266.81
Leasehold land	2,597.99	1,719.97	-	4,317.96	299.33	124.26	-	423.59	3,894.37	2,298.66
TOTAL	**3,144.07**	**1,820.61**	**217.92**	**4,746.76**	**578.60**	**217.07**	**200.62**	**595.05**	**4,151.71**	**2,565.47**

(₹ in lakhs)

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
PARTICULARS	As at 01-Apr-21	Additions	Deductions/ Adjustments	As at 31-Mar-22	As at 01-Apr-21	Charge for the year	Deductions/ Adjustments	As at 31-Mar-22	Balance As at 31-Mar-22	Balance As at 31-Mar-21
Leasehold Building	395.75	212.21	61.88	546.08	235.28	92.71	48.72	279.27	266.81	160.47
Leasehold land	2,597.99	-	-	2,597.99	179.41	119.92	-	299.33	2,298.66	2,418.58
TOTAL	2,993.74	212.21	61.88	3,144.07	414.69	212.63	48.72	578.60	2,565.47	2,579.05

5. (iii) Capital Work In Progress Ageing Schedule

(₹ in lakhs)

	AMOUNT AS ON 31.03.2023 IN CWIP FOR THE PERIOD OF					AMOUNT AS ON 31.03.2022 IN CWIP FOR THE PERIOD OF				
PARTICULARS	Less than 1 year	1-2 Years	2-3 Years	More Than 3 Years	Total	Less than 1 year	1-2 Years	2-3 Years	More Than 3 Years	Total
Projects in Progress	9,700.75	2,886.20	908.30	2,714.24	16,209.50	8,457.98	925.22	1,883.17	784.50	12,050.87
Projects temporarily suspended *	-	-	-	3,692.36	3,692.36	-	-	-	3,692.36	3,692.36
TOTAL	9,700.75	2,886.20	908.30	6,406.60	19,901.86	8,457.98	925.22	1,883.17	4,476.86	15,743.23

* Projects temporarily suspended mainly consist of "DAP - 'D' Train Project, which is temporarily suspended as the contractor was unable to get the project executed in line with the contract terms. Pending outcome of the legal suit filed by the company, adjustment of Balance sheet items against the project cost is pending as on date.

6. Intangible assets

(₹ in lakhs)

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
PARTICULARS	As at 01-Apr-22	Additions	Deductions/ Adjustments	As at 31-Mar-23	As at 01-Apr-22	Charge for the year	Deductions/ Adjustments	As at 31-Mar-23	Balance As at 31-Mar-23	Balance As at 31-Mar-22
Computer software	1,401.14	88.48	84.37	1,405.25	1,284.33	31.42	84.38	1,231.37	173.88	116.82
TOTAL	1,401.14	88.48	84.37	1,405.25	1,284.33	31.42	84.38	1,231.37	173.88	116.82

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
PARTICULARS	As at 01-Apr-21	Additions	Deductions/ Adjustments	As at 31-Mar-22	As at 01-Apr-21	Charge for the year	Deductions/ Adjustments	As at 31-Mar-22	Balance As at 31-Mar-22	Balance As at 31-Mar-21
Computer software	1,404.38	-	3.24	1,401.14	1,253.04	32.65	1.36	1,284.33	116.82	151.34
TOTAL	1,404.38	-	3.24	1,401.14	1,253.04	32.65	1.36	1,284.33	116.82	151.34

Notes

1. The Company has capitailized PA & APS Refurnishment plant at a cost of ₹ 3986.87 Lakhs during FY 2022-23.Further company has capitalised SAP HANA module of ₹ 421.67 lakhs
2. The company has purchased 99 year lease land for Surat office & Rajkot office of ₹ 1719.96 during FY 2022-23
3. Asset acquisition includes R&D assets of ₹ 78.55 lakhs (previous year ₹ 25.53 lakhs).
4. 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.
5. The Company has acquired land through Government and also through direct negotiations. The entire land is in possession of the Company. In respect of other portion of land acquired through direct negotiations, compensation has been paid at the negotiated price. The Company also holds possession of a portion of land for which no amount has been paid in absence of receipt of awards.
6. 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.

7. Non-current investments

(₹ in lakhs)

Praticulars		As at 31-03-2023	As at 31-03-2022
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
2,54,34,558	Shares of Karnalyte Resources Inc - Canadian Dollar (CAD)		
	(91,00,000 shares subscribed during the year)	6,042.94	4,064.38
	Less : Provision for Impairment	1,418.10	1,418.10
		4,749.84	**2,771.28**
Investments in equity shares of subsidiary measured at cost			
1,99,99,994	shares of GSFC Agrotech Ltd. - ₹ 10 each	2,000.00	2,000.00
12,00,000	shares of Vadodara Jal Sanchay Private Limited - ₹ 10 each	120.00	120.00
12,00,000	shares of Gujarat Port and Logistics Company Limited - ₹ 10 each	120.00	120.00
		2,240.00	**2,240.00**
Unquoted equity shares of other companies measured at fair value through OCI			
22,50,000	Shares of Indian Potash Limited - ₹ 10 each	80,707.50	49,162.50
12,26,31,575	Shares of Gujarat Chemical Port Limited - Re. 1 each		
	(Formerly Gujarat Chemical Port Terminal Company Limited)	34,336.84	38,015.79
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	3,569.65	2,627.30
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	147.00	165.60
50,000	Shares of Biotech Consortium India Limited – ₹ 10 each	20.50	20.00
1,15,000	Shares of Gujarat Data Electronics Limited - ₹ 10 each	-	-
		1,18,781.49	**89,991.19**
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	1,56,773.69	2,59,914.68
2,23,62,784	Shares of Gujarat Industries Power Company Ltd. - ₹ 10 each	16,973.35	16,425.46
16,55,040	Shares of Gujarat Alkalies & Chemicals Ltd. - ₹ 10 each	9,684.47	14,838.26
4,69,14,475	Shares of Gujarat Gas Ltd. - ₹ 2 each	2,15,618.93	2,36,097.10
9,35,600	Shares of Gujarat State Financial Corporation - ₹ 10 each	-	-
11,36,000	Shares of Bandhan Bank Limited - ₹ 10 each	2,223.72	3,492.06
5,49,440	Shares of Industrial Development Bank of India - ₹ 10 each	247.25	235.16
5,79,000	Shares of Mangalore Chemicals & Fertilizers Ltd. - ₹ 10 each	566.84	500.84
		4,02,088.25	**5,31,503.56**
Total FVTOCI Investments		**5,20,869.74**	**6,21,494.75**
Other equity investments			
Tunisian Indian Fertilizers (TIFERT) (Note - e)		-	-
TOTAL INVESTMENTS		**5,27,859.58**	**6,26,506.03**
Aggregate book value of Quoted Investments		4,02,088.25	5,31,503.56
Aggregate market value of Quoted Investments		4,02,088.25	5,31,503.56
Aggregate carrying value of Unquoted Investments		1,25,771.33	95,002.47
Category-wise other investments-as per Ind AS 109 classification			
Particulars		**31-03-2023**	**31-03-2022**
Financial assets carried at fair value through profit or loss (FVTPL)		-	-
Financial assets carried at cost		6,989.84	5,011.28
Financial assets measured at FVTOCI		5,20,869.74	6,21,494.75
TOTAL INVESTMENTS		**5,27,859.58**	**6,26,506.03**

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 2023 & 31st March 2022.

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 3 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 6 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 2023 & 31st March 2022.

8. Other non-current financial assets

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered good		
Other deposits	2,994.73	2,826.93
Unsecured, considered doubtful		
Deposits with companies & others	102.70	102.70
Less: Allowance for doubtful deposits	(102.70)	(102.70)
TOTAL	**2,994.73**	**2,826.93**

9. Other non current assets

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital Advances*	33,500.12	31,248.21
Others	29.95	24.85
TOTAL	**33,530.07**	**31,273.06**

*Capital advance as on 31st March,2023 includes ₹ 27,670.51 lakhs (₹ 27,968.04 lakhs as at 31st March,2022) advance for leasehold land pending execution of lease deed towards plot in Dahej.

10. Inventories

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw materials	29,476.01	31,866.27
Raw materials in Transit	-	12,027.83
Work-in-Process	3,831.83	2,546.96
Finished goods	58,460.72	59,279.68
Stock in trade	835.30	1,841.95
Stores and spares (including packing material)	24,961.68	22,323.31
TOTAL	**1,17,565.54**	**1,29,886.00**

11. Trade receivables

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured, considered good	**734.21**	**575.59**
Unsecured, considered good	48,602.48	35,632.15
Less: Allowance for expected credit loss	(185.41)	(308.61)
Unsecured, considered good	**48,417.07**	**35,323.54**
Unsecured, credit impaired	6,400.66	6,361.96
Less: Allowance for doubtful debts	(6,400.66)	(6,361.96)
Unsecured, credit impaired	**-**	**-**
Total Trade Receivables	**49,151.28**	**35,899.13**

(i) 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.

(ii) The company has six customers (GSFC Agrotech Limited, GFDA, JCT Ltd, SRF Ltd, MIT Ltd & GSCMFL) which represents more than 5% of the total balance of trade receivables.

(iii) 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.

(iv) 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.

(v) The above balances include trade receivables from related parties ₹ 3593.17 Lakhs (₹ 3328.64 Lakhs as on 31 March 2022) Refer note 39.

(vi) Trade receivable ageing schedule:

Particulars	Outstanding as on 31st March 2023 for following periods from due date of payment							Outstanding as on 31st March 2022 for following periods from due date of payment						
	Not Due	Less than 6 months	6 months-1 Years	1-2 Years	2-3 Years	More than 3 Years	Total	Not Due	Less than 6 months	6 months-1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivable-Considered good	47,812.46	1,246.54	8.97	12.95	-	70.36	49,151.28	33,412.18	2,363.49	0.36	0.25	2.25	120.60	35,899.13
Undisputed trade receivable-Significant increase in credit risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undisputed Trade Receivable-Credit Impaired	-	19.77	0.37	6.00	0.09	159.19	185.41	-	15.79	0.09	0.28	85.04	207.41	308.61
Disputed Trade Receivable-Considered good	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disputed trade receivable-Significant increase in credit risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable-Credit Impaired	-	-	-	-	-	6,400.66	6,400.66	-	-	-	-	22.38	6,339.58	6,361.96
	47,812.46	1,266.31	9.34	18.95	0.09	6,630.22	55,737.35	33,412.18	2,379.28	0.45	0.53	109.67	6,667.60	42,569.71
Less: Credit Impaired (Allowance for Doubtful Debt)	-	19.77	0.37	6.00	0.09	6,559.86	6,586.07	-	15.79	0.09	0.28	107.42	6,547.00	6,670.57
Total Receivables	**47,812.46**	**1,246.54**	**8.97**	**12.95**	**-**	**70.36**	**49,151.28**	**33,412.18**	**2,363.49**	**0.36**	**0.25**	**2.25**	**120.60**	**35,899.13**

12. Government subsidies receivable

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Subsidy from Government of India under New Urea Policy/Nutrient Based Subsidy Scheme		
Subsidy Receivable from Government	1,76,487.47	71,469.73
Less: Allowance for doubtful debts	458.29	458.29
TOTAL	**1,76,029.18**	**71,011.44**

13. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash and cash equivalents		
Cash on hand	4.06	4.24
Balances with banks		
In current accounts	2,663.45	2,635.45
Debit balance in Cash Credit Account	3,087.41	1,588.36
Deposit with original maturity of less than three months	1,02,502.10	-
Liquid Deposits with Financial Institutions	-	26,500.00
	1,08,257.02	**30,728.05**

14. Other bank balances

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
In Unclaimed dividend account-restricted	451.19	480.07
In Margin Deposit	469.28	-
In Deposit accounts (original maturity more than three months)	33,105.01	373.13
TOTAL	**34,025.48**	**853.20**

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 2014 – 2015 to IEPF upto March 31, 2023.

15. Loans

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured, considered good		
Loans to employees*	24,202.69	22,542.24
Unsecured, considered good		
Advances to employees	31.63	40.04
Other loans to employees	559.21	556.73
TOTAL	**24,793.53**	**23,139.01**

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, 2023	As at 31st March, 2022
Financial assets at amortised cost		
Deposits with Financial Institutions	-	1,31,500.00
Interest accrued	1,057.43	2,362.18
Others	200.35	169.80
TOTAL	**1,257.78**	**1,34,031.98**

17. Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered good		
Balances with govt. agencies	7,746.17	5,528.58
Advances to suppliers*	10,066.12	15,954.62
Prepaid expenses	198.77	405.78
Prepayment for Lease hold lands	297.53	297.53
TOTAL	**18,308.59**	**22,186.51**

* includes advances to related parties ₹ 4110.78 lakhs (₹ 3805.83 lakhs as at 31st March, 2022).

18. Assets held for sale

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Assets classified as held for sale	-	0.25
TOTAL	**-**	**0.25**

19. Share Capital

(₹ in lakhs)

Particulars	As at 31st March 2023		As at 31st March 2022	
	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**

"# Difference in Issued, Subscribed & Paid-up Equity Share Capital is due to 52,165 Equity Shares unsubscribed amounting to ₹ 1.04 Lakhs and 5,92,155 Equity Shares forfeited amounting to ₹ 11.84 Lakhs. Therefore, over all difference in Issued & Paid Share Capital is amounting to ₹ 12.89 Lakhs"

a) Reconciliation of Shares outstanding at the beginning and the end of the reporting period

(₹ in lakhs)

Particulars	As at 31st March 2023		As at 31st March 2022	
	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 2023		As at 31st March 2022	
	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	58,57,337	1.47	2,44,67,861	6.14
Fidelity Puritan Trust-Fidelity Low priced stock fund	1,40,00,100	3.51	2,70,50,100	6.79

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) **Details of Promotors holding Shares in the company**

Particulars	As at 31st March 2023		As at 31st March 2022		% Change during the year
	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	-

Particulars	As at 31st March 2022		As at 31st March 2021		% Change during the year
	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	-

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, 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**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated Balance as at 1st April, 2021	1,256.33	30,524.02	3,335.00	5,07,153.31	-	3,28,445.82	8,70,714.48
Profit for the year	-	-	-	-	89,089.93	-	89,089.93
Other comprehensive income for the year net of income tax	-	-	-	-	-	1,70,800.99	1,70,800.99
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	1,331.14	-	1,331.14
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**90,421.07**	**1,70,800.99**	**2,61,222.06**
Dividends paid [Note 20]	-	-	-	-	(8,766.49)	-	(8,766.49)
Transfer to General reserve	-	-	-	49,000.00	(49,000.00)	-	-
Balance as at March 31, 2022	**1,256.33**	**30,524.02**	**3,335.00**	**5,56,153.31**	**68,385.23**	**4,99,246.81**	**11,58,900.70**
Balance as at April 01, 2022	**1,256.33**	**30,524.02**	**3,335.00**	**5,56,153.31**	**68,385.23**	**4,99,246.81**	**11,58,900.70**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated Balance as at 1st April, 2022	1,256.33	30,524.02	3,335.00	5,56,153.31	68,385.23	4,99,246.81	11,58,900.70
Profit for the year	-	-	-	-	1,29,307.62	-	1,29,307.62
Other comprehensive income for the year net of income tax	-	-	-	-	-	(91,559.41)	(91,559.41)
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	1,696.20	-	1,696.20
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**1,31,003.82**	**(91,559.41)**	**39,444.41**
Dividends paid [Note 20]	-	-	-	-	(9,962.18)	-	(9,962.18)
Transfer to General reserve	-	-	-	49,000.00	(49,000.00)	-	-
Balance as at March 31, 2023	**1,256.33**	**30,524.02**	**3,335.00**	**6,05,153.31**	**1,40,426.87**	**4,07,687.40**	**11,88,382.93**

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 2022: ₹ 2.50 per share (31 March 2021: ₹ 2.20 per share)	9,962.18
Total cash dividends declared and paid	**9,962.18**
Proposed dividends on Equity shares:	
Final dividend for the year ended on 31 March 2023: ₹ 10.00 per share (31 March 2022: ₹ 2.50 per share)	39,847.75
Total Proposed dividends	**39,847.75**
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 provisions

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Provision for Gratuity (Refer Note 37)	160.18	4,157.87
Provision for Pension (Refer Note 37)	-	4,066.45
Provision for Compensated absences	20,984.06	21,666.56
Provision for Post Retirement Medical Benefit Scheme (PRMBS) (Refer Note 37)	4,833.80	4,968.49
Provision for Asset Retirement Obligation	2,578.23	2,381.49
Other Provisions	2,504.26	2,504.26
TOTAL	**31,060.53**	**39,745.12**

Movement in provision for Asset Retirement Obligation:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at Beginning of Year	2,381.49	2,200.03
Additional provision recognised	196.74	181.46
Provision Utilized	-	-
Balance at Closing of Year	2,578.23	2,381.49

22. Financial Liabilities- borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
Loans repayable on demand		
Short term working capital demand loan/over drafts from banks	-	282.27
TOTAL	**-**	**282.27**

* 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 8.00% p.a.

(ii) Working capital demand loan carries interest rate ranging from 4.50% to 7.15% p.a.

(iii) The Company has taken borrowings from banks and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Quarterly statements of current assets filed by the Company with Bank are in agreement with the books of accounts of the Company for the respective periods.

23.

A Income tax asset (net)

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance payment of Income Tax (net)	6,198.22	5,988.38

B Current tax liabilities (net)

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Income Tax (net)	2,318.68	9,627.47

C Deferred tax liabilities (net)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Statement of Profit & loss		
Profit & loss section		
Current income tax charge (net of MAT credit entitlement)	41,033.58	32,893.61
Deferred tax relating to origination & reversal of temporary differences	(11,567.89)	7,957.47
Earlier Year Tax	(2,019.74)	547.57
Income tax expense reported in the statement of profit or loss	**27,445.95**	**41,398.65**
(b) Other comprehensive income section		
Unrealised (gain)/loss on FVTOCI equity securities	(9,169.31)	27,299.88
Net loss/(gain) on remeasurements of defined benefit plans	1,918.38	715.01
Income tax charged to OCI	**(7,250.93)**	**28,014.89**
(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	**1,56,753.57**	**1,30,488.58**
Statutory income tax rate	25.168%	34.944%
Tax at statutory income tax rate	39,451.74	45,597.73
Tax effects of :		
Income not subject to tax	(99.02)	(232.93)
Inadmissiable expenses or expenses treated seperately	11,791.57	12,194.91
Admissiable deductions	(8,792.03)	(20,047.69)
Deduction Under chapter - VI	(1,318.69)	(4,618.41)
Deferred tax on other items	(11,567.89)	7,957.47
Total Tax effects	**(9,986.06)**	**(4,746.65)**
Income tax expense	**29,465.68**	**40,851.08**
Earlier year tax	(2,019.74)	547.57
Income tax expense reported in statement of Profit & loss	**27,445.95**	**41,398.65**

(d) Deferred tax relates to the following: **(₹ in lakhs)**

	Balance sheet		Profit & loss	
	31-Mar-23	**31-Mar-22**	**2022-23**	**2021-22**
Property, plant and equipment	(38,926.29)	(56,784.88)	(17,858.59)	(378.64)
Expenses allowable for tax purpose when paid	8,583.32	(2,879.05)	(11,462.36)	8,531.98
Investments in Equity instruments	(23,327.20)	(32,496.51)	(9,169.31)	27,299.88
Fair valuation of deposits	0.21	0.30	0.08	-
Actuarial loss on Defined benefit plan	1,687.04	19,623.23	17,936.18	715.01
Fair valuation of Derivatives	-	(6.65)	(6.65)	-
Machinery Spares	-	1,464.17	1,464.17	-
Provision for PF Contribution	978.81	484.94	(493.87)	(174.72)
Allowance for doubtful debts	3,322.47	3,943.67	621.20	6.19
ARO provision-Windmill	423.45	528.70	105.25	(63.41)
ARO provision-Solar	12.13	7.32	(4.80)	-
Leasehold Building IND AS	(114.67)	(125.47)	(10.80)	36.12
ICDS Impact	52.26	112.94	60.68	(0.06)
Reclassification of MAT Credit entitlement	-	5,847.84	5,847.84	333.19
Deferred tax expense/(income)			**(12,970.98)**	**36,305.54**
Net deferred tax assets/(liabilities)	**(47,308.47)**	**(60,279.45)**		
Reconciliation of deferred tax liabilities (net):				
Opening Balance as at	**31-Mar-22**	**31-Mar-21**		
	(60,279.45)	**(23,973.92)**		
Tax income/(expense) during the period recognised in P&L	11,567.89	(7,957.47)		
Tax income/(Expense) MAT credit recognised in P&L/Utilised	(5,847.84)	(333.19)		
Tax income/(expense) during the period recognised in OCI	7,250.93	(28,014.87)		
Closing balance as at	**(47,308.47)**	**(60,279.45)**		
	31-Mar-23	**31-Mar-22**		

Notes:

1. 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.
2. The Company has decided to exercise the option from FY 2022-23 permitted under section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 under which domestic companies have the option to pay income tax at lower rate ("New tax rate") subject to the giving up of certain incentives and deductions. Accordingly, the provision for current tax and deferred tax is recognized at the New tax rate u/s 115BAA. Further, the company has remeasured the outstanding net deferred tax liability and reversed deferred tax amount of ₹ 109.64 Crores in the statement of profit & loss and debited ₹ 10.09 Crores in OCI during the year.

24. Lease Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current	90.62	97.37
Non Current	148.23	170.20
Total Lease Liabilities	**238.85**	**267.57**

**** Details of Lease Liabilities :**

Movement of Lease Liabilities was as under:	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	267.57	175.77
Add: Additions	100.64	212.21
Add: Interest recognised during the year	36.49	30.92
Less: Lease Termination	32.81	15.45
Less: Payment Made	133.04	135.88
Closing Balance	238.85	267.57

The maturity Analysis of lease liabilities are disclosed in Note 41

Company as Lessee:

The Company has taken various warehouses, godowns, guesthouses leasehold land and office premises under rental agreements. The following are the amounts recognised in Statement of Profit & Loss:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Depreciation expenses of right-of-use assets	92.81	92.71
Interest expenses on lease liabilities	36.49	30.92
Total amount recognised in profit & loss	**129.30**	**123.63**

Company as Lessor:

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.

25. Current financial liabilities-trade payables

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Due to Micro, Small and Medium Enterprises (MSMED)*	1,486.79	534.35
Others**	57,156.26	76,047.47
TOTAL	**58,643.05**	**76,581.82**

(1) Due to Micro, Small and Medium Enterprises (MSMED)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,486.79	534.35
(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	1.25	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

(2) **Trade Payables ageing schedule:**

Particulars	Outstanding as on 31st March 2023 for following periods from due date of payment							Outstanding as on 31st March 2022 for following periods from due date of payment						
	Unbilled	Not due	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total	Unbilled	Not due	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Micro and Small Enterprises	-	1,285.39	201.40	-	-	-	1,486.79	-	525.27	9.08	-	-	-	534.35
Others	11,628.60	33,131.67	8,267.22	571.51	371.23	3,161.00	57,131.23	12,802.55	57,749.14	1,258.18	282.74	15.76	3,214.04	75,322.41
Disputed dues – Micro and Small Enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	25.03	25.03	-	-	-	-	-	725.06	725.06
Total Trade Payables	**11,628.60**	**34,417.06**	**8,468.62**	**571.51**	**371.23**	**3,186.03**	**58,643.05**	**12,802.55**	**58,274.41**	**1,267.26**	**282.74**	**15.76**	**3,939.10**	**76,581.82**

*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 ₹ 904.85 Lakhs (₹ 1148.83 Lakhs as on 31 March 2022) Refer Note 39.

26. Other current financial liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial liabilities at fair value through profit & loss		
Derivatives not designated in hedging relationship		
Foreign exchange derivative contracts	15.75	57.41
Other financial liabilities at amortised cost		
Unclaimed dividend*	451.19	480.07
Deposits received	5,517.23	5,290.00
Liability towards employee benefits	6,549.54	7,184.41
Creditors for capital goods	11,424.16	11,173.78
Other payables	891.67	767.89
TOTAL	**24,849.54**	**24,953.56**

* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.

27. Other current liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances from customers	1,853.43	1,560.76
Statutory dues	1,683.56	1,842.25
Income received in advance	3.70	9.80
Others	3,352.53	-
TOTAL	**6,893.22**	**3,412.81**

28. Provisions

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Provision for Gratuity (Refer note 37)	1,371.66	2,402.55
Provision for Pension (Refer note 37)	(795.36)	5,432.87
Provision for Compensated absences*	4,868.94	4,778.55
Provision for PRMBS (Refer note 37)	287.76	272.84
Other Provision**	3,889.10	2,587.76
TOTAL	**9,622.10**	**15,474.57**

* 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-EPFTs) are holding investments aggregating to ₹ 3,527.10 Lakhs in various debt securities issued by IL&FS Group, Yes Bank Ltd., Reliance Home Finance, Reliance Capital Ltd and SREI Group. As a matter of prudence, the company has made a provision in view of uncertainties regarding recoverability of such investments. In future company will make provision looking to the development in the matter.

29. Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31st March, 23	Year ended 31st March, 22
Revenue from sale of products (including subsidy on fertilizers)		
- Manufactured / Generated products	10,20,648.77	8,36,578.79
- Traded products	1,07,811.18	61,829.42
- Other Operating Revenue	1,342.72	1,370.17
Total	**11,29,802.67**	**8,99,778.38**
Revenue from operation above includes:-		
Subsidy from Government of India under New Urea Policy/Nutrient Based Subsidy Scheme		
Pertaining to current year	5,53,409.51	3,10,298.70
Pertaining to earlier years determined during current year	27,622.18	15,734.72
TOTAL	**5,81,031.69**	**3,26,033.42**

30. Other income

(₹ in lakhs)

Particulars	Year ended 31st March, 23	Year ended 31st March, 22
Interest		
Deposits:	5,626.74	5,306.20
Advances:	1,075.63	996.33
Others:	130.02	330.21
Dividend from long term investments	5,239.54	4,356.47
Rent	302.05	183.33
Insurance claims	41.52	3,271.94
Excess provision no longer required	481.07	1,339.04
Scrap sales	956.07	1,252.28
Profit on sale of fixed assets	155.42	302.84
Miscellaneous income	640.46	695.64
TOTAL	**14,648.52**	**18,034.28**

31. Cost of material consumed

(₹ in lakhs)

Particulars	Year ended 31st March, 23	Year ended 31st March, 22
Raw Materials		
Opening stock	43,894.10	22,675.10
Add: Purchases	5,70,715.91	5,09,378.64
Less: Closing stock	29,476.01	43,894.10
TOTAL	**5,85,134.00**	**4,88,159.64**

32. Changes in inventory of finished goods, work in process and stock in trade

(₹ in lakhs)

Particulars	Year ended 31st March, 23	Year ended 31st March, 22
Opening stock		
Finished products	59,279.68	43,914.64
Stock in trade	1,841.95	1,419.62
Work-in-process	2,546.96	1,445.55
	63,668.59	**46,779.81**
Less: Closing stock		
Finished products	58,460.72	59,279.68
Stock in trade	835.30	1,841.95
Work-in-process	3,831.83	2,546.96
	63,127.85	**63,668.59**
(Increase) / Decrease	**540.74**	**(16,888.78)**

33. Employee benefit expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 23	Year ended 31st March, 22
Salaries, wages, bonus	49,518.51	46,329.96
Contribution to provident, gratuity and superannuation (pension) funds (including provisions)	8,462.68	10,469.96
Staff Welfare expenses	7,665.10	8,785.07
TOTAL	**65,646.29**	**65,584.99**

- Employee benefit expenses includes R&D salary expenses of ₹ 958.21 lakhs (previous year ₹ 981.75 lakhs) (Refer note no. 42)

34. Finance costs

(₹ in lakhs)

Particulars	Year ended 31st March, 23	Year ended 31st March, 22
Interest		
- borrowings	355.21	34.72
- others	846.73	507.62
Other borrowing cost	287.48	420.64
TOTAL	**1,489.42**	**962.98**

35. Other expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 23	Year ended 31st March, 22
Consumption of stores and spare parts	14,525.02	14,080.54
Water	3,466.44	3,744.57
Packing expenses	10,324.05	10,638.13
Repairs to buildings	527.03	660.21
Repairs to machinery	7,722.96	8,449.67
Other repairs	649.67	701.39
Insurance	1,836.80	1,671.92
Rent, rates and taxes	280.50	109.39
Product transportation, distribution & loading & unloading charges	28,613.24	25,503.52
Depots and farm information centers expense	1,150.27	1,381.34
Marketing expense reimbursement, demonstration, extension services and publicity etc.	1,151.33	407.85
Foreign exchange gain/loss (net)	978.31	737.47
Directors fees	19.25	17.14
Legal & Professional charges	746.96	969.14
Auditors' remuneration *	23.97	21.63
Cost auditors' fees	4.60	4.61
Loss on fixed assets sold/discarded	26.93	-
Allowance for doubtful debts	157.63	123.39
Amortisation of leasehold land	297.53	297.53
Donations and contributions	973.83	797.46
Miscellaneous	16,282.74	5,153.64
TOTAL	**89,759.06**	**75,470.54**
Other expenses includes R&D expenses of ₹ 16.97 lakhs (previous year ₹ 12.40 lakhs) in respective heads (Refer note no. 42)		

*Auditors' remuneration

Particulars	Year ended 31st March, 23	Year ended 31st March, 22
Payment to Statutory Auditors:		
For Statutory audit	2.25	7.70
For Taxation matters	3.48	2.20
For other services (including Limited Review fees & certification)	17.05	10.77
For Reimbursement of expenses	1.19	0.96
	23.97	**21.63**

36. Earnings per share (EPS):

(₹ in lakhs)

Particulars	Year ended 31st March, 23	Year ended 31st March, 22
i. Profit attributable to Equity holders of the Company		
Profit attributable to equity holders of the Company		
Continuing operations	1,29,307.62	89,089.93
Discontinued operations	-	-
Profit attributable to equity holders of the Company for basic earnings	1,29,307.62	89,089.93
Effect of dilution	-	-
Profit attributable to equity holders of the Company adjusted for the effect of dilution	**1,29,307.62**	**89,089.93**
ii. Weighted average number of ordinary shares		
Issued ordinary shares	39,84,77,530	39,84,77,530
Effect of dilution	-	-
	39,84,77,530	39,84,77,530
Basic EPS (₹)	32.45	22.36
Diluted EPS (₹)	32.45	22.36
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 ₹ 4351.15 lakhs for FY 2022-23 (₹ 4349.75 lakhs for FY 2021-22).

37. Employment benefit plans (Contd...)

c) Details of funded & unfunded plans are as follows:

(₹ in lakhs)

Description	Pension		Gratuity		PRMBS	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1. Changes In Present Value of obligation						
a. Obligation as at the beginning of the year	75,314.86	78,081.62	38,225.82	39,557.57	5,241.33	5,476.65
b. Current Service Cost	909.80	1,098.30	1,682.12	1,816.05	206.50	220.93
c. Interest Cost	5,151.54	5,067.50	2,762.48	2,709.69	387.86	378.44
d. Actuarial (Gain)/Loss	(2,071.65)	(71.50)	(1,138.62)	(1,282.48)	(49.17)	(117.76)
e. Benefits Paid	(9,715.80)	(8,861.06)	(5,144.36)	(4,575.01)	(664.97)	(716.92)
f. Obligation as at the end of the year	69,588.75	75,314.86	36,387.44	38,225.82	5,121.56	5,241.33
The defined benefit obligation is	Funded	Funded	Funded	Funded	Unfunded	Unfunded
2. Changes in Fair Value of Plan Assets						
a. Fair Value of Plan Assets as at the beginning of the year	65,815.54	48,748.23	31,665.39	26,069.19	—	—
b. Interest Income	4,501.79	3,163.76	2,288.16	1,785.74	—	—
c. Return on Plan Assets, Excluding Interest Income	389.74	472.14	(34.59)	102.27	—	—
d. Contributions	9,392.84	22,292.47	6,081.00	8,283.21	—	—
e. Benefits Paid	(9,715.80)	(8,861.06)	(5,144.36)	(4,575.01)	—	—
f. Fair Value of Plan Assets as at the end of the year	70,384.11	65,815.54	34,855.60	31,665.39	—	—
3. Amount Recognised In The Balance Sheet						
a. Fair Value of Plan Assets as at the end of the year	70,384.11	65,815.54	34,855.60	31,665.39	—	—
b. Present Value of Obligation as at the end of the year	(69,588.75)	(75,314.86)	(36,387.44)	(38,225.82)	(5,121.56)	(5,241.33)
c. Amount recognised in the Balance Sheet	795.36	(9,499.32)	(1,531.84)	(6,560.43)	(5,121.56)	(5,241.33)
4. Expense recognised in P & L during the year						
a. Current Service Cost	909.80	1,098.30	1,682.12	1,816.05	206.50	220.93
b. Net Interest Cost	649.75	1,903.74	474.32	923.95	387.86	378.44
c. Expense recognised during the year	1,559.55	3,002.04	2,156.44	2,740.00	594.36	599.36
5. Expense recognised in OCI during the year						
a. Return on Plan Assets,Excluding Interest Income	(389.74)	(472.14)	34.59	(102.27)	—	—
b. Actuarial (Gain)/Loss recognised on Obligation	(2,071.65)	(71.50)	(1,138.62)	(1,282.48)	(49.17)	(117.76)
c. Net (Income)/Expense recognised during the year	(2,461.39)	(543.64)	(1,104.03)	(1,384.75)	(49.17)	(117.76)
6. Investment Details of Plan Assets						
Administered by LIC of India	100%	100%	100%	100%	—	—

d) Assumptions

(₹ in lakhs)

	Pension		Gratuity		PRMBS	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
a. Discount Rate (per annum)	7.50%	6.84%	7.50%	7.23%	7.53%	7.40%
b. Estimated Rate of return on Plan Assets (per annum)	7.50%	6.84%	7.50%	7.23%	NA	NA
c. Medical Cost Inflation (per annum)	NA	NA	NA	NA	4.00%	4.00%

37. Employment benefit plans (Contd...)

d. The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

e. The estimate of mortality rate during employment has been considered as per Indian Assured Lives Mortality (2006-08).

f. 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.

(₹ in lakhs)

Maturity Profile	Pension		Gratuity		PRMBS	
Projeted benefit payable in future year from the date of reporting	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1st Following year	12,037.23	11,285.95	6,458.65	6,187.00	287.75	272.83
2nd Following year	7,574.56	8,603.60	3,748.67	4,227.75	304.52	294.31
3rd Following year	9,204.48	10,807.14	4,434.76	5,186.63	318.85	311.87
4th Following year	8,937.89	8,806.37	4,318.24	4,246.04	333.00	326.99
5th Following year	7,328.28	8,489.20	3,605.18	4,111.28	344.22	341.88
Sum of year 6 to 10	37,325.84	38,248.27	17,853.74	18,400.23	1,912.00	1,911.59
Sum of year 11 and above	21,192.11	23,434.18	21,091.55	19,892.43	-	-

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.

e) Effect of one percentage point change in the assumed

(₹ in lakhs)

Description	2022-23		
	Pension	Gratuity	PRMBS
a. One percentage point increase in Discount Rate	(2,846.22)	(1,745.71)	(508.00)
b. One percentage point decrease in Discount Rate	3,124.92	1,974.25	620.14
Effect of one percentage point change in the assumed Salary Escalation Rate			
a. One percentage point increase in Salary Escalation Rate	3,140.24	1,918.61	NA
b. One percentage point decrease in Salary Escalation Rate	(2,910.89)	(1,778.78)	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	636.73
b. One percentage point decrease in medical inflation rate	NA	NA	(528.20)

37. Employment benefit plans (Contd...)

f) Details of funded & unfunded plans are as follows:

(₹ in lakhs)

Pension		2022-23	2021-22	2020-21	2019-20	2018-19
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)						
1	Present Value of Defined Benefit Obligation	69,588.75	75,314.86	78,081.62	79,876.92	61,093.93
2	Fair Value of Plan Assets	70,384.11	65,815.54	48,748.23	39,975.18	37,243.76
3	Status [Surplus/(Deficit)]	795.36	(9,499.32)	(29,333.39)	(39,901.74)	(23,850.18)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	389.74	472.14	139.31	(170.10)	(107.38)
5	Experience/Assumptions Adjustment of obligation [(Gain)/Loss]	(2,071.65)	(71.50)	1,423.18	18,870.75	303.51
Gratuity		**2022-23**	**2021-22**	**2020-21**	**2019-20**	**2018-19**
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)						
1	Present Value of Defined Benefit Obligation	36,387.44	38,225.82	39,557.57	40,436.32	29,003.72
2	Fair Value of Plan Assets	34,855.60	31,665.39	26,069.19	21,799.23	21,476.75
3	Status [Surplus/(Deficit)]	(1,531.84)	(6,560.43)	(13,488.38)	(18,637.09)	(7,526.97)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	(34.59)	102.27	324.74	(8.02)	(70.52)
5	Experience/Assumptions Adjustment of obligation [(Gain)/Loss]	(1,138.62)	(1,282.48)	(545.82)	10,969.21	741.81
PRMBS		**2022-23**	**2021-22**	**2020-21**	**2019-20**	**2018-19**
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)						
1	Present Value of Defined Benefit Obligation	5,121.56	5,241.33	5,476.65	4,889.38	4,049.84
2	Fair Value of Plan Assets	-	-	-	-	-
3	Status [Surplus/(Deficit)]	(5,121.56)	(5,241.33)	(5,476.65)	(4,889.38)	(4,049.84)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	-	-	-	-	-
5	Experience/Assumptions Adjustment of obligation [(Gain)/Loss]	(49.17)	(117.76)	517.72	908.56	63.38

38. Commitment and contingencies

a. Commitments

(₹ in lakhs)

Particulars	As at 31 Mar-23	As at 31 Mar-22
(i) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	73,585.52	14,865.20

b. Contingent liabilities

(₹ in lakhs)

Particulars	As at 31 Mar-23	As at 31 Mar-22
Claims against the Company not acknowledgement as debt		
(i) Excise and Customs duty	2,049.34	2,372.72
(ii) Central sales tax and value added tax	2,266.03	3,461.20
(iii) Income tax	19,398.16	19,494.38
(iv) Other	66,555.71	67,664.30
(v) 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 (listed entity/subsidiary)	Name of the Counterparty	Nature of Relationship	Nature of Transaction	2022-23	2021-22
GSFC LTD	GSFC Agrotech Limited	Subsidiary	Purchase of goods (Net of Credit note/return)	735.75	1521.48
			Sale of materials/Goods	33162.73	34953.66
			Income from Other Services	7.09	6.99
			Reimbursement of expenses	344.04	960.65
			Expenses Recovered	615.43	1365.61
			Outstanding balance-Payable	(164.08)	(65.68)
			Outstanding balance-Receivable	3197.30	2988.16
			Dividend received/receivable	50.00	100.00
GSFC LTD	Vadodara Enviro Channel Ltd.	Associate	Usage of effluent channel	288.50	352.24
			Outstanding balance-Payable	23.24	24.62
GSFC LTD	Gujarat Green Revolution Company	Associate	Expenses Recovered	205.22	198.56
			Dividend received/receivable	12.50	12.50
			Outstanding balance-Receivable	37.12	78.58
GSFC LTD	Karnalyte Resources Inc.	Associate	Expenses Recovered	30.82	14.91
			Equity Contribution	1978.57	0.00
GSFC LTD	Managing Director	Key Management Personnel	Remuneration	197.49	175.78
GSFC LTD	V D Nanavaty – ED (Finance) & CFO		Interest Income	1.11	0.62
GSFC LTD	V V Vachhrajani, CS & SVP(Legal & IR)		Outstanding balance	0.00	10.09
GSFC LTD	Gujarat Alkalies and Chemicals Limited	Other related party	Purchase of Materials	4517.05	3050.17
			Expenses Recovered	23.97	17.92
			Dividend received/receivable	165.50	132.40
			Outstanding balance-payable	257.29	187.32
			Outstanding balance-Receivable	3.19	8.33

39. Related party transactions (Contd...)

GSFC LTD	Tunisian Indian Fertilizer Company (TIFERT)	Other related party	Purchase of Material	52969.10	55098.87
			Advance to vendor	4110.78	3805.83
			Provision for Investment	103.71	43.59
			Expenses Recovered	19.36	9.38
			Outstanding balance-Receivable	327.68	231.89
GSFC LTD	Gujarat State Petronet Ltd	Other related party	Fees for Services	2467.37	1494.88
			Outstanding balance-payable	103.38	115.38
GSFC LTD	GSFC Education Society	Other related party	Donation Granted	891.84	400.00
GSFC LTD	Gujarat Gas Ltd	Other related party	Income from Other Services	69.71	65.49
			Dividend received/receivable	938.29	938.29
			Outstanding balance-payable	9.00	3.19
GSFC LTD	The Fertilizer Association of India	Other Related Party	Fees for Services	19.28	17.97
GSFC LTD	Gujarat Narmada Valley Fertilizers Company Limited	Other Related Party	Purchase of Materials	0.00	1822.92
			Sale of Material	1388.02	522.53
			Fees for Services	0.31	3.45
			Dividend received/receivable	3077.91	2462.34
			Outstanding balance-Payable	(0.06)	0.06
			Outstanding balance-Receivable	27.94	12.55
GSFC LTD	Gujarat Industries Power Company Limited.	Other Related Party	Purchase of power	0.00	7092.76
			Sale of power	13.81	67.94
			Dividend received/receivable	559.06	603.80
			Outstanding balance-Receivable	(0.06)	9.00
			Outstanding balance-Payable	0.00	1.00
GSFC LTD	Gujarat State Petroleum Corporation Ltd.	Other Related Party	Purchase of Gas	80170.61	35573.83
			Fees for Services	0.90	1.06
			Outstanding balance-payable	667.94	614.26
GSFC LTD	Indian Potash Ltd.	Other Related Party	Purchase of Material	0.00	3116.97
			Dividend received/receivable	135.00	90.00
			Outstanding balance-payable	8.70	268.92
GSFC LTD	GSFC Science Foundation	Other Related Party	Expenses Recovered	0.56	0.37
			Donation Granted	2.00	0.00
			Outstanding balance-payable	(0.56)	(0.24)
			Outstanding balance-Receivable	-	0.13
GSFC LTD	Gsfc Employees PF Trust	Retiral Funds	Employer's contribution	2526.18	2474.45
	Fiber Unit Employees PF Trust			215.82	287.72
	Sikka Unit Employees PF Trust			216.62	227.95
	Polymer Unit Employees PF Trust			87.77	96.10
	Gsfc Employees Gratuity Fund Trust			4685.53	6431.97
	Fiber Unit Gratuity Fund Trust			677.84	748.00
	Sikka Unit Gratuity Fund Trust			577.34	827.82
	Polymer Unit Gratuity Fund Trust			275.27	391.39
	Gsfc Employees Pension Fund Trust			6676.76	16463.96
	Fiber Unit Employees Pension Fund Trust			1198.08	2155.58
	Sikka Unit Employees Pension Fund Trust			939.48	2367.71
	Polymer Unit Staff Pension Fund Trust			412.09	1125.58
	Gsfc Employees PF Trust		Contribution towards short fall	706.15	272.56
	Polymer Unit Employees PF Trust			80.85	18.36
	Fiber Unit Employees PF Trust			158.89	138.98
	Sikka Unit Employees PF Trust			252.77	72.91
GSFC Agrotech Limited	Gujarat Green Revolution Company	Associate Company of Holding Company	Sale of Services	401.29	415.18
			Reimbursement of expenses	0.00	0.52
			Outstanding balance-Receivable	125.51	98.74
GSFC Agrotech Limited	Gujarat Narmada Valley Fertilizers Company Limited	Related Party of Holding Company	Purchase of Materials	865.14	399.48
			Sale of Material	74.13	67.32
			Outstanding balance-Payable	(53.68)	0.00
			Outstanding balance-Receivable	17.31	36.49

39. Related party transactions (Contd...)

GSFC Agrotech Limited	Indian Potash Limited	Related Party of Holding Company	Purchase of Materials	4562.86	2089.73
			Outstanding balance-Payable	(203.37)	(142.10)
GSFC Agrotech Limited	S. K. Mishra, CEO	Key Management Personnel	Remuneration	54.00	44.47
GSFC Agrotech Limited	D. D. Bhalgamiya, CFO				
GSFC Agrotech Limited	Purvi Dani, CS				
GSFC Agrotech Limited	GSFC Education Society	Other Related Party	Donation Granted	24.41	23.52
GSFC Agrotech Limited	GSFC Science Foundation	Other Related Party	Expenses Recovered	11.99	10.06

- Please refer remuneration to Non-executive Directors under Managerial Remuneration point in Corporate Governance Report for Directors Sitting Fees

Following are the list of RPs where Company has no transaction during FY 2022-23 & 2021-22

Name of the party (listed entity/subsidiary)	Name of the Counterparty	Nature of Relationship with the listed Entity or its subsidiary
GSFC LTD	Gujarat State Financial Investment Limited	Promoter
GSFC LTD	Vadodara Jal Sanchay Private Limited	Subsidiary
GSFC LTD	Gujarat Port & Logistic Company Limited	Subsidiary
GSFC LTD	Gujarat Chemical Port limited	Other Related Party

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 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2022: 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.

Terms and conditions of transactions with related parties:

Transactions with key management personnel:

(₹ in lakhs)

Remuneration to key management personnel:	For the year ended	
	31-Mar-23	31-Mar-22
Short term employee benefits	174.93	153.49
Post employment benefits	11.71	11.37
Long-term employee benefits	10.85	10.92
Total	**197.49**	**175.78**

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)

A] SEGMENT REVENUE:	31-Mar-23	31-Mar-22
1 TOTAL SEGMENT REVENUE		
a) Fertilizer Products	8,76,956.71	6,06,287.81
b) Industrial Products	2,52,845.96	2,93,490.31
TOTAL	11,29,802.67	8,99,778.12
2 INTER SEGMENT REVENUE	-	-
3 EXTERNAL REVENUE (1 - 2)		
a) Fertilizer Products	8,76,956.71	6,06,287.81
b) Industrial Products	2,52,845.96	2,93,490.31
TOTAL	11,29,802.67	8,99,778.12
B] RESULT:		
1 Segment result		
a) Fertilizer Products	1,48,436.43	68,334.81
b) Industrial Products	517.15	52,371.15
TOTAL	1,48,953.58	1,20,705.96
2 a) Unallocated income	13,636.52	13,595.79
b) Unallocated expenses	(4,347.11)	(2,850.19)
3 Operating Profit (B1 + B2)	1,58,242.99	1,31,451.56
4 Finance Cost	(1,489.42)	(962.98)
5 Provision for Taxation:		
Current Income Tax	(41,033.58)	(32,893.61)
Deferred Tax (net)	11,567.89	(7,957.47)
Earlier Year Tax	2,019.74	(547.57)
6 Net Profit	1,29,307.62	89,089.93
C] OTHER INFORMATION:		
1 Segment assets		
a) Fertilizer Products	4,47,521.81	4,30,908.25
b) Industrial Products	2,03,198.66	2,70,883.31
TOTAL	6,50,720.47	7,01,791.56
2 Unallocated corporate assets	7,26,566.45	6,95,703.33
3 Total Assets	13,77,286.92	13,97,494.89
4 Segment Liabilities		
a) Fertilizer Products	87,472.02	1,12,244.96
b) Industrial Products	33,639.11	38,611.83
TOTAL	1,21,111.13	1,50,856.79
5 Unallocated corporate liabilities	59,823.31	79,767.85
6 Total Liabilities	1,80,934.44	2,30,624.64

(₹ in lakhs)

	31-Mar-23	31-Mar-22
7 Capital Expenditure		
a) Fertilizer Products	9,269.57	7,479.91
b) Industrial Products	987.32	2,119.17
c) Corporate Capital Expenditure	2,104.62	248.78
TOTAL	**12,361.51**	**9,847.86**
8 Depreciation and Amortisation		
a) Fertilizer Products	9,226.86	8,761.31
b) Industrial Products	8,818.16	8,966.77
c) Unallocated corporate Depreciation	106.29	89.46
TOTAL	**18,151.31**	**17,817.54**
9 Non-Cash expenses		
a) Fertilizer Products	2,906.26	4,850.36
b) Industrial Products	1,698.31	3,240.38
c) Unallocated non-cash expenses	-	-
TOTAL	**4,604.58**	**8,090.74**

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, 2023 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	-	5,20,869.74	6,989.84	5,27,859.58	4,02,088.25	-	1,18,781.49	5,20,869.74
Other Non-current financial asset	-	-	2,994.73	2,994.73	-	-	-	-
Trade receivables	-	-	49,151.28	49,151.28	-	-	-	-
Government subsidy receivable	-	-	1,76,029.18	1,76,029.18	-	-	-	-
Cash and cash equivalents	-	-	1,08,257.02	1,08,257.02	-	-	-	-
Other bank balances	-	-	34,025.48	34,025.48	-	-	-	-
Current loans	-	-	24,793.53	24,793.53	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other Current financial asset	-	-	1,257.78	1,257.78	-	-	-	-
	-	5,20,869.74	4,03,498.84	9,24,368.58	4,02,088.25	-	1,18,781.49	5,20,869.74
Financial liabilities								
Non current borrowings	-	-	-	-	-	-	-	-
Current borrowings	-	-	-	-	-	-	-	-
Lease Liabilities	-	-	238.85	238.85	-	-	-	-
Trade payables	-	-	58,643.05	58,643.05	-	-	-	-
Other current financial liabilities	-	-	24,833.79	24,833.79	-	-	-	-
Derivative financial instruments	15.75	-		15.75	-	15.75	-	15.75
	15.75	-	83,715.69	83,731.44	-	15.75	-	15.75
The carrying value of financial instruments by categories as of 31 st March, 2022 is as follows:								(₹ in lakhs)
Financial assets								
Non-current investments	-	6,21,494.75	5,011.28	6,26,506.03	5,31,503.56	-	89,991.19	6,21,494.75
Other Non-current financial asset	-	-	2,826.93	2,826.93	-	-	-	-
Trade receivables	-	-	35,899.13	35,899.13	-	-	-	-
Government subsidy receivable	-	-	71,011.44	71,011.44	-	-	-	-
Cash and cash equivalents	-	-	30,728.05	30,728.05	-	-	-	-
Other bank balances	-	-	853.20	853.20	-	-	-	-
Current loans	-	-	23,139.01	23,139.01	-	-	-	-
Derivative financial instruments	-	-		-	-	-	-	-
Other Current financial asset		-	1,34,031.98	1,34,031.98	-	-	-	-
	-	6,21,494.75	3,03,501.02	9,24,995.77	5,31,503.56	-	89,991.19	6,21,494.75
Financial liabilities								
Non current borrowings	-	-	-	-	-	-	-	-
Current borrowings	-	-	282.27	282.27	-	-	-	-
Lease Liabilities	-	-	267.57	267.57	-	-	-	-
Trade payables	-	-	76,581.82	76,581.82	-	-	-	-
Other current financial liabilities	-	-	24,896.15	24,896.15	-	-	-	-
Derivative financial instruments	57.41	-		57.41	-	57.41	-	57.41
	57.41	-	1,02,027.81	1,02,085.22	-	57.41	-	57.41

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)
	31-03-2023	31-03-2022		
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 ₹ 4,02,088.25	Listed equity securities in various companies engaged in fertilizer, chemicals,finance, gas, power and mining industry aggregate fair value of ₹ 5,31,503.56	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
		31-03-2023	31-03-2022			
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. 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 storage facilities - aggregate fair value of ₹ 34,336.84	Investment in companies engaged in business of storage facilities - aggregate fair value of ₹ 38,015.79	Level 3	Market Multiple Discount ranging from 25% to 35% (As at 31.3.22 from 25% to 35%)	Increasing/Decreasing the Market Multiples by probability weighted range, would change the FV by +INR 4905.26 lakhs & -INR 3678.95 lakhs (As at 31.3.22 +INR 1189.53 lakhs & -INR 4696.79 lakhs)
		Investment in companies engaged in business of fertilizers industry - aggregate fair value of ₹ 80,707.50	Investment in companies engaged in business of fertilizers industry - aggregate fair value of ₹ 49,162.50		Market Multiple Discount ranging from 15% to 25% (As at 31.3.22 Discount to EV/EBITDA Multiple ranging from -0.50% to 0.50%)	Increasing/Decreasing the Market Multiples by probability weighted range, would change the FV by +INR 1597.50 lakhs & -INR 2182.50 lakhs (As at 31.3.22, Increasing/ Decreasing the Discounting Factor by probability weighted range, would change the FV by +INR 1080.00 lakhs & -INR 1102.50 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 31.3.22 NIL) Discounting Factor ranging NIL (As at 31.3.22 NIL)	Increasing/Decreasing the Growth Rate & Discounting Factor by probability weighted range, would change the FV by NIL. (As at 31.3.22 NIL)
	(Refer note below).	Investment in company engaged in the business of gas marketing - aggregate fair value of 3,569.65	Investment in company engaged in the business of gas marketing - aggregate fair value of ₹ 2,627.30	Level 3	10% +/- over base value(As at 31.3.22, 10% +/- over base value)	10% increase/Decrease over base value, would change FV by +INR 352.50 lakhs & -INR 350.15 lakhs. (As at 31.3.22 +INR 357.20 lakhs & -INR 357.20 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.					
	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 ₹ 167.50	Investment in companies engaged in power and finance industry - aggregate fair value of ₹ 185.60	Level 3	Discount to Book Value ranging from 15% to 30% (As at 31.3.22 from 15% to 30%)	Increasing/Decreasing the Discounting Factor by probability weighted range, would change the FV by +INR 19.90 lakhs & -INR 18.70 lakhs (As at 31.3.22 +INR 21.75 lakhs & -INR 20.22 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 2022-23 and 2021-22.

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 2022)	89,991.19
Net change in fair value (unrealised)	28,790.30
Purchases	-
Closing Balance (31 March 2023)	**1,18,781.49**

Transfer out of Level 3

There were no movement in level 3 in either directions during the year 2022-23 and 2021-22.

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

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	1.66%
181-270 days past due	5.43%
270-360 days past due	14.03%
360-450 days past due	29.65%
450-540 days past due	49.69%
540-630 days past due	70.43%
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, 2023	March 31, 2022
Less than 6 Months	1,92,707.75	93,908.04
Past due 6 Months - 1 Year	18,971.65	1,664.36
Past due 1 Year - 2 Year	3,058.62	203.18
Past due 2 Year - 3 Year	54.20	174.34
Past due more than 3 Year	10,388.24	10,960.65
	2,25,180.46	**1,06,910.57**

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, 2023	Year ended March 31, 2022
Balance at the beginning of the year	7,128.86	7,146.57
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses Past due 31–90 days	(84.50)	(17.71)
	7,044.36	7,128.86

During the year 2022-23 and 2021-22, impairment provision was reduced by INR 84.50 Lakhs and INR 17.71 Lakhs respectively

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 108257.02 Lakhs at March 31, 2023 (₹ 30728.05 Lakhs at March 31, 2022). 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 31-03-2023	As at 31-03-2022
a) Secured cash credit, reviewed annually		
- amount used	-	-
- amount unused	30,000.00	30,000.00
b) Unsecured commercial papers		
- amount used	-	-
- amount unused	1,00,000.00	1,00,000.00
c) Unsecured working capital demand loan		
- amount used	-	282.27
- amount unused	1,10,000.00	84,717.73

Exposure to liquidity risk

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payment as at 31st March 2023.

(₹ in lakhs)

March 31, 2023	Contractual cash flows				
	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
INR					
Non-derivative financial liabilities					
Working capital loans from banks	-	-	-	-	-
Lease Liabilities	238.85	90.62	148.23	-	-
Trade payables	58,643.05	58,643.05	-	-	-
Other current financial liabilities	24,833.79	24,833.79	-	-	-
Derivative financial liabilities					
Derivative contracts					
- Outflow	15.75	15.75	-	-	-

March 31, 2022	Contractual cash flows				
	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities					
Working capital loans from banks	282.27	282.27	-	-	-
Lease Liabilities	267.57	97.37	170.20	-	-
Trade payables	76,581.82	76,581.82	-	-	-
Other current financial liabilities	24,896.15	24,896.15	-	-	-
Derivative financial liabilities					
Derivative contracts					
- Outflow	57.41	57.41	-	-	-

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, 2023			
	INR	USD[1]	CAD[1]	Others[1]
Financial assets				
Cash and cash equivalents	1,08,257.02	-	-	-
Other bank balances	34,025.48	-	-	-
Non-current investments	5,23,234.74	-	4,624.84	-
Current loans and advances	24,793.53	-	-	-
Trade and other receivables	2,23,750.23	1,243.13	-	187.10
Derivative assets	-	-	-	-
Other Non-Current financial assets	2,994.73	-	-	-
Other Current financial assets	1,257.78	-	-	-
	9,18,313.51	**1,243.13**	**4,624.84**	**187.10**
Financial liabilities				
Long term borrowings	-	-	-	-
Short term borrowings	-	-	-	-
Lease Liabilities	238.85	-	-	-
Trade and other payables	51,927.81	6,647.00	-	68.24
Derivative liabilities	-	15.75	-	-
Other Current financial liabilities	24,764.00	-	-	69.79
	76,930.65	**6,662.75**	**-**	**138.04**

(₹ in lakhs)

Particulars	March 31, 2022			
	INR	USD[1]	CAD[1]	Others[1]
Financial assets				
Cash and cash equivalents	30,728.05	-	-	-
Other bank balances	853.20	-	-	-
Non-current investments	6,23,859.75	-	2,646.28	-
Current loans and advances	23,139.01	-	-	-
Trade and other receivables	1,04,462.47	2,448.10	-	-
Derivative assets	-	-	-	-
Other Non-Current financial assets	2,826.93	-	-	-
Other Current financial assets	1,34,031.98	-	-	-
	9,19,901.39	**2,448.10**	**2,646.28**	**-**
Financial liabilities				
Long term borrowings	-	-	-	-
Short term borrowings	282.27	-	-	-
Lease Liabilities	267.57	-	-	-
Trade and other payables	54,040.18	22,371.52	-	170.12
Derivative liabilities	-	57.41	-	-
Other Current financial liabilities	24,684.08	-	-	212.07
	79,274.10	**22,428.93**	**-**	**382.19**

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, 2023	March 31, 2022
USD	82.22	75.81
CAD	61.33	61.10

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at 31st March 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)

Effect in INR	31 March 23		31 March 22	
	Strengthening	Weakening	Strengthening	Weakening
10% movement				
USD	(249.95)	991.40	1,123.51	(897.96)
CAD	462.48	(462.48)	264.63	(264.63)

42. Research & Development Expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Capital*	78.55	25.23
Recurring**	975.18	994.15
Total	**1,053.73**	**1,019.38**
*Capital Expenses included in PPE Note No. 5	78.55	25.23
**Recurring Expenses included in		
Note No. 33 Employee Benefit expenses	958.21	981.75
Note No. 35 Other expenses	16.97	12.40

43. Corporate Social Responsibility

(₹ in lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
a) Amount required to be spent by the company during the year	1,191.39	769.29
b) Amount of expenditure incurred #	1,191.45	976.13
c) Shortfall at the end of the year	-	-
d) Total of previous year shortfall	-	-
e) Reason for shortfall	NA	NA
f) Nature of CSR activities	Education, Safe Drinking Water, Rural Development Projects	Education, Health, Safe Drinking Water, Rural Development Projects
g) Details of related party transactions	893.84	400.00
h) Provision is made with respect to a liability incurred by entering into a contractual obligation	NA	NA

* Refer Note no 39 for Related Party Transactions.

₹ 966.78 Lakhs (Previous Year ₹ 764.24 Lakhs) is included under the head Donations and Contributions in Other Expenses (Note No. 35) and balance ₹ 224.67 Lakhs (Previous Year ₹ 211.89 Lakhs) is included under various other heads of the Statement of Profit and Loss.

44. Details on derivative instruments and unhedged foreign currency exposure

(I) (a) Forward exchange contracts and options(being derivitive 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.

(i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2023

Currency	Amount (in Mn)	Buy / Sell	Cross currency
USD	0.00	Buy	Rupees
USD	(5.00)	Buy	Rupees

Note: Figures in brackets relate to the previous year

(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	(25.00)	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 2.84 Mn (As at March 31, 2022: USD 8.39 Mn)

45. 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, 2023	Year end 31st March, 2022
Revenue from Contract with Customers	5,48,770.98	5,73,744.96
Revenue from Subsidy from Government	5,81,031.69	3,26,033.42
Total Revenue	**11,29,802.67**	**8,99,778.38**

The break-up of Revenue from Contract with Customers is as under:

(A) Revenue from Contract with Customers – Segment-wise

(₹ in lakhs)

Particulars	Year end 31st March, 2023	Year end 31st March, 2022
Fertilizer Products	8,76,956.71	6,06,287.81
Industrial Products	2,52,845.96	2,93,490.31
Total Revenue	**11,29,802.67**	**8,99,778.12**

(B) Revenue from Contract with Customers – Activity-wise

(₹ in lakhs)

Particulars	Year end 31st March, 2023	Year end 31st March, 2022
Revenue generated from Manufacturing Activity	10,20,648.77	8,36,578.79
Revenue generated from Trading Activity	1,07,811.18	61,829.42
Revenue generated from Other Operating Activity	1,342.72	1,370.17
Total Revenue	**11,29,802.67**	**8,99,778.38**

(C) Contract Liability: **(₹ in lakhs)**

Particulars	Year end 31st March, 2023	Year end 31st March, 2022
Opening Balance of Contract Liability	1,560.76	3,193.54
Revenue Recognised from the opening balance of contract liability	1,415.26	3,193.54
Current year Contract liability - Carried Forward	1,707.92	1,560.76
Closing Balance of Contract Liability	1,853.43	1,560.76

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 advances from customers. 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.

46. 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)

47. Details of Struck-off companies

Name of Struck off company	Nature of transactions with Struck-off Company	Relationship with the Struck off company, if any, to be disclosed	Balance Outstanding as at March 2023 (₹ Lakhs)	Balance Outstanding as at March 2022 (₹ Lakhs)
OM TRADING COMPANY PRIVATE LIMITED,	Receivables	NA	2.29	2.29
CLICKFORSTEEL SERVICES LIMITED		NA	3.51	3.51
HP ENTERPRISES PRIVATE LIMITED,		NA	0.67	0.67
RTC AGRI SERVICES PRIVATE LIMITED	Payables	NA	0.28	0.28

48. 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, 2023.

(ii) Previous year figures are regrouped / reclassified wherever required in order to make it comparable in line with the amendments in Schedule III, Division II to the Companies Act, 2013 effective from 1st April, 2021

(iii) Balances of Sundry Creditors, Sundry Debtors, Loans & advances, etc. are subject to confirmation and reconciliation.

(iv) The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the financial statements to determine the necessity for recognition and / or reporting of any of these events and transactions in the financial statements. As of 25th May, 2023 there were no subsequent events to be recognized or reported that are not already disclosed.

49. Financial Ratios

RATIO	UNIT OF MEASUREMENT	NUMERATOR	DENOMINATOR	FY 22-23	FY 21-22	% VARIANCE	REASON FOR MAJOR VARIANCE (BY MORE THAN 25%)
Current Ratio	Times	Current Assets	Current Liabilities	5.17	3.43	51%	Current Ratio was higher due to lower Trade Payables at the end of FY 22-23.
Debt Equity Ratio	Times	Total Debt #	Total Equity	0.00	0.00	0%	
Debt Service Coverage Ratio	Times	Earnings available for debt service##	Borrowings Finance Cost + Principal Repayments due	0.00	0.00	0%	
Return on Equity	%	PAT	Average Shareholders Equity	10.94%	8.56%	28%	Return on Equity improved because of higher turnover and profits during the year.
Inventory Turnover	Times	Revenue from operations	Average Inventory	17.82	16.29	9%	
Trade Receivables Turnover	Times	Sales Excluding Subsidy	Average Trade receivables	12.90	13.70	-6%	
Trade Payables Turnover	Times	Total Credit Purchases	Average Trade Payables	13.13	11.83	11%	
Net Capital Turnover	Times	Revenue from operations	Average Working Capital	3.04	3.22	-6%	
Net Profit Ratio	%	PAT	Revenue from operations	11.45%	9.90%	16%	
Return on Capital Employed	Times	Earning before interest and taxes	Capital Employed **	0.13	0.11	19%	
Return on Investment	%	Yield	Average Investment	3.83%	4.10%	-7%	

Total Debt includes Current and Non current Borrowings as well as Current maturities of long term Borrowings

Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

** Capital Employed = Tangible Net Worth + Total debt + Deferred Tax Liability

Signatures to Notes 1 to 49 forming the part of the Financial Statements.

In terms of our report attached.

For **Parikh Mehta & Associates**
Chartered Accountants
Firm Registration No.: 112832W

Tejal Parikh
Partner
Membership No.: 109600

Mukesh Puri
Managing Director
(DIN-03582870)

Tapan Ray
Director
(DIN-00728682)

V. D. Nanavaty
ED (Finance) & CFO
and Company Secretary

Gandhinagar
25th May, 2023

Independent Auditor's Report

To the Members of Gujarat State Fertilizers & Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Gujarat State Fertilizers & Chemicals Limited (hereinafter referred to as "the Holding Company" or "the Company") and its subsidiary companies (the Holding and its subsidiaries together referred as "the Group"), and its associates, comprising of the consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of 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") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended ("Ind AS") and the accounting principles generally accepted in India, of the state of affairs of the Group and its associates as at March 31, 2023, of consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements 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 and its associates in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the 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 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 for 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 ₹ 23,713.53 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*** Our audit procedure included: • Evaluated the related accounting policy for provisioning for tax exposures and obtained details of completed tax assessments and demands upto the year ended March 31, 2023 from the management. • 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, 2023 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: The 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 March 31, 2023 works out to ₹ 4,988.51 Lakhs & ₹ 142.63 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.	***<u>Principal Audit Procedures</u>*** Our audit procedure included: • 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 48(i) to the Consolidated Financial Statements.
Assessment of implications of Government policies/notifications on recognition of subsidy revenue and its recoverability: During the year, the Group has recognised subsidy revenue amounting to ₹ 5,81,031.69 Lakhs and the aggregate amount of subsidy receivable as at March 31, 2023 is ₹ 1,66,073.77 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 judgments of the management. The areas of subjectivity and judgment 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.	***<u>Principal Audit Procedures</u>*** Our audit procedure included: • Understood and evaluated the design and tested the operating effectiveness of controls as established by the management in recognition of subsidy revenue and assessment of the recoverability of outstanding subsidy. • 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": The 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, the group used 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 45 to the Consolidated Financial Statements.	***<u>Principal Audit Procedures</u>*** 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 Consolidated Financial Statements and Auditor's Report Thereon

The Holding 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, Management Discussion and Analysis, Corporate Governance Report and Shareholder's Information, 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 and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 (Revised) 'The Auditor's Responsibilities Relating to Other Information'.

Management's Responsibility for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group and its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, as amended.

The respective Board of Directors of 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 of its associates 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and it associates are responsible for assessing the ability of the Group and its associates 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 group and its associates 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 and its associates are also responsible for overseeing the financial reporting process of the group and of its associates.

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 with reference to these financial statements 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Group and its associates of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 for the Financial Year ended March 31, 2023 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 financial statements / financial information of 3 subsidiaries, whose financial statement / financial information reflects total assets of ₹ **16,312.50** Lakhs as at March 31, 2023, total revenue of ₹ **48,501.07** Lakhs, total net profit after tax of ₹ **662.55** Lakhs and total comprehensive income of ₹ **663.71** Lakhs for the year ended March 31, 2023 respectively and net cash outflow of ₹ **487.83** Lakhs for the year ended on March 31, 2023 as considered in the financial statement. The consolidated financial statements also include associates profit/(loss) after tax of ₹ **300.12** Lakhs and total comprehensive loss of ₹ **299.59** Lakhs for the year ended March 31, 2023, as considered in the statement of respect of 3 associates whose financial statements / financial information have not been audited. This financial statements / financial information are unaudited 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, 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 auditor.

b) The consolidated financial statements of the group for the year ended March 31, 2022 have been audited by the predecessor auditors. The report of the predecessor auditors dated May 26, 2022 expressed an unmodified opinion. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit 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 consolidation of the 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 of Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement dealt with by this Report are in agreement with the 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 Accounting Standards specified under Section 133 of the Act, as amended.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company/Subsidiary Company/its associates companies incorporated in India, none of the directors of these entities is disqualified as on March 31, 2023 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 over financial reporting with reference to these consolidated financial statements of the Group and of its associates incorporated in India and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"** to this report.

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 Group and its associates to its directors during the year is in accordance with the provisions of section 197 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 consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements - Refer 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 group.

iv) (a) The management has represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group and its associates to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of their knowledge and belief, no funds have been received by the group and its associates from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v) The final dividend proposed in the previous year, declared and paid by the group during the year, is in compliance with section 123 of the Act.

As stated in note 20 to the consolidated financial statement, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has feature of recording audit trail (edit log) facility is applicable to the group and its associates with effect from April, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditing) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Parikh Mehta & Associates
Chartered Accountants
Firm Reg. No.: 112832W

Sd/-
Tejal Parikh
Partner
Membership No. 109600
UDIN : 23109600BGUHZX6051

Place : Vadodara
Date : May 25, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE A

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 statement of **GUJARAT STATE FERTILIZERS AND CHEMICALS LIMITED (hereinafter referred to as "the Holding Company")** company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the holding 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 holding company, 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 holding company 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 judgment, 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 Holding company 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 holding company 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, 2023, 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 Parikh Mehta & Associates
Chartered Accountants
Firm Reg. No.: 112832W

Sd/-
Tejal Parikh
Partner
Membership No. 109600
UDIN : 23109600BGUHZX6051

Place : Vadodara
Date : May 25, 2023

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in lakhs)

Particulars	Note	As at 31st March 2023	As at 31st March 2022
A. ASSETS			
1. Non-current assets			
(a) Property, Plant and Equipments	5	2,53,626.40	2,65,312.12
(b) Capital work-in-progress	5	19,959.93	15,787.86
(c) Right of Use Assets	5	4,151.71	2,565.47
(d) Other Intangible assets	6	175.04	119.52
(e) Financial Assets			
(i) Investments			
- Investments in Associates	7	12,079.72	9,876.57
- Investments - Others	7	5,20,869.74	6,21,494.75
(ii) Others financial assets	8	3,017.89	2,828.46
(f) Income tax assets (Net)	23	6,198.22	5,988.63
(g) Other non current assets	9	33,530.07	31,273.06
		8,53,608.72	**9,55,246.44**
2. Current assets			
(a) Inventories	10	1,32,371.25	1,39,153.83
(b) Financial Assets			
(i) Trade receivable	11	49,741.34	36,594.06
(ii) Government subsidies receivable	12	1,66,073.77	67,586.64
(iii) Cash and cash equivalents	13	1,09,789.75	32,748.62
(iv) Bank balances other than (iii) above	14	34,186.78	863.20
(v) Loans	15	24,793.53	23,139.01
(vi) Others financial assets	16	1,318.24	1,34,317.20
(c) Other current assets	17	19,041.18	22,819.46
		5,37,315.84	**4,57,222.02**
3. Assets held for sale	18	-	**0.25**
TOTAL ASSETS		**13,90,924.56**	**14,12,468.71**

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2023

(₹ in lakhs)

Particulars	Note	As at 31st March 2023	As at 31st March 2022
B. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	19	7,969.55	7,969.55
(b) Other Equity	20	11,96,017.24	11,69,253.34
(c) Non Controlling Interest		157.34	154.22
		12,04,144.13	**11,77,377.11**
LIABILITIES			
1. Non-current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities - Non Current	24	148.23	170.20
(b) Provisions	21	31,158.19	39,840.62
(c) Deferred Subsidy Income		71.36	82.58
(d) Deferred tax liabilities (Net)	23	47,319.34	60,289.97
		78,697.12	**1,00,383.37**
2. Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	-	282.27
(ii) Lease Liabilities - Current	24	90.62	97.37
(iii) Trade payables	25		
- Total outstanding dues of micro enterprise and small enterprise		3,144.50	1,474.21
- Total outstanding dues of creditors other than micro enterprise and small enterprise		60,759.91	78,719.54
(iv) Other financial Liabilities	26	25,155.68	25,364.07
(b) Other current liabilities	27	7,008.46	3,648.39
(c) Provisions	28	9,636.72	15,478.95
(d) Current tax liabilities (Net)	23	2,287.42	9,643.44
		1,08,083.31	**1,34,708.24**
TOTAL EQUITY & LIABILITIES		**13,90,924.56**	**14,12,468.71**
See accompanying notes forming part of the financial statements	1 to 50		

In terms of our report attached.

For **Parikh Mehta & Associates**
Chartered Accountants
Firm Registration No.: 112832W

Tejal Parikh
Partner
Membership No.: 109600

Mukesh Puri
Managing Director
(DIN-03582870)

Tapan Ray
Director
(DIN-00728682)

V. D. Nanavaty
ED (Finance) & CFO
and Company Secretary

Gandhinagar
25th May, 2023

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in lakhs)

Particulars	Note	Year Ended 31st March	
		2023	2022
I Income			
Revenue from operations	29	11,36,869.41	9,08,479.20
Other income	30	14,884.89	18,110.99
Total income		**11,51,754.30**	**9,26,590.19**
II Expenses			
Cost of materials consumed	31	5,85,147.86	4,88,175.28
Purchase of stock in trade		1,14,197.28	62,873.45
Changes in inventories of finished goods, work in process and stock in trade	32	(5,050.20)	(17,318.89)
Power and Fuel		1,24,981.51	98,091.42
Employee benefits expense	33	66,807.96	66,751.03
Finance costs	34	1,502.63	977.17
Depreciation and amortization expense		18,201.50	17,879.69
Other expenses	35	91,997.63	77,800.36
Total Expenses		**9,97,786.17**	**7,95,229.53**
III Profit before share of profit/(loss) of Associates		**1,53,968.13**	**1,31,360.66**
IV Share of profit of Associates		300.12	160.30
V Profit before tax		**1,54,268.25**	**1,31,520.96**
VI Tax expense			
Current tax		41,264.70	33,170.91
Deferred tax	23	(11,567.93)	7,944.85
Earlier Year Tax	23	(2,020.29)	547.57
VII Profit for the year		**1,26,591.77**	**89,857.63**
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		3,615.60	2,014.34
Income tax effect on above		(1,918.77)	(707.04)
Net fair value (loss) / gain on investments in equity instruments at FVTOCI		(1,00,728.72)	1,98,100.87
-Income tax effect on above		9,169.31	(27,299.88)
Net other comprehensive income that will not be reclassified to profit or loss		**(89,862.58)**	**1,72,108.29**
IX Total Comprehensive Income for the year (VII+VIII)		**36,729.19**	**2,61,965.92**
Net Profit attributable to :			
(a) Owners of the company		1,26,588.66	89,860.43
(b) Non Controlling Interest		3.12	(2.79)
Other Comprehensive Income attributable to :			
(a) Owners of the company		(89,862.58)	1,72,108.29
(b) Non Controlling Interest		-	-
Total Comprehensive Income attributable to :			
(a) Owners of the company		36,726.08	2,61,968.72
(b) Non Controlling Interest		3.12	(2.79)
Earnings per equity share (face value of ₹ 2/- each)			
Basic and Diluted Earnings per equity share:	36	**31.77**	**22.55**
See accompanying notes forming part of the financial statements	1 to 50		

In terms of our report attached.

For **Parikh Mehta & Associates**
Chartered Accountants
Firm Registration No.: 112832W

Tejal Parikh
Partner
Membership No.: 109600

Mukesh Puri
Managing Director
(DIN-03582870)

Tapan Ray
Director
(DIN-00728682)

V. D. Nanavaty
ED (Finance) & CFO
and Company Secretary

Gandhinagar
25th May, 2023

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2023

(₹ in lakhs)

Particulars	Year Ended 31st March	
	2023	2022
A Cash Flow From Operating Activities :		
Profit Before Tax	**1,54,268.25**	**1,31,520.96**
Adjustments for :		
Depreciation and amortisation expense	18,201.50	17,879.69
Amortisation of lease hold land	297.53	297.53
Share of Profit of Associates	(300.12)	(160.30)
Unrealised Foreign Exchange(Gain)/Loss	(329.83)	282.86
Provision for Assets Retiring Obligation	196.74	181.46
Finance cost	1,005.20	360.88
Interest income	(5,723.93)	(5,438.40)
Loss/(Profit) on fixed assets sold/written off	(128.49)	(302.81)
Dividend income	(5,114.54)	(4,256.47)
Provision for doubtful debts/advances	157.63	123.39
Operating Profit before Working Capital Changes	**1,62,529.93**	**1,40,488.79**
Movements in working capital:		
Inventories	6,782.58	(39,496.46)
Trade receivables, loans and advances and other assets	(12,413.01)	(58,439.72)
Trade payables, other current liabilities and provision	(17,700.84)	3,915.36
Cash Generated from Operations	**1,39,198.66**	**46,467.97**
Direct taxes paid (net of refunds)	(46,809.32)	(22,803.90)
Net Cash Flow from Operating Activities	**92,389.34**	**23,664.07**
B Cash Flow From Investing Activities :		
Purchase of property, plant & equipments (including CWIP & capital advances)	(14,202.63)	(9,482.37)
Purchase of non current investments	(1,978.56)	-
Sale of investments	-	135.00
Investment in FD	33.50	(180.00)
Interest received	7,021.51	3,357.13
Dividend received	5,189.54	4,356.47
Net Cash Flow used in Investing Activities	**(3,936.64)**	**(1,813.78)**
C Cash Flow From Financing Activities		
Net increase/(decrease) in short term borrowings	(282.27)	(3,218.70)
Interest paid	(968.71)	(330.44)
Dividend paid	(9,991.06)	(8,884.69)
Lease Liability Payment	(133.04)	(135.88)
Lease Interest Paid	(36.49)	(30.91)
Net Cash Flow from/ (used in) Financing Activities	**(11,411.58)**	**(12,600.62)**
Net Increase/ (Decrease) in Cash & Cash Equivalents	**77,041.13**	**9,249.67**
Cash and Cash Equivalents as at the beginning of the year	**32,748.62**	**23,498.95**
Cash and Cash Equivalents as at end of the year (Refer Note-13)	**1,09,789.75**	**32,748.62**
Notes:		
Components of Cash and cash equivalents		
Cash on hand	**70.73**	**47.22**
Balances with banks		
In current accounts	**2,965.29**	**2,941.43**
Debit balance in Cash Credit Account	**3,087.41**	**1,588.36**
Deposit with original maturity of less than three months	**1,03,666.32**	**590.48**
Liquid Deposits with Financial Institutions	**-**	**27,581.13**
Total Cash and cash equivalents	**1,09,789.75**	**32,748.62**

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 **Parikh Mehta & Associates**
Chartered Accountants
Firm Registration No.: 112832W

Tejal Parikh
Partner
Membership No.: 109600

Mukesh Puri
Managing Director
(DIN-03582870)

Tapan Ray
Director
(DIN-00728682)

V. D. Nanavaty
ED (Finance) & CFO
and Company Secretary

Gandhinagar
25th May, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCIE)

Note (a) : Equity share capital **(₹ in lakhs)**

Particulars	Amount
Balance as at April 01, 2021	7,969.55
Changes in equity share capital due to prior period errors	-
Restated balance as at April 01,2021	7,969.55
Changes in equity share capital during the year	-
Balance as at March 31, 2022	7,969.55
Balance as at April 01, 2022	7,969.55
Changes in equity share capital due to prior period errors	-
Restated balance as at April 01,2022	7,969.55
Changes in equity share capital during the year	-
Balance as at March 31, 2023	7,969.55

Note (b) : 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, 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**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated Balance as at 1st April, 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
Profit for the year	-	-	-	-	89,860.43	-	89,860.43
Other comprehensive income for the year net of income tax	-	-	-	-	0.69	1,70,800.99	1,70,801.68
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	1,307.30	-	1,307.30
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**91,168.42**	**1,70,800.99**	**2,61,969.41**
Dividends paid [Note 20]	-	-	-	-	(8,766.49)	-	(8,766.49)
Transfer to General reserve	-	-	-	49,000.00	(49,000.00)	-	-
Balance as at March 31, 2022	**2,456.71**	**30,524.02**	**3,335.00**	**5,56,153.31**	**77,537.49**	**4,99,246.81**	**11,69,253.34**
Balance as at April 01, 2022	**2,456.71**	**30,524.02**	**3,335.00**	**5,56,153.31**	**77,537.49**	**4,99,246.81**	**11,69,253.34**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated Balance as at 1st April, 2022	2,456.71	30,524.02	3,335.00	5,56,153.31	77,537.49	4,99,246.81	11,69,253.34
Profit for the year	-	-	-	-	1,26,588.66	-	1,26,588.66
Other comprehensive income for the year net of income tax	-	-	-	-	-	(91,559.41)	(91,559.41)
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	1,696.83	-	1,696.83
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**1,28,285.49**	**(91,559.41)**	**36,726.08**
Dividends paid [Note 20]	-	-	-	-	(9,962.18)	-	(9,962.18)
Transfer to General reserve	-	-	-	-	-	-	-
Balance as at March 31, 2023	**2,456.71**	**30,524.02**	**3,335.00**	**5,56,153.31**	**1,95,860.80**	**4,07,687.40**	**11,96,017.24**

See accompanying notes forming part of the financial statements 1 to 50

In terms of our report attached.

For **Parikh Mehta & Associates**
Chartered Accountants
Firm Registration No.: 112832W

Tejal Parikh
Partner
Membership No.: 109600

Mukesh Puri
Managing Director
(DIN-03582870)

Tapan Ray
Director
(DIN-00728682)

V. D. Nanavaty
ED (Finance) & CFO
and Company Secretary

Gandhinagar
25th May, 2023

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

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 25, 2023.

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. 49.

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 at least 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.

Revenue towards satisfaction of a performance obligation is measured at the amount of the transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of fertilizer products sold is net of variable consideration on account of various discounts, incentives, rebates and 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 Group 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.

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 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 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 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

The Group's lease asset primarily consists of leases for immovable properties. 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.

However, Raw material and work-in-progress held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined Weighted Average Cost basis.

Finished goods and work-in-progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on Weighted Average Cost basis.

Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost basis.

All other inventories of stores and consumables are valued at Weighted Average Cost basis.

Stores and Spares include equipment spare parts, and others which are held as inventory by the Company.

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

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.

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 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. 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 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

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.

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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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 other than trade receivables which are measured at transaction price as per Ind As 115.

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 whereas 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 policies 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.

3.17 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, which gives highest priority to quoted prices in active markets and the lowest priority to unobservable inputs.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for inputs other than quoted prices included within Level 1 that are observable for the asset or Liability either directly or indirectly.
- Level 3 - Valuation techniques for inputs that are unobservable for the asset or liability.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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, 2023 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 21 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.

Recent Accounting Pronouncements

On 31 March 2023, MCA notified Companies (Indian Accounting Standards) Amendment Rules, 2023, effective from 1 April 2023, to further amend the Companies (Indian Accounting Standards) Rules, 2015. Amendments were made to the following Ind ASs:-

a) Ind AS 101 (First-time adoption of Indian Accounting Standards),
b) Ind AS 102 (Share based payment),
c) Ind AS 103 (Business Combinations),
d) Ind AS 107 (Financial Instruments: Disclosures),
e) Ind AS 109 (Financial Instruments),
f) Ind AS 115 (Revenue from Contracts with Customers),
g) Ind AS 1 (Presentation of Financial Statements),
h) Ind AS 8 (Accounting Policies, Changes in Accounting Estimates and Errors),
i) Ind AS 12 (Income Taxes) &
j) Ind AS 34 (Interim Financial Reporting)

The Group is not expecting any significant impact in the financial statements from these amendments. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options.

5. (i) Property, Plant and Equipment

(₹ in lakhs)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-22	Additions	Deductions/ Adjustments	As at 31-Mar-23	As at 01-Apr-22	Charge for the year	Deductions/ Adjustments	As at 31-Mar-23	Balance As at 31-Mar-23	Balance As at 31-Mar-22
Freehold land	3,616.59	24.03	-	3,640.62	-	-	-	-	3,640.62	3,616.59
Buildings	21,364.74	1,343.91	3.26	22,705.39	4,278.92	734.34	0.36	5,012.90	17,692.49	17,085.82
Bridge, culverts,bunders,etc.	0.18	-	-	0.18	0.13	0.02	-	0.15	0.03	0.05
Roads	441.55	-	-	441.55	143.58	34.81	-	178.39	263.16	297.97
Plant and machinery	3,02,888.46	2,394.69	325.41	3,04,957.74	71,618.91	14975.30	307.79	86,286.42	2,18,671.32	2,31,269.55
Furniture and fittings	1,277.41	60.73	3.69	1,334.45	389.87	138.21	3.50	524.58	809.87	887.54
Motor Vehicles	327.09	43.88	76.98	293.99	172.16	32.82	70.65	134.33	159.66	154.93
Railway sidings	2,208.14	-	-	2,208.14	802.82	121.60	-	924.42	1,283.72	1,405.32
Office equipment	1,357.02	251.86	67.55	1,541.33	774.28	162.58	64.12	872.74	668.59	582.74
Computers and Data Processing units	896.24	569.06	51.50	1,413.80	454.17	195.61	48.93	600.85	812.95	442.07
Laboratory equipment	1,679.60	88.95	47.13	1,721.42	664.52	166.03	38.67	791.88	929.54	1,015.08
Electrical Installation and Equipment	13,379.01	1,530.55	8.97	14,900.59	4,829.69	1389.25	8.52	6,210.42	8,690.17	8,549.32
Library books	16.96	-	-	16.96	11.82	0.90	0.04	12.68	4.28	5.14
TOTAL	3,49,452.99	6,307.66	584.49	3,55,176.16	84,140.87	17,951.47	542.58	1,01,549.76	2,53,626.40	2,65,312.12
Capital work in progress									19,959.93	15,787.86

(₹ in lakhs)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-21	Additions	Deductions/ Adjustments	As at 31-Mar-22	As at 01-Apr-21	Charge for the year	Deductions/ Adjustments	As at 31-Mar-22	Balance As at 31-Mar-22	Balance As at 31-Mar-21
Freehold land	3,242.26	374.33	-	3,616.59	-	-	-	-	3,616.59	3,242.26
Buildings	21,159.06	205.68	-	21,364.74	3,579.13	699.79	-	4,278.92	17,085.82	17,579.93
Bridge, culverts,bunders,etc.	0.18	-	-	0.18	0.11	0.02	-	0.13	0.05	0.07
Roads	441.55	-	-	441.55	108.77	34.81	-	143.58	297.97	332.78
Plant and machinery	3,05,679.11	4,074.57	6,865.22	3,02,888.46	63,205.98	14,911.90	6,498.97	71,618.91	2,31,269.55	2,42,473.13
Furniture and fittings	1,207.37	74.20	4.16	1,277.41	260.03	133.53	3.69	389.87	887.54	947.34
Motor Vehicles	264.75	81.05	18.71	327.09	170.25	18.81	16.90	172.16	154.93	94.50
Railway sidings	2,208.14	-	-	2,208.14	681.22	121.60	-	802.82	1,405.32	1,526.92
Office equipment	1,098.85	276.11	17.94	1,357.02	633.89	157.37	16.98	774.28	582.74	464.96
Computers and Data Processing units	860.37	97.06	61.19	896.24	376.07	135.98	57.88	454.17	442.07	484.30
Laboratory equipment	1,596.45	99.53	16.38	1,679.60	514.82	162.83	13.13	664.52	1,015.08	1,081.63
Electrical Installation and Equipment	13,110.17	329.11	60.27	13,379.01	3,634.12	1,252.83	57.26	4,829.69	8,549.32	9,476.05
Library books	16.96	-	-	16.96	10.57	1.25	-	11.82	5.14	6.39
TOTAL	3,50,885.22	5,611.64	7,043.87	3,49,452.99	73,174.96	17,630.72	6,664.81	84,140.87	2,65,312.12	2,77,710.26
Capital work in progress									15,787.86	11,726.86

5. (ii) Right of Use Assets

(₹ in lakhs)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-22	Additions	Deductions/ Adjustments	As at 31-Mar-23	As at 01-Apr-22	Charge for the year	Deductions/ Adjustments	As at 31-Mar-23	Balance As at 31-Mar-23	Balance As at 31-Mar-22
Leasehold Building	546.08	100.64	217.92	428.80	279.27	92.81	200.62	171.46	257.34	266.81
Leasehold land	2,597.99	1,719.97	-	4,317.96	299.33	124.26	-	423.59	3,894.37	2,298.66
TOTAL	3,144.07	1,820.61	217.92	4,746.76	578.60	217.07	200.62	595.05	4,151.71	2,565.47

(₹ in lakhs)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-21	Additions	Deductions/ Adjustments	As at 31-Mar-22	As at 01-Apr-21	Charge for the year	Deductions/ Adjustments	As at 31-Mar-22	Balance As at 31-Mar-22	Balance As at 31-Mar-21
Leasehold Building	395.75	212.21	61.88	546.08	235.28	92.71	48.72	279.27	266.81	160.47
Leasehold land	2,597.99	-	-	2,597.99	179.41	119.92	-	299.33	2,298.66	2,418.58
TOTAL	2,993.74	212.21	61.88	3,144.07	414.69	212.63	48.72	578.60	2,565.47	2,579.05

5. (iii) Capital Work In Progress Ageing Schedule

(₹ in lakhs)

PARTICULARS	AMOUNT AS ON 31.03.2023 IN CWIP FOR THE PERIOD OF					AMOUNT AS ON 31.03.2022 IN CWIP FOR THE PERIOD OF				
	Less than 1 year	1-2 Years	2-3 Years	More Than 3 Years	Total	Less than 1 year	1-2 Years	2-3 Years	More Than 3 Years	Total
Projects in Progress	9,714.19	2,902.92	915.82	2,714.24	16,247.16	8,474.69	932.74	1,883.17	784.50	12,075.10
Projects temporarily suspended *	-	-	-	3,712.76	3,712.76	-	-	-	3,712.76	3,712.76
TOTAL	9,714.19	2,902.92	915.82	6,427.00	19,959.93	8,474.69	932.74	1,883.17	4,497.26	15,787.86

*Projects temporarily suspended mainly consist of “DAP - ‘D’ Train Project, which is temporarily suspended as the contractor was unable to get the project executed in line with the contract terms. Pending outcome of the legal suit filed by the group, adjustment of Balance sheet items against the project cost is pending as on date.

6. Intangible assets

(₹ in lakhs)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-22	Additions	Deductions/ Adjustments	As at 31-Mar-23	As at 01-Apr-22	Charge for the year	Deductions/ Adjustments	As at 31-Mar-23	Balance As at 31-Mar-23	Balance As at 31-Mar-22
Computer software	1,424.22	88.48	84.37	1,428.33	1,304.70	32.96	84.37	1,253.29	175.04	119.52
TOTAL	1,424.22	88.48	84.37	1,428.33	1,304.70	32.96	84.37	1,253.29	175.04	119.52

(₹ in lakhs)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-21	Additions	Deductions/ Adjustments	As at 31-Mar-22	As at 01-Apr-21	Charge for the year	Deductions/ Adjustments	As at 31-Mar-22	Balance As at 31-Mar-22	Balance As at 31-Mar-21
Computer software	1,427.98	-	3.76	1,424.22	1,270.23	36.32	1.85	1,304.70	119.52	157.75
TOTAL	1,427.98	-	3.76	1,424.22	1,270.23	36.32	1.85	1,304.70	119.52	157.75

Notes

1 The Group has capitailized PA & APS Refurnishment plant at a cost of ₹ 3986.87 Lakhs during FY 2022-23.Further Group has capitalised SAP HANA module of ₹ 421.67 lakhs

2 The Group has purchased 99 year lease land for Surat office & Rajkot office of ₹ 1719.96 during FY 2022-23

3 Asset acquisition includes R&D assets of ₹ 78.55 lakhs (previous year ₹ 25.53 lakhs).

4 The Group 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.

5 The Group has acquired land through Government and also through direct negotiations. The entire land is in possession of the Group. In respect of other portion of land acquired through direct negotiations, compensation has been paid at the negotiated price. The Group also holds possession of a portion of land for which no amount has been paid in absence of receipt of awards.

6 The Group 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 Group. Thereafter, in terms of resolution passed by GMB, the ownership of the jetty at Sikka was transferred to the Group. 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 Group has made representation to the appropriate authority with regards to the ownership of the jetty with the Group.

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 Group has to sign Captive Jetty Agreement with GMB. The matter is under discussion with GMB authorities. At present the Group is in possession of the Jetty and continues to be the owner of the Jetty pending signing of the Agreement.

7. Non-current investments

(₹ in lakhs)

Praticulars		As at 31-03-2023	As at 31-03-2022
Investments in equity shares of Associates measured under equity method			
14,302	shares of Vadodara Enviro Channel Ltd. - ₹ 10 each*	66.47	44.02
12,50,000	shares of Gujarat Green Revolution Company Ltd. - ₹ 10 each	9,961.83	9,268.19
2,54,34,558	Shares of Karnalyte Resources Inc - Canadian Dollar (CAD) (91,00,000 shares subscribed during the year)	3,469.53	1,982.46
	Less : Provision for Impairment	1,418.10	1,418.10
		12,079.72	**9,876.57**
Unquoted equity shares of other companies measured at fair value through OCI			
22,50,000	Shares of Indian Potash Limited - ₹ 10 each	80,707.50	49,162.50
12,26,31,575	Shares of Gujarat Chemical Port Limited - Re. 1 each (Formerly Gujarat Chemical Port Terminal Company Limited)	34,336.84	38,015.79
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	3,569.65	2,627.30
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	147.00	165.60
50,000	Shares of Biotech Consortium India Limited – ₹ 10 each	20.50	20.00
1,15,000	Shares of Gujarat Data Electronics Limited - ₹ 10 each	-	-
		1,18,781.49	**89,991.19**
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	1,56,773.69	2,59,914.68
2,23,62,784	Shares of Gujarat Industries Power Company Ltd. - ₹ 10 each	16,973.35	16,425.46
16,55,040	Shares of Gujarat Alkalies & Chemicals Ltd. - ₹ 10 each	9,684.47	14,838.26
4,69,14,475	Shares of Gujarat Gas Ltd. - ₹ 2 each	2,15,618.93	2,36,097.10
9,35,600	Shares of Gujarat State Financial Corporation - ₹ 10 each	-	-
11,36,000	Shares of Bandhan Bank Limited - ₹ 10 each	2,223.72	3,492.06
5,49,440	Shares of Industrial Development Bank of India - ₹ 10 each	247.25	235.16
5,79,000	Shares of Mangalore Chemicals & Fertilizers Ltd. - ₹ 10 each	566.84	500.84
		4,02,088.25	**5,31,503.56**
Total FVTOCI Investments		**5,20,869.74**	**6,21,494.75**
Other equity investments			
Tunisian Indian Fertilizers (TIFERT) (Note - e)		-	**-**
TOTAL INVESTMENTS		**5,32,949.46**	**6,31,371.32**
Aggregate book value of Quoted Investments		4,02,088.25	5,31,503.56
Aggregate market value of Quoted Investments		4,02,088.25	5,31,503.56
Aggregate carrying value of Unquoted Investments		1,30,861.21	99,867.76
Category-wise other investments-as per Ind AS 109 classification			
Particulars		**31-03-2023**	**31-03-2022**
Financial assets carried at fair value through profit or loss (FVTPL)		-	-
Financial assets carried at cost		12,079.72	9,876.57
Financial assets measured at FVTOCI		5,20,869.74	6,21,494.75
TOTAL INVESTMENTS		**5,32,949.46**	**6,31,371.32**

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 Group 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 2023 & 31st March 2022.

c) The equity shares held by the Group 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 Group 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 3 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 6 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 2023 & 31st March 2022.

8. Other non-current financial assets

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered good		
Other deposits	3,017.89	2,828.46
Unsecured, considered doubtful		
Deposits with companies & others	102.70	102.70
Less: Allowance for doubtful deposits	(102.70)	(102.70)
TOTAL	**3,017.89**	**2,828.46**

9. Other non current assets

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital Advances*	33,500.12	31,248.21
Others	29.95	24.85
TOTAL	**33,530.07**	**31,273.06**

*Capital advance as on 31st March,2023 includes ₹ 27,670.51 lakhs (₹ 27,968.04 lakhs as at 31st March,2022) advance for leasehold land pending execution of lease deed towards plot in Dahej.

10. Inventories

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw materials	29,498.18	31,888.98
Raw materials in Transit	-	12,027.83
Work-in-Process	3,831.83	2,546.96
Finished goods	58,467.05	59,284.23
Stock in trade	15,563.19	11,040.48
Stores and spares (including packing material)	25,011.00	22,365.35
TOTAL	**1,32,371.25**	**1,39,153.83**

11. Trade receivables

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured, considered good	**734.21**	**575.59**
Unsecured, considered good	49,192.54	36,327.08
Less: Allowance for expected credit loss	(185.41)	(308.61)
Unsecured, considered good	**49,007.13**	**36,018.47**
Unsecured, credit impaired	6,400.66	6,361.96
Less: Allowance for doubtful debts	(6,400.66)	(6,361.96)
Unsecured, credit impaired	**-**	**-**
Total Trade Receivables	**49,741.34**	**36,594.06**

(i) 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.

(ii) The Group has five customers (GFDA, JCT Ltd, SRF Ltd, MIT Ltd & GSCMFL) which represents more than 5% of the total balance of trade receivables.

(iii) The Group 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.

(iv) 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 Group.

(v) The above balances include trade receivables from related parties ₹ 538.69 Lakhs (₹ 475.70 Lakhs as on 31 March 2022) Refer note 39.

(vi) Trade receivable ageing schedule:

(₹ in lakhs)

Particulars	Outstanding as on 31st March 2023 for following periods from due date of payment							Outstanding as on 31st March 2022 for following periods from due date of payment						
	Not due	Less than 6 months	6 months-1 Years	1-2 Years	2-3 Years	More than 3 Years	Total	Not due	Less than 6 months	6 months-1 Years	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivable-Considered good	44,451.06	4,692.52	263.57	263.83	-	70.36	49,741.34	30,543.95	5,808.07	118.93	0.25	2.25	120.60	36,594.06
Undisputed trade receivable-Significant increase in credit risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undisputed Trade Receivable-Credit Impaired	-	19.77	0.37	6.00	0.09	159.19	185.41	-	15.79	0.09	0.28	85.04	207.41	308.61
Disputed Trade Receivable-Considered good	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disputed trade receivable-Significant increase in credit risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disputed Trade Receivable-Credit Impaired	-	-	-	-	-	6,400.66	6,400.66	-	-	-	-	22.38	6,339.58	6,361.96
	44,451.06	4,712.29	263.94	269.83	0.09	6,630.22	56,327.41	30,543.95	5,823.87	119.02	0.53	109.67	6,667.60	43,264.63
Less: Credit Impaired (Allowance for Doubtful Debt)	-	19.77	0.37	6.00	0.09	6,559.86	6,586.07	-	15.79	0.09	0.28	107.42	6,547.00	6,670.57
Total Receivables	**44,451.06**	**4,692.52**	**263.57**	**263.83**	**-**	**70.36**	**49,741.34**	**30,543.95**	**5,808.08**	**118.93**	**0.25**	**2.25**	**120.60**	**36,594.06**

12. Government subsidies receivable

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Subsidy from Government of India under New Urea Policy/Nutrient Based Subsidy Scheme		
Subsidy Receivable from Government	1,66,532.06	68,044.93
Less: Allowance for doubtful debts	458.29	458.29
TOTAL	**1,66,073.77**	**67,586.64**

13. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cash and cash equivalents		
Cash on hand	70.73	47.22
Balances with banks		
In current accounts	2,965.29	2,941.43
Debit balance in Cash Credit Account	3,087.41	1,588.36
Deposit with original maturity of less than three months	1,03,666.32	590.48
Liquid Deposits with Financial Institutions	-	27,581.13
	1,09,789.75	**32,748.62**

14. Other bank balances

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
In Unclaimed dividend account-restricted	451.19	480.07
In Margin Deposit	469.28	-
In Deposit accounts (original maturity more than three months)	33,266.31	383.13
TOTAL	**34,186.78**	**863.20**

If the dividend has not been claimed within 30 days from the date of its declaration, the Group is required to transfer the total amount of the dividend which remains unpaid or unclaimed, to a special account to be opened by the Group 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. Group has transferred Unclaimed Dividend upto FY 2014 – 2015 to IEPF upto March 31, 2023.

15. Loans

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured, considered good		
Loans to employees*	24,202.69	22,542.24
Unsecured, considered good		
Advances to employees	31.63	40.04
Other loans to employees	559.21	556.73
	24,793.53	**23,139.01**

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 Group. 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, 2023	As at 31st March, 2022
Financial assets at amortised cost		
Deposits with Financial Institutions and Banks	-	1,31,680.00
Interest accrued	1,097.50	2,380.35
Others	220.74	256.85
TOTAL	**1,318.24**	**1,34,317.20**

17. Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered good		
Balances with govt. agencies	8,339.83	6,041.73
Advances to suppliers*	10,066.88	16,033.93
Prepaid expenses	227.66	443.95
Prepayment for Lease hold lands	297.53	297.53
Other Receivables	109.28	2.32
TOTAL	**19,041.18**	**22,819.46**

* includes advances to related parties ₹ 4110.78 lakhs (₹ 3805.83 lakhs as at 31st March, 2022).

18. Assets held for sale

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Assets classified as held for sale	-	0.25
TOTAL	**-**	**0.25**

19. Share Capital

(₹ in lakhs)

Particulars	As at 31st March 2023		As at 31st March 2022	
	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

"# Difference in Issued, Subscribed & Paid-up Equity Share Capital is due to 52,165 Equity Shares unsubscribed amounting to ₹ 1.04 Lakhs and 5,92,155 Equity Shares forfeited amounting to ₹ 11.84 Lakhs. Therefore, over all difference in Issued & Paid Share Capital is amounting to ₹ 12.89 Lakhs".

a) Reconciliation of Shares outstanding at the beginning and the end of the reporting period

(₹ in lakhs)

Particulars	As at 31st March 2023		As at 31st March 2022	
	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 Group 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 Group 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 2023		As at 31st March 2022	
	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	58,57,337	1.47	2,44,67,861	6.14
Fidelity Puritan Trust-Fidelity Low priced stock fund	1,40,00,100	3.51	2,70,50,100	6.79

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) **Details of Promotors holding Shares in the company**

Particulars	As at 31st March 2023		As at 31st March 2022		% Change during the year
	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	-

Particulars	As at 31st March 2022		As at 31st March 2021		% Change during the year
	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	-

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, 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**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated Balance as at 1st April, 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
Profit for the year	-	-	-	-	89,860.43	-	89,860.43
Other comprehensive income for the year net of income tax	-	-	-	-	0.69	1,70,800.99	1,70,801.68
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	1,307.30	-	1,307.30
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**91,168.44**	**1,70,800.99**	**2,61,969.41**
Dividends paid [Note 20]	-	-	-	-	(8,766.49)	-	(8,766.49)
Transfer to General reserve	-	-	-	49,000.00	(49,000.00)	-	-
Balance as at March 31, 2022	**2,456.71**	**30,524.02**	**3,335.00**	**5,56,153.31**	**77,537.49**	**4,99,246.81**	**11,69,253.34**
Balance as at April 01, 2022	**2,456.71**	**30,524.02**	**3,335.00**	**5,56,153.31**	**77,537.49**	**4,99,246.81**	**11,69,253.34**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated Balance as at 1st April, 2022	2,456.71	30,524.02	3,335.00	5,56,153.31	77,537.49	4,99,246.81	11,69,253.34
Profit for the year	-	-	-	-	1,26,588.66	-	1,26,588.66
Other comprehensive income for the year net of income tax	-	-	-	-	-	(91,559.41)	(91,559.41)
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	-	-	-	-	1,696.83	-	1,696.83
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**1,28,285.49**	**(91,559.41)**	**36,726.08**
Dividends paid [Note 20]	-	-	-	-	(9,962.18)	-	(9,962.18)
Transfer to General reserve	-	-	-	49,000.00	(49,000.00)	-	-
Balance as at March 31, 2023	**2,456.71**	**30,524.02**	**3,335.00**	**6,05,153.31**	**1,46,860.80**	**4,07,687.40**	**11,96,017.24**

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 2022: ₹ 2.50 per share (31 March 2021: ₹ 2.20 per share)	9,962.18
Total cash dividends declared and paid	**9,962.18**
Proposed dividends on Equity shares:	
Final dividend for the year ended on 31 March 2023: ₹ 10.00 per share (31 March 2022: ₹ 2.50 per share)	39,847.75
Total Proposed dividends	**39,847.75**
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 Group 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 provisions

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Provision for Gratuity (Refer Note 37)	221.95	4,211.51
Provision for Pension (Refer Note 37)	-	4,066.45
Provision for Compensated absences	21,019.95	21,708.42
Provision for Post Retirement Medical Benefit Scheme (PRMBS) (Refer Note 37)	4,833.80	4,968.49
Provision for Asset Retirement Obligation	2,578.23	2,381.49
Other Provisions	2,504.26	2,504.26
TOTAL	**31,158.19**	**39,840.62**

Movement in provision for Asset Retirement Obligation:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at Beginning of Year	2,381.49	2,200.03
Additional provision recognised	196.74	181.46
Provision Utilized	-	-
Balance at Closing of Year	2,578.23	2,381.49

22. Financial Liabilities- borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
Loans repayable on demand		
Short term working capital demand loan/over drafts from banks	-	282.27
TOTAL	**-**	**282.27**

* 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 Group.

Interest rate details for short term borrowings:

(i) Cash credit accounts carries interest rates ranging from 6.75% to 8.00% p.a.
(ii) Working capital demand loan carries interest rate ranging from 4.50% to 7.15% p.a.
(iii) The Group has taken borrowings from banks and utilised them for the specific purpose for which they were taken as at the Balance sheet date. Quarterly statements of current assets filed by the Group with Bank are in agreement with the books of accounts of the Group for the respective periods.

23.

A Income tax asset (net) (₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance payment of Income Tax (net)	6,198.22	5,988.63

B Current tax liabilities (net) (₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for Income Tax (net)	2,287.42	9,643.44

C Deferred tax liabilities (net)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(a) Statement of Profit & loss		
Profit & loss section		
Current income tax charge (net of MAT credit entitlement)	41,264.70	33,170.92
Deferred tax relating to origination & reversal of temporary differences	(11,567.93)	7,944.85
Earlier Year Tax	(2,020.29)	547.57
Income tax expense reported in the statement of profit or loss	**27,676.48**	**41,663.33**
(b) Other comprehensive income section		
Unrealised (gain)/loss on FVTOCI equity securities	(9,169.31)	27,299.88
Net loss/(gain) on remeasurements of defined benefit plans	1,918.77	707.04
Income tax charged to OCI	**(7,250.54)**	**28,006.92**
(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	**1,54,268.25**	**1,31,520.96**
Statutory income tax rate	25.168%	34.944%
Tax at statutory income tax rate	**39,674.88**	**45,856.94**
Tax effects of :		
Income not subject to tax	(99.02)	(232.93)
Inadmissiable expenses or expenses treated seperately	11,814.01	12,228.80
Admissiable deductions	(8,806.49)	(20,063.49)
Deduction Under chapter - VI	(1,318.69)	(4,618.41)
Deferred tax on other items	(11,567.93)	7,944.85
Total Tax effects	**(9,978.12)**	**(4,741.18)**
Income tax expense	**29,696.76**	**41,115.76**
Earlier year tax	(2,020.29)	547.57
Income tax expense reported in statement of Profit & loss	**27,676.48**	**41,663.33**

(d) Deferred tax relates to the following: (₹ in lakhs)

	Balance sheet		Profit & loss	
	31-Mar-23	**31-Mar-22**	**2022-23**	**2021-22**
Property, plant and equipment	(38,926.29)	(56,821.85)	17,895.56	378.48
Expenses allowable for tax purpose when paid	8,572.45	(2,861.88)	11,434.33	(8,520.52)
Investments in Equity instruments	(23,327.20)	(32,496.51)	9,169.31	(27,299.88)
Fair valuation of deposits	0.21	0.30	(0.09)	(0.00)
Actuarial loss on Defined benefit plan	1,687.04	19,631.20	(17,944.16)	(707.03)
Fair valuation of Derivatives	-	(6.65)	6.65	-
Machinery Spares	-	1,464.17	(1,464.17)	-
Undistributed profit of associates	-	-	-	(310.22)
Provision for PF Contribution	978.81	484.94	493.87	(3,464.92)
Allowance for doubtful debts	3,322.47	3,943.67	(621.20)	3,478.38
ARO provision-Windmill	423.45	528.70	(105.25)	521.38
ARO provision-Solar	12.13	7.32	4.81	96.66
Leasehold Building IND AS	(114.67)	(125.47)	10.80	(238.35)
ICDS Impact	52.26	112.94	(60.68)	112.94
Loss carried forward	-	1.31	(1.31)	1.31
Reclassification of MAT Credit entitlement	-	5,847.84	(5,847.84)	(333.19)
Deferred tax expense/(income)			**12,970.63**	**(36,284.96)**
Net deferred tax assets/(liabilities)	**(47,319.34)**	**(60,289.97)**		
Reconciliation of deferred tax liabilities (net):				
Opening Balance as at	**31-Mar-22**	**31-Mar-21**		
	(60,289.97)	**(24,005.01)**		
Tax income/(expense) during the period recognised in P&L	11,567.93	(7,944.85)		
Tax income / (Expense) MAT credit recognised in P&L	(5,847.84)	(333.19)		
Tax income/(expense) during the period recognised in OCI	7,250.54	(28,006.92)		
Closing balance as at	**(47,319.34)**	**(60,289.97)**		
	31-Mar-23	**31-Mar-22**		

Notes:

1. The group 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.
2. The Group has decided to exercise the option from FY 2022-23 permitted under section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 under which domestic companies have the option to pay income tax at lower rate ("New tax rate") subject to the giving up of certain incentives and deductions. Accordingly, the provision for current tax and deferred tax is recognized at the New tax rate u/s 115BAA. Further, the Group has remeasured the outstanding net deferred tax liability and reversed deferred tax amount of ₹ 109.64 Crores in the statement of profit & loss and debited ₹ 10.09 Crores in OCI during the year.

24. Lease Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current	90.62	97.37
Non Current	148.23	170.20
Total Lease Liabilities	**238.85**	**267.57**

**** Details of Lease Liabilities :**

Movement of Lease Liabilities was as under:	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	267.57	175.77
Add: Additions	100.64	212.21
Add: Interest recognised during the year	36.49	30.92
Less: Lease Termination	32.81	15.45
Less: Payment Made	133.04	135.88
Closing Balance	**238.85**	**267.57**

The maturity Analysis of lease liabilities are disclosed in Note 41

Group as Lessee:

The Group has taken various warehouses, godowns, guesthouses leasehold land and office premises under rental agreements. The following are the amounts recognised in Statement of Profit & Loss:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Depreciation expenses of right-of-use assets	92.81	92.71
Interest expenses on lease liabilities	36.49	30.92
Total amount recognised in prodit & loss	**129.30**	**123.63**

Group as Lessor:

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.

25. Current financial liabilities- Trade Payables

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Due to Micro, Small and Medium Enterprises (MSMED)*	3,144.50	1,474.21
Others**	60,759.91	78,719.54
TOTAL	**63,904.41**	**80,193.75**

(1) Due to Micro, Small and Medium Enterprises (MSMED)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	3,144.50	1,474.21
(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	1.25	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

(2) Trade Payables ageing schedule:

Particulars	Outstanding as on 31st March 2023 for following periods from due date of payment							Outstanding as on 31st March 2022 for following periods from due date of payment						
	Unbilled	Not due	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total	Unbilled	Not due	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	1,285.39	1,731.54	54.42	39.35	33.80	3,144.50	-	525.27	794.77	141.02	13.15	-	1,474.21
Others	11,628.60	30,205.62	14,580.47	583.25	441.54	3,295.40	60,734.88	12,802.55	55,588.57	4,815.49	1,003.49	570.34	3,214.03	77,994.48
Disputed dues – MSME	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	25.03	25.03	-	-	-	-	-	725.06	725.06
Total Trade Payables	11,628.60	31,491.01	16,312.01	637.67	480.89	3,354.23	63,904.41	12,802.55	56,113.84	5,610.26	1,144.52	583.49	3,939.09	80,193.75

*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 ₹ 811.88 Lakhs (₹ 1072.41 Lakhs as on 31 March 2022) Refer Note 39.

26. Other current financial liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial liabilities at fair value through profit & loss		
Derivatives not designated in hedging relationship		
Foreign exchange derivative contracts	15.75	57.41
Other financial liabilities at amortised cost		
Unclaimed dividend*	451.19	480.07
Deposits received	5,731.64	5,618.51
Liability towards employee benefits	6,638.90	7,264.05
Creditors for capital goods	11,424.16	11,173.78
Other payables	894.04	770.25
TOTAL	**25,155.68**	**25,364.07**

* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.

27. Other current liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances from customers	1,860.89	1,572.51
Statutory dues	1,790.64	2,066.08
Income received in advance	3.70	9.80
Others	3,353.23	-
TOTAL	**7,008.46**	**3,648.39**

28. Provisions

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Provision for Gratuity (Refer note 37)	1,384.11	2,404.78
Provision for Pension (Refer note 37)	(795.36)	5,432.87
Provision for Compensated absences*	4,871.11	4,780.70
Provision for PRMBS (Refer note 37)	287.76	272.84
Other Provision**	3,889.10	2,587.76
TOTAL	**9,636.72**	**15,478.95**

* 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 Group (GSFC-EPFTs) are holding investments aggregating to ₹ 3,527.10 Lakhs in various debt securities issued by IL&FS Group, Yes Bank Ltd., Reliance Home Finance, Reliance Capital Ltd and SREI Group. As a matter of prudence, the Group has made a provision in view of uncertainties regarding recoverability of such investments. In future Group will make provision looking to the development in the matter.

29. Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31st March, 23	Year ended 31st March, 22
Revenue from sale of products (including subsidy on fertilizers)		
- Manufactured / Generated products	9,80,636.71	8,00,174.23
- Traded products	1,54,306.82	1,06,382.52
- Other Operating Revenue	1,342.72	1,370.16
- Sale of Service	583.16	552.29
Total	**11,36,869.41**	**9,08,479.20**
Revenue from operation above includes:-		
Subsidy from Government of India under New Urea Policy/Nutrient Based Subsidy Scheme		
Pertaining to current year	5,53,409.51	3,10,298.70
Pertaining to earlier years determined during current year	27,622.18	15,734.72
TOTAL	**5,81,031.69**	**3,26,033.42**

30. Other income

(₹ in lakhs)

Particulars	Year ended 31st March, 23	Year ended 31st March, 22
Interest		
Deposits:	5,723.93	5,438.40
Advances:	1,075.63	996.33
Others:	130.03	330.21
Dividend from long term investments	5,114.54	4,256.47
Rent	301.46	182.74
Insurance claims	41.52	3,271.94
Excess provision no longer required	481.07	1,339.04
Scrap sales	956.07	1,252.28
Profit on sale of fixed assets	155.42	302.84
Miscellaneous income	905.21	740.75
TOTAL	**14,884.89**	**18,110.99**

31. Cost of material consumed

(₹ in lakhs)

Particulars	Year ended 31st March, 23	Year ended 31st March, 22
Raw Materials		
Opening stock	43,916.81	22,704.53
Add: Purchases	5,70,729.23	5,09,387.57
Less: Closing stock	29,498.18	43,916.81
TOTAL	**5,85,147.86**	**4,88,175.28**

32. Changes in inventory of finished goods, work in process and stock in trade

(₹ in lakhs)

Particulars	Year ended 31st March, 23	Year ended 31st March, 22
Opening stock		
Finished products	59,284.23	43,919.04
Stock in trade	11,040.48	10,170.86
Work-in-process	2,546.96	1,462.88
	72,871.67	**55,552.78**
Less: Closing stock		
Finished products	58,467.05	59,284.23
Stock in trade	15,622.99	11,040.48
Work-in-process	3,831.83	2,546.96
	77,921.87	**72,871.67**
(Increase) / Decrease	**(5,050.20)**	**(17,318.89)**

33. Employee benefit expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 23	Year ended 31st March, 22
Salaries, wages, bonus	50,570.54	47,385.62
Contribution to provident, gratuity and superannuation (pension) funds (including provisions)	8,540.04	10,528.93
Staff Welfare expenses	7,697.37	8,836.48
TOTAL	**66,807.96**	**66,751.03**

- Employee benefit expenses includes R&D salary expenses of ₹ 958.21 lakhs (previous year ₹ 981.75 lakhs) (Refer note no. 42)

34. Finance costs

(₹ in lakhs)

Particulars	Year ended 31st March, 23	Year ended 31st March, 22
Interest		
- borrowings	355.21	34.72
- others	848.38	508.68
Other borrowing cost	299.04	433.77
TOTAL	**1,502.63**	**977.17**

35. Other expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 23	Year ended 31st March, 22
Consumption of stores and spare parts	14,526.07	14,082.22
Water	3,466.68	3,744.81
Packing expenses	10,327.87	10,657.91
Repairs to buildings	527.03	660.21
Repairs to machinery	7,731.48	8,457.52
Other repairs	649.67	701.39
Insurance	1,837.29	1,672.41
Rent, rates and taxes	831.38	625.22
Product transportation, distribution & loading & unloading charges	28,796.74	25,660.71
Depots and farm information centers expense	1,598.01	1,858.46
Marketing expense reimbursement, demonstration, extension services and publicity etc.	1,417.98	644.84
Foreign exchange gain/loss (net)	978.31	737.47
Directors fees	19.25	17.14
Legal & Professional charges	759.42	996.61
Auditors' remuneration *	25.45	23.07
Cost auditors' fees	4.60	4.61
Loss on fixed assets sold/discarded	26.93	-
Allowance for doubtful debts	157.63	123.39
Amortisation of leasehold land	297.53	297.53
Donations and contributions	998.24	820.98
Miscellaneous	17,020.08	6,013.86
TOTAL	**91,997.63**	**77,800.36**
Other expenses includes R&D expenses of ₹ 16.97 lakhs (previous year ₹ 12.40 lakhs) in respective heads (Refer note no. 42)		

*Auditors' remuneration

Particulars	Year ended 31st March, 23	Year ended 31st March, 22
Payment to Statutory Auditors:		
For Statutory audit	3.29	8.72
For Taxation matters	3.92	2.60
For other services (including Limited Review fees & certification)	17.05	10.78
For Reimbursement of expenses	1.19	0.96
	25.45	**23.07**

36. Earnings per share (EPS): **(₹ in lakhs)**

Particulars	Year ended 31st March, 23	Year ended 31st March, 22
i. Profit attributable to Equity holders of the Company		
Profit attributable to equity holders of the Company		
Continuing operations	1,26,588.66	89,860.43
Discontinued operations	-	-
Profit attributable to equity holders of the Company for basic earnings	1,26,588.66	89,860.43
Effect of dilution	-	-
Profit attributable to equity holders of the Company adjusted for the effect of dilution	**1,26,588.66**	**89,860.43**
ii. Weighted average number of ordinary shares		
Issued ordinary shares	39,84,77,530	39,84,77,530
Effect of dilution	-	-
	39,84,77,530	39,84,77,530
Basic EPS (₹)	31.77	22.55
Diluted EPS (₹)	31.77	22.55
Nominal value per share (₹)	2.00	2.00

37. Employment benefit plans

a) The Group 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 Group 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 ₹ 4413.18. lakhs for FY 2022-23 (₹ 4399.98 lakhs for FY 2021-22).

37. Employment benefit plans (Contd...)

c) Details of funded & unfunded plans are as follows:

(₹ in lakhs)

Description	Pension		Gratuity		Gratuity		PRMBS	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1. Changes In Present Value of obligation								
a. Obligation as at the beginning of the year	75,314.86	78,081.62	38,225.82	39,557.57	55.86	10.61	5,241.34	5,476.65
b. Current Service Cost	909.80	1,098.30	1,682.12	1,816.05	16.63	13.59	206.50	220.93
c. Interest Cost	5,151.54	5,067.50	2,762.48	2,709.69	3.74	-	387.86	378.44
d. Actuarial (Gain)/Loss	(2,071.65)	(71.50)	(1,138.62)	(1,282.48)	(1.55)	31.66	(49.17)	(117.76)
e. Benefits Paid	(9,715.80)	(8,861.06)	(5,144.36)	(4,575.01)	(0.46)	-	(664.97)	(716.92)
f. Obligation as at the end of the year	69,588.75	75,314.86	36,387.44	38,225.82	74.22	55.86	5,121.56	5,241.34
The defined benefit obligation is	Funded	Funded	Funded	Funded	Unfunded	Unfunded	Unfunded	Unfunded
2. Changes in Fair Value of Plan Assets								
a. Fair Value of Plan Assets as at the beginning of the year	65,815.54	48,748.23	31,665.39	26,069.19	-	-	-	-
b. Interest Income	4,501.79	3,163.76	2,288.16	1,785.74	-	-	-	-
c. Return on Plan Assets, Excluding Interest Income	389.74	472.14	(34.59)	102.27	-	-	-	-
d. Contributions	9,392.84	22,292.47	6,081.00	8,283.21	-	-	-	-
e. Benefits Paid	(9,715.80)	(8,861.06)	(5,144.36)	(4,575.01)	-	-	-	-
f. Fair Value of Plan Assets as at the end of the year	70,384.11	65,815.54	34,855.60	31,665.39	-	-	-	-
3. Amount Recognised In The Balance Sheet								
a. Fair Value of Plan Assets as at the end of the year	70,384.11	65,815.54	34,855.60	31,665.39	-	-	-	-
b. Present Value of Obligation as at the end of the year	(69,588.75)	(75,314.86)	(36,387.44)	(38,225.82)	(74.22)	(55.86)	(5,121.56)	(5,241.34)
c. Amount recognised in the Balance Sheet	795.36	(9,499.32)	(1,531.84)	(6,560.43)	(74.22)	(55.86)	(5,121.56)	(5,241.34)
4. Expense recognised in P & L during the year								
a. Current Service Cost	909.80	1,098.30	1,682.12	1,816.05	16.63	13.59	206.50	220.93
b. Net Interest Cost	649.75	1,903.74	474.32	923.95	3.74	-	387.86	378.44
c. Expense recognised during the year	1,559.55	3,002.03	2,156.44	2,740.00	20.37	13.59	594.36	599.37
5. Expense recognised in OCI during the year								
a. Return on Plan Assets,Excluding Interest Income	(389.74)	(472.14)	34.59	(102.27)	-	-	-	-
b. Actuarial (Gain)/Loss recognised on Obligation	(2,071.65)	(71.50)	(1,138.62)	(1,282.48)	(1.55)	31.66	(49.17)	(117.76)
c. Net (Income)/Expense recognised during the year	(2,461.39)	(543.64)	(1,104.03)	(1,384.75)	(1.55)	31.66	(49.17)	(117.76)
6. Investment Details of Plan Assets								
Administered by LIC of India	100%	100%	100%	100%	N.A.	N.A.	N.A.	N.A.

d) Assumptions

(₹ in lakhs)

	Pension		Gratuity		Gratuity		PRMBS	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
a. Discount Rate (per annum)	7.50%	6.84%	7.50%	7.23%	7.31%	6.70%	7.53%	7.40%
b. Estimated Rate of return on Plan Assets (per annum)	7.50%	6.84%	7.50%	7.23%	NA	NA	NA	NA
c. Salary Escalation Rate (per annum)	NA	NA	NA	NA	7.00%	5.77%	NA	NA
d. Medical Cost Inflation (per annum)	NA	NA	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 Group.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 Group.

Maturity Profile Projeted benefit payable in future year from the date of reporting	Pension		Gratuity		Gratuity		PRMBS	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	Funded	Funded	Funded	Funded	Unfunded	Unfunded	Unfunded	Unfunded
1st Following year	12,037.23	11,285.95	6,458.65	6,187.00	12.45	2.23	287.75	272.83
2nd Following year	7,574.56	8,603.60	3,748.67	4,227.75	11.44	6.45	304.52	294.31
3rd Following year	9,204.48	10,807.14	4,434.76	5,186.63	10.89	7.11	318.85	311.87
4th Following year	8,937.89	8,806.37	4,318.24	4,246.04	10.14	7.08	333.00	326.99
5th Following year	7,328.28	8,489.20	3,605.18	4,111.28	9.05	6.85	344.22	341.88
Sum of year 6 to 10	37,325.84	38,248.27	17,853.74	18,400.23	29.61	26.23	1,912.00	1,911.59
Sum of year 11 and above	21,192.11	23,434.18	21,091.55	19,892.43	22.25	37.94	-	-

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.

e) Effect of one percentage point change in various assumptions

(₹ in lakhs)

Description	2022-23		
	Pension	Gratuity	PRMBS
a. One percentage point increase in Discount Rate	(2,846.22)	(1,745.71)	(508.00)
b. One percentage point decrease in Discount Rate	3,124.92	1,974.25	620.14
Effect of one percentage point change in the assumed Salary Escalation Rate			
a. One percentage point increase in Salary Escalation Rate	3,140.24	1,918.61	NA
b. One percentage point decrease in Salary Escalation Rate	(2,910.89)	(1,778.78)	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	636.73
b. One percentage point decrease in medical inflation rate	NA	NA	(528.20)

37. Employment benefit plans (Contd...)

f) Details of funded & unfunded plans are as follows: (₹ in lakhs)

Pension	2022-23	2021-22	2020-21	2019-20	2018-19
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
1 Present Value of Defined Benefit Obligation	69,588.75	75,314.86	78,081.62	79,876.92	61,093.93
2 Fair Value of Plan Assets	70,384.11	65,815.54	48,748.23	39,975.18	37,243.76
3 Status [Surplus/(Deficit)]	795.36	(9,499.32)	(29,333.39)	(39,901.74)	(23,850.18)
4 Experience Adjustment of Plan Assets [Gain/(Loss)]	389.74	472.14	139.31	(170.10)	(107.38)
5 Experience/Assumptions Adjustment of obligation [(Gain)/Loss]	(2,071.65)	(71.50)	1,423.18	18,870.75	303.51
Gratuity	**2022-23**	**2021-22**	**2020-21**	**2019-20**	**2018-19**
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
1 Present Value of Defined Benefit Obligation	36,461.66	38,281.68	39,557.57	40,436.32	29,003.72
2 Fair Value of Plan Assets	34,855.60	31,665.39	26,069.19	21,799.23	21,476.75
3 Status [Surplus/(Deficit)]	(1,606.06)	(6,616.29)	(13,488.38)	(18,637.09)	(7,526.97)
4 Experience Adjustment of Plan Assets [Gain/(Loss)]	(34.59)	102.27	324.74	(8.02)	(70.52)
5 Experience/Assumptions Adjustment of obligation [(Gain)/Loss]	(1,140.17)	(1,250.82)	(545.82)	10,969.21	741.81
PRMBS	**2022-23**	**2021-22**	**2020-21**	**2019-20**	**2018-19**
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
1 Present Value of Defined Benefit Obligation	5,121.56	5,241.34	5,476.65	4,889.38	4,049.84
2 Fair Value of Plan Assets	-	-	-	-	-
3 Status [Surplus/(Deficit)]	(5,121.56)	(5,241.34)	(5,476.65)	(4,889.38)	(4,049.84)
4 Experience Adjustment of Plan Assets [Gain/(Loss)]	-	-	-	-	-
5 Experience/Assumptions Adjustment of obligation [(Gain)/Loss]	(49.17)	(117.76)	517.72	908.56	63.38

38. Commitment and contingencies

a. Commitments

(₹ in lakhs)

Particulars	As at 31-Mar-23	As at 31-Mar-22
(i) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	73,585.52	14,865.20

b. Contingent liabilities

(₹ in lakhs)

Particulars	As at 31-Mar-23	As at 31-Mar-22
Claims against the Company not acknowledgement as debt		
(i) Excise and Customs duty	2,049.34	2,372.72
(ii) Central sales tax and value added tax	2,266.03	3,461.20
(iii) Income tax	19,398.16	19,494.38
(iv) Other	66,555.71	67,664.30
(v) 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 Group does not have any contingent assets.

39. Related party transactions

(₹ in lakhs)

Name of the party (listed entity/subsidiary)	Name of the Counterparty	Nature of Relationship	Nature of Transaction	2022-23	2021-22
GSFC LTD	Vadodara Enviro Channel Ltd.	Associate	Usage of effluent channel	288.50	352.24
			Outstanding balance-Payable	23.24	24.62
GSFC LTD	Gujarat Green Revolution Company	Associate	Expenses Recovered	205.22	198.56
			Dividend received/receivable	12.50	12.50
			Outstanding balance-Receivable	37.12	78.58
GSFC LTD	Karnalyte Resources Inc.	Associate	Expenses Recovered	30.82	14.91
			Equity Contribution	1978.57	0.00
GSFC LTD	Managing Director	Key Management Personnel	Remuneration	197.49	175.78
GSFC LTD	V D Nanavaty – ED (Finance) & CFO		Interest Income	1.11	0.62
GSFC LTD	V V Vachhrajani, CS & SVP(Legal & IR)		Outstanding balance	0.00	10.09
GSFC LTD	Gujarat Alkalies and Chemicals Limited	Other related party	Purchase of Materials	4517.05	3050.17
			Expenses Recovered	23.97	17.92
			Dividend received/receivable	165.50	132.40
			Outstanding balance-payable	257.29	187.32
			Outstanding balance-Receivable	3.19	8.33
GSFC LTD	Tunisian Indian Fertilizer Company (TIFERT)	Other related party	Purchase of Material	52969.10	55098.87
			Advance to vendor	4110.78	3805.83
			Provision for Investment	103.71	43.59
			Expenses Recovered	19.36	9.38
			Outstanding balance-Receivable	327.68	231.89
GSFC LTD	Gujarat State Petronet Ltd	Other related party	Fees for Services	2467.37	1494.88
			Outstanding balance-payable	103.38	115.38
GSFC LTD	GSFC Education Society	Other related party	Donation Granted	891.84	400.00

39. Related party transactions (Contd...)

GSFC LTD	Gujarat Gas Ltd	Other related party	Income from Other Services	69.71	65.49
			Dividend received/receivable	938.29	938.29
			Outstanding balance-payable	9.00	3.19
GSFC LTD	The Fertilizer Association of India	Other Related Party	Fees for Services	19.28	17.97
GSFC LTD	Gujarat Narmada Valley Fertilizers Company Limited	Other Related Party	Purchase of Materials	0.00	1822.92
			Sale of Material	1388.02	522.53
			Fees for Services	0.31	3.45
			Dividend received/receivable	3077.91	2462.34
			Outstanding balance-Payable	(0.06)	0.06
			Outstanding balance-Receivable	27.94	12.55
GSFC LTD	Gujarat Industries Power Company Limited.	Other Related Party	Purchase of power	0.00	7092.76
			Sale of power	13.81	67.94
			Dividend received/receivable	559.06	603.80
			Outstanding balance-Receivable	(0.06)	9.00
			Outstanding balance-Payable	0.00	1.00
GSFC LTD	Gujarat State Petroleum Corporation Ltd.	Other Related Party	Purchase of Gas	80170.61	35573.83
			Fees for Services	0.90	1.06
			Outstanding balance-payable	667.94	614.26
GSFC LTD	Indian Potash Ltd.	Other Related Party	Purchase of Material	0.00	3116.97
			Dividend received/receivable	135.00	90.00
			Outstanding balance-payable	8.70	268.92
GSFC LTD	GSFC Science Foundation	Other Related Party	Expenses Recovered	0.56	0.37
			Donation Granted	2.00	0.00
			Outstanding balance-Payable	(0.56)	(0.24)
			Outstanding balance-Receivable	-	0.13
GSFC LTD	Gsfc Employees PF Trust	Retiral Funds	Employer's contribution	2526.18	2474.45
	Fiber Unit Employees PF Trust			215.82	287.72
	Sikka Unit Employees PF Trust			216.62	227.95
	Polymer Unit Employees PF Trust			87.77	96.10
	Gsfc Employees Gratuity Fund Trust			4685.53	6431.97
	Fiber Unit Gratuity Fund Trust			677.84	748.00
	Sikka Unit Gratuity Fund Trust			577.34	827.82
	Polymer Unit Gratuity Fund Trust			275.27	391.39
	Gsfc Employees Pension Fund Trust			6676.76	16463.96
	Fiber Unit Employees Pension Fund Trust			1198.08	2155.58
	Sikka Unit Employees Pension Fund Trust			939.48	2367.71
	Polymer Unit Staff Pension Fund Trust			412.09	1125.58
	Gsfc Employees PF Trust		Contribution towards short fall	706.15	272.56
	Polymer Unit Employees PF Trust			80.85	18.36
	Fiber Unit Employees PF Trust			158.89	138.98
	Sikka Unit Employees PF Trust			252.77	72.91
GSFC Agrotech Limited	Gujarat Green Revolution Company	Associate Company of Holding Company	Sale of Services	401.29	415.18
			Reimbursement of expenses	0.00	0.52
			Outstanding balance-Receivable	125.51	98.74
GSFC Agrotech Limited	Gujarat Narmada Valley Fertilizers Company Limited	Related Party of Holding Company	Purchase of Materials	865.14	399.48
			Sale of Material	74.13	67.32
			Outstanding balance-Payable	(53.68)	0.00
			Outstanding balance-Receivable	17.31	36.49

39. Related party transactions (Contd...)

GSFC Agrotech Limited	Indian Potash Limited	Related Party of Holding Company	Purchase of Materials	4562.86	2089.73
			Outstanding balance-Payable	(203.37)	(142.10)
GSFC Agrotech Limited	S. K. Mishra, CEO	Key Management Personnel	Remuneration	54.00	44.48
GSFC Agrotech Limited	D. D. Bhalgamiya, CFO				
GSFC Agrotech Limited	Purvi Dani, CS				
GSFC Agrotech Limited	GSFC Education Society	Other Related Party	Donation Granted	24.41	23.52
GSFC Agrotech Limited	GSFC Science Foundation	Other Related Party	Expenses Recovered	11.99	10.06

- Please refer remuneration to Non-executive Directors under Managerial Remuneration point in Corporate Governance Report for Directors Sitting Fees.

Following are the list of RPs where Group has no transaction during FY 2022-23 & 2021-22

Name of the party (listed entity/subsidiary)	Name of the Counterparty	Nature of Relationship with the listed Entity or its subsidiary
GSFC LTD	Gujarat State Financial Investrment Limited	Promoter
GSFC LTD	Gujarat Chemical Port limited	Other Related Party

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 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31st March,2022: 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.

Terms and conditions of transactions with related parties:

Transactions with key management personnel of the Group:

(₹ in lakhs)

Remuneration to key management personnel:	For the year ended	
	31-Mar-23	31-Mar-22
Short term employee benefits	226.04	196.47
Post employment benefits	12.93	12.12
Long-term employee benefits	12.52	11.67
Total	**251.49**	**220.26**

40. Segment information

For management purposes, the Group 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 Group'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-23	31-Mar-22
A]	SEGMENT REVENUE:			
1	TOTAL SEGMENT REVENUE			
	a)	Fertilizer Products	8,84,023.45	6,14,988.63
	b)	Industrial Products	2,52,845.96	2,93,490.57
	TOTAL		11,36,869.41	9,08,479.20
2	INTER SEGMENT REVENUE		-	-
3	EXTERNAL REVENUE (1 - 2)			
	a)	Fertilizer Products	8,84,023.45	6,14,988.63
	b)	Industrial Products	2,52,845.96	2,93,490.57
	TOTAL		11,36,869.41	9,08,479.20
B]	RESULT:			
1	Segment result			
	a)	Fertilizer Products	1,45,964.31	69,381.38
	b)	Industrial Products	517.15	52,371.15
	TOTAL		1,46,481.46	1,21,752.53
2	a)	Unallocated income	13,636.52	13,595.79
	b)	Unallocated expenses	(4,347.11)	(2,850.19)
3	Operating Profit (B1 + B2)		1,55,770.87	1,32,498.13
4	Finance Cost		(1,502.63)	(977.17)
5	Provision for Taxation:			
	Current Income Tax		(41,264.70)	(33,170.91)
	Deferred Tax (net)		11,567.93	(7,944.85)
	Earlier Year Tax		2,020.29	(547.57)
6	Net Profit		1,26,591.77	89,857.63
C]	OTHER INFORMATION:			
1	Segment assets			
	a)	Fertilizer Products	4,61,159.45	4,45,882.06
	b)	Industrial Products	2,03,198.66	2,70,883.31
	TOTAL		6,64,358.11	7,16,765.37
2	Unallocated corporate assets		7,26,566.45	6,95,703.34
3	Total Assets		13,90,924.56	14,12,468.71
4	Segment Liabilities			
	a)	Fertilizer Products	93,318.01	1,16,711.93
	b)	Industrial Products	33,639.11	38,611.83
	TOTAL		1,26,957.12	1,55,323.76
5	Unallocated corporate liabilities		59,823.31	79,767.84
6	Total Liabilities		1,86,780.43	2,35,091.60

(₹ in lakhs)

		31-Mar-23	31-Mar-22
7	**Capital Expenditure**		
	a) Fertilizer Products	9,296.88	7,516.90
	b) Industrial Products	987.32	2,119.17
	c) Corporate Capital Expenditure	2,104.62	248.78
	TOTAL	**12,388.82**	**9,884.85**
8	**Depreciation and Amortisation**		
	a) Fertilizer Products	9,277.05	8,823.46
	b) Industrial Products	8,818.16	8,966.77
	c) Unallocated corporate Depreciation	106.29	89.46
	TOTAL	**18,201.50**	**17,879.69**
9	**Non-Cash expenses**		
	a) Fertilizer Products	2,925.08	4,895.61
	b) Industrial Products	1,698.31	3,240.38
	c) Unallocated non-cash expenses	-	-
	TOTAL	**4,623.40**	**8,135.99**

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, 2023 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	-	5,20,869.74	12,079.72	5,32,949.46	4,02,088.25	-	1,18,781.49	5,20,869.74
Other Non-current financial asset	-	-	3,017.89	3,017.89	-	-	-	-
Trade receivables	-	-	49,741.34	49,741.34	-	-	-	-
Government subsidy receivable	-	-	1,66,073.77	1,66,073.77	-	-	-	-
Cash and cash equivalents	-	-	1,09,789.75	1,09,789.75	-	-	-	-
Other bank balances	-	-	34,186.78	34,186.78	-	-	-	-
Current loans	-	-	24,793.53	24,793.53	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other Current financial asset	-	-	1,318.24	1,318.24	-	-	-	-
	-	**5,20,869.74**	**4,01,001.02**	**9,21,870.76**	**4,02,088.25**	**-**	**1,18,781.49**	**5,20,869.74**
Financial liabilities								
Non current borrowings	-	-	-	-	-	-	-	-
Current borrowings	-	-	-	-	-	-	-	-
Lease Liabilities	-	-	238.85	238.85	-	-	-	-
Trade payables	-	-	63,904.41	63,904.41	-	-	-	-
Other current financial liabilities	-	-	25,139.93	25,139.93	-	-	-	-
Derivative financial instruments	15.75	-	-	15.75	-	15.75	-	15.75
	15.75	**-**	**89,283.19**	**89,298.94**	**-**	**15.75**	**-**	**15.75**
The carrying value of financial instruments by categories as of 31 st March, 2022 is as follows.								(₹ in lakhs)
Financial assets								
Non-current investments	-	6,21,494.75	9,876.57	6,31,371.32	5,31,503.56	-	89,991.19	6,21,494.75
Other Non-current financial asset	-	-	2,828.46	2,828.46	-	-	-	-
Trade receivables	-	-	36,594.06	36,594.06	-	-	-	-
Government subsidy receivable	-	-	67,586.64	67,586.64	-	-	-	-
Cash and cash equivalents	-	-	32,748.62	32,748.62	-	-	-	-
Other bank balances	-	-	863.20	863.20	-	-	-	-
Current loans	-	-	23,156.94	23,156.94	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Other Current financial asset	-	-	1,34,299.27	1,34,299.27	-	-	-	-
	-	**6,21,494.75**	**3,07,953.76**	**9,29,448.51**	**5,31,503.56**	**-**	**89,991.19**	**6,21,494.75**
Financial liabilities								
Non current borrowings	-	-	-	-	-	-	-	-
Current borrowings	-	-	282.27	282.27	-	-	-	-
Lease Liabilities	-	-	267.57	267.57	-	-	-	-
Trade payables	-	-	80,193.75	80,193.75	-	-	-	-
Other current financial liabilities	-	-	25,306.66	25,306.66	-	-	-	-
Derivative financial instruments	57.41	-	-	57.41	-	57.41	-	57.41
	57.41	**-**	**1,06,050.26**	**1,06,107.67**	**-**	**57.41**	**-**	**57.41**

B. Measurement of fair values & Sensitivity Analysis

i) Valuation techniques and significant unobservable inputs

Some of the Group'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)
	31-03-2023	31-03-2022		
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 ₹ 4,02,088.25	Listed equity securities in various companies engaged in fertilizer, chemicals,finance, gas, power and mining industry aggregate fair value of ₹ 5,31,503.56	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
		31-03-2023	31-03-2022			
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. 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 storage facilities - aggregate fair value of ₹ 34,336.84	Investment in companies engaged in business of storage facilities - aggregate fair value of ₹ 38,015.79	Level 3	Market Multiple Discount ranging from 25% to 35% (As at 31.3.22 from 25% to 35%)	Increasing/Decreasing the Market Multiples by probability weighted range, would change the FV by +INR 4905.26 lakhs & -INR 3678.95 lakhs (As at 31.3.22 +INR 1189.53 lakhs & -INR 4696.79 lakhs)
		Investment in companies engaged in business of fertilizers industry - aggregate fair value of ₹ 80,707.50	Investment in companies engaged in business of fertilizers industry - aggregate fair value of ₹ 49,162.50		Market Multiple Discount ranging from 15% to 25% (As at 31.3.22 Discount to EV/EBITDA Multiple ranging from -0.50% to 0.50%)	Increasing/Decreasing the Market Multiples by probability weighted range, would change the FV by +INR 1597.50 lakhs & -INR 2182.50 lakhs (As at 31.3.22, Increasing/Decreasing the Discounting Factor by probability weighted range, would change the FV by +INR 1080.00 lakhs & -INR 1102.50 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 31.3.22 NIL) Discounting Factor ranging NIL (As at 31.3.22 NIL)	Increasing/Decreasing the Growth Rate & Discounting Factor by probability weighted range, would change the FV by NIL. (As at 31.3.22 NIL)
	(Refer note below).	Investment in company engaged in the business of gas marketing - aggregate fair value of ₹ 3,569.65	Investment in company engaged in the business of gas marketing - aggregate fair value of ₹ 2,627.30	Level 3	10% +/- over base value(As at 31.3.22, 10% +/- over base value)	10% increase/Decrease over base value, would change FV by +INR 352.50 lakhs & -INR 350.15 lakhs. (As at 31.3.22 +INR 357.20 lakhs & -INR 357.20 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.					
	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 ₹ 167.50	Investment in companies engaged in power and finance industry - aggregate fair value of ₹ 185.60	Level 3	Discount to Book Value ranging from 15% to 30% (As at 31.3.22 from 15% to 30%)	Increasing/Decreasing the Discounting Factor by probability weighted range, would change the FV by +INR 19.90 lakhs & -INR 18.70 lakhs (As at 31.3.22 +INR 21.75 lakhs & -INR 20.22 lakhs)

Note 1 : The Group has invested in the equity instruments of various companies. However, the percentage of shareholding of the Group 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 Group 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 2022-23 and 2021-22.

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 2022)	89,991.19
Net change in fair value (unrealised)	28,790.30
Purchases	-
Closing Balance (31 March 2023)	**1,18,781.49**

Transfer out of Level 3

There were no movement in level 3 in either directions during the year 2022-23 and 2021-22.

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

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group 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 Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, 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 group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group. 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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Group'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 Group's standard payment and delivery terms and conditions are offered. The Group'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 Group may have a secured claim. The Group does not otherwise require collateral in respect of trade and other receivables.

The Group 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	1.66%
181-270 days past due	5.43%
270-360 days past due	14.03%
360-450 days past due	29.65%
450-540 days past due	49.69%
540-630 days past due	70.43%
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, 2023	March 31, 2022
Less than 6 Months	1,82,836.92	91,059.61
Past due 6 Months - 1 Year	19,226.25	1,782.92
Past due 1 Year - 2 Year	3,309.50	203.18
Past due 2 Year - 3 Year	54.20	174.34
Past due more than 3 Year	10,388.24	10,960.65
	2,15,815.11	**1,04,180.70**

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, 2023	Year ended March 31, 2022
Balance at the beginning of the year	7,128.86	7,146.59
Movement in the expected credit loss allowance on trade receivables calculated at lifetime expected credit losses Past due 31–90 days	(84.50)	(17.73)
	7,044.36	7,128.86

During the year 2022-23 and 2021-22, impairment provision was reduced by ₹ 84.50 Lakhs and ₹ 17.71 Lakhs respectively

Cash and cash equivalents

The Group held cash and cash equivalents of ₹ 1,09,789.75 Lakhs at March 31, 2023 (₹ 32,748.62 Lakhs at March 31, 2022). 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 Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

Financing facilities: (₹ in lakhs)

Particulars	As at 31-03-2023	As at 31-03-2022
a) Secured cash credit, reviewed annually		
- amount used	-	-
- amount unused	30,000.00	30,000.00
b) Unsecured commercial papers		
- amount used	-	-
- amount unused	1,00,000.00	1,00,000.00
c) Unsecured working capital demand loan		
- amount used	-	282.27
- amount unused	1,10,000.00	84,717.73

Exposure to liquidity risk

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payment as at 31st March 2023.

(₹ in lakhs)

March 31, 2023	Contractual cash flows				
	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
INR					
Non-derivative financial liabilities					
Working capital loans from banks	-	-	-	-	-
Lease Liabilities	238.85	90.62	148.23	-	-
Trade payables	63,904.41	63,904.41	-	-	-
Other current financial liabilities	25,139.93	25,139.93	-	-	-
Derivative financial liabilities					
Derivative contracts					
- Outflow	15.75	15.75	-	-	-

March 31, 2022	Contractual cash flows				
	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities					
Working capital loans from banks	282.27	282.27	-	-	-
Lease Liabilities	267.57	97.37	170.20	-	-
Trade payables	80,193.75	80,193.75	-	-	-
Other current financial liabilities	25,306.66	25,306.66	-	-	-
Derivative financial liabilities					
Derivative contracts					
- Outflow	57.41	57.41	-	-	-

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 Group'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 Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of Group's investments. Thus, Group'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 Group is exposed to currency risk on account of its import payables and borrowings in foreign currency. The functional currency of the Group is Indian Rupee. The Group 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 Group 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, 2023			
	INR	USD[1]	CAD[1]	Others[1]
Financial assets				
Cash and cash equivalents	1,09,789.75	-	-	-
Other bank balances	34,186.78	-	-	-
Non-current investments	5,29,479.94	-	3,469.53	-
Current loans and advances	24,793.53	-	-	-
Trade and other receivables	2,14,384.88	1,243.13	-	187.10
Derivative assets	-	-	-	-
Other Non-Current financial assets	3,017.89	-	-	-
Other Current financial assets	1,318.24	-	-	-
	9,16,971.01	**1,243.13**	**3,469.53**	**187.10**
Financial liabilities				
Long term borrowings	-	-	-	-
Short term borrowings	-	-	-	-
Lease Liabilities	238.85	-	-	-
Trade and other payables	57,189.17	6,647.00	-	68.24
Derivative liabilities	-	15.75	-	-
Other Current financial liabilities	25,070.14	-	-	69.79
	82,498.15	**6,662.75**	**-**	**138.04**

(₹ in lakhs)

Particulars	March 31, 2022			
	INR	USD[1]	CAD[1]	Others[1]
Financial assets				
Cash and cash equivalents	32,748.62	-	-	-
Other bank balances	863.20	-	-	-
Non-current investments	6,30,806.95	-	564.36	-
Current loans and advances	23,139.01	-	-	-
Trade and other receivables	1,01,732.60	2,448.10	-	-
Derivative assets	-	-	-	-
Other Non-Current financial assets	2,828.46	-	-	-
Other Current financial assets	1,34,317.20	-	-	-
	9,26,436.05	**2,448.10**	**564.36**	**-**
Financial liabilities				
Long term borrowings	-	-	-	-
Short term borrowings	282.27	-	-	-
Lease Liabilities	267.57	-	-	-
Trade and other payables	57,652.11	22,371.52	-	170.12
Derivative liabilities	-	57.41	-	-
Other Current financial liabilities	25,094.59	-	-	212.07
	83,296.55	**22,428.93**	**-**	**382.19**

1 - The figures are in INR Equivalent of respective currency

The following significant exchange rates have been applied during the year.

	Year-end spot rate	
INR	**March 31, 2023**	**March 31, 2022**
USD	82.22	75.81
CAD	61.33	61.10

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at 31st March 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 23		31 March 22	
Effect in INR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
10% movement				
USD	(249.95)	991.40	1,123.51	(897.96)
CAD	346.95	(346.95)	56.44	(56.44)

42. Research & Development Expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Capital*	78.55	25.23
Recurring**	975.18	994.15
Total	**1,053.73**	**1,019.38**
*Capital Expenses included in PPE Note No. 5	78.55	25.23
**Recurring Expenses included in		
Note No. 33 Employee Benefit expenses	958.21	981.75
Note No. 35 Other expenses	16.97	12.40

43. Corporate Social Responsibility

(₹ in lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
a) Amount required to be spent by the group during the year	1,215.80	792.81
b) Amount of expenditure incurred #	1,215.86	999.65
c) Shortfall at the end of the year	-	-
d) Total of previous year shortfall	-	-
e) Reason for shortfall	NA	NA
f) Nature of CSR activities	Education, Safe Drinking Water, Rural Development Projects	Education, Health, Safe Drinking Water, Rural Development Projects
g) Details of related party transactions (Donation to GSFC Education Society & GSFC Science Foundation)*	918.25	423.52
h) Provision is made with respect to a liability incurred by entering into a contractual obligation	NA	NA

* Refer Note no 39 for Related Party Transactions.

₹ 991.19 Lakhs (Previous Year ₹ 787.76 Lakhs) is included under the head Donations and Contributions in Other Expenses (Note No. 35) and balance ₹ 224.67 Lakhs (Previous Year ₹ 211.89 Lakhs) is included under various other heads of the Statement of Profit and Loss.

44. Details on derivative instruments and unhedged foreign currency exposure

(I) (a) Forward exchange contracts and options(being derivitive 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.

(i) Outstanding forward exchange contracts entered into by the Group as on 31 March, 2023

Currency	Amount (in Mn)	Buy / Sell	Cross currency
USD	0.00	Buy	Rupees
USD	(5.00)	Buy	Rupees

Note: Figures in brackets relate to the previous year

(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	(25.00)	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 2.84 Mn (As at March 31, 2022: USD 8.39 Mn)

45. Ind As 115 : Revenue from Contracts with Customers

The Group generates revenue primarily from manufacturing of Fertilizers and Chemical Products. The Group 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, 2023	Year end 31st March, 2022
Revenue from Contract with Customers	5,55,837.73	5,82,445.78
Revenue from Subsidy from Government	5,81,031.69	3,26,033.42
Total Revenue	**11,36,869.41**	**9,08,479.20**

The break-up of Revenue from Contract with Customers is as under:

(A) Revenue from Contract with Customers – Segment-wise (₹ in lakhs)

Particulars	Year end 31st March, 2023	Year end 31st March, 2022
Fertilizer Products	8,84,023.45	6,14,988.63
Industrial Products	2,52,845.96	2,93,490.57
Total Revenue	**11,36,869.41**	**9,08,479.20**

(B) Revenue from Contract with Customers – Activity-wise (₹ in lakhs)

Particulars	Year end 31st March, 2023	Year end 31st March, 2022
Revenue generated from Manufacturing Activity	9,80,636.71	8,00,174.23
Revenue generated from Trading Activity	1,54,306.82	1,06,382.52
Revenue generated from Other Operating Activity	1,342.72	1,370.16
Revenue generated from Sale of Service	583.16	552.29
Total Revenue	**11,36,869.41**	**9,08,479.20**

(C) Contract Liability: (₹ in lakhs)

Particulars	Year end 31st March, 2023	Year end 31st March, 2022
Opening Balance of Contract Liability	1,572.51	3,194.06
Revenue Recognised from the opening balance of contract liability	1,419.54	3,194.06
Current year Contract liability - Carried Forward	1,707.92	1,572.51
Closing Balance of Contract Liability	1,860.89	1,572.51

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 advances from customers.The Group 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 Group'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.

46. 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)

47. Details of Struck-off companies

Name of Struck off company	Nature of transactions with Struck-off Company	Relationship with the Struck off company, if any, to be disclosed	Balance Outstanding as at March 2023 (₹ Lakhs)	Balance Outstanding as at March 2022 (₹ Lakhs)
OM TRADING COMPANY PRIVATE LIMITED,	Receivables	NA	2.29	2.29
CLICKFORSTEEL SERVICES LIMITED		NA	3.51	3.51
HP ENTERPRISES PRIVATE LIMITED,		NA	0.67	0.67
RTC AGRI SERVICES PRIVATE LIMITED	Payables	NA	0.28	0.28

48. 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, 2023.

(ii) Previous year figures are regrouped / reclassified wherever required in order to make it comparable in line with the amendments in Schedule III, Division II to the Companies Act, 2013 effective from 1st April, 2021

(iii) Balances of Sundry Creditors, Sundry Debtors, Loans & advances, etc. are subject to confirmation and reconciliation.

(iv) The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the financial statements to determine the necessity for recognition and / or reporting of any of these events and transactions in the financial statements. As of 25th May, 2023 there were no subsequent events to be recognized or reported that are not already disclosed.

49. Interest in other entities

a) Subsidiaries

The Company's subsidiaries at 31 March 2023 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 2023	31 March 2022	
GSFC Agrotech Limited (GATL)	India	100.00%	100.00%	Trading of Agro inputs
Gujarat Port & Logistics Company Ltd.	India	60.00%	60.00%	Providing Port & Logistics related Service
Vadodara Jalsanchay Pvt. Ltd.	India	60.00%	60.00%	Treatment and supply of waste water

b) Associates

Set out below are the associates of the Company as at 31 March 2023 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, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Vadodara Enviro Channel Limited (note 1)	India	28.57%	Associate	Equity Method	66.47	44.02	*	*
Gujarat Green Revolution Company Limited (note 2)	India	46.87%	Associate	Equity Method	9,961.83	9,268.19	*	*
Karnalyte Resources Inc (note 3)	Canada	47.73%	Associate	Equity Method	2,051.43	564.36	3,899.75	9,082.18
Total equity accounted investments					**12,079.72**	**9,876.57**	**3,899.75**	**9,082.18**

* 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 2023	31 March 2022
Contingent liabilities - associates	11,419.83	6,661.00

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 2023			31 March 2022		
	KRI	VECL	GGRCL	KRI	VECL	GGRCL
Total current assets	2495.52	2,826.79	68,805.23	1,181.67	2,855.85	58,930.93
Total non-current assets	3478.02	1,957.35	1,254.98	3,600.01	1,957.30	1,176.43
Total current liabilities	559.33	678.70	48,651.22	564.56	667.22	40,320.20
Total non-current liabilities	818.14	435.89	73.09	943.38	423.97	64.47
Adjustment-Member'Capital Contribution & Capital Reserve	-	3,988.82	-	-	3,988.82	-
Net Assets	**4,596.07**	**(319.27)**	**21,335.90**	**3,273.74**	**(266.86)**	**19,722.69**

Reconciliation to carrying amounts **(₹ in Lakhs)**

Particulars	31 March 2023			31 March 2022		
	KRI	VECL	GGRCL	KRI	VECL	GGRCL
Net assets	4,596.07	(319.27)	21,335.90	3,273.74	(266.86)	19,722.69
Company's Share in %	47.73%	28.57%	46.87%	38.73%	28.57%	46.87%
Company's Share in ₹ lakh	2,193.89	(91.22)	10,000.44	1,267.94	(76.24)	9,244.30
Adjustment	(142.46)	157.68	(38.61)	(703.58)	120.26	23.89
Carrying amount	**2,051.43**	**66.47**	**9,961.83**	**564.36**	**44.02**	**9,268.19**

Summarised statement of profit and loss **(₹ in Lakhs)**

Particulars	31 March 2023			31 March 2022		
	KRI	VECL	GGRCL	KRI	VECL	GGRCL
Revenue	-	1,597.86	572.36	-	1,597.86	414.80
Profit for the year	(1,029.66)	70.00	1,641.01	(1,190.80)	(94.76)	1,440.81
Other comprehensive income	-	-	(1.12)			
Total comprehensive income	**(1,029.66)**	**70.00**	**1,639.89**	**(1,190.80)**	**(94.76)**	**1,440.81**
Dividend received	-	-	12.50	-	-	12.50

50. 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 Fertilizers and Chemicals Limited								
31 March 2023	98.43%	11,85,116.65	99.24%	1,25,632.24	100.00%	(89,863.21)	97.39%	35,769.03
31 March 2022	98.64%	11,61,163.38	98.97%	88,936.75	100.00%	1,72,132.13	99.66%	2,61,068.88
Subsidiaries								
Indian								
GSFC Agrotech Limited								
31 March 2023	0.56%	6,711.75	0.52%	654.74	0.00%	1.16	1.79%	655.90
31 March 2022	0.52%	6,105.85	0.85%	764.79	0.00%	(24)	0.28%	741.10
Vadodara Jal Sanchay Private Limited								
31 March 2023	0.01%	121.31	0.00%	2.47	0.00%	-	0.01%	2.47
31 March 2022	0.01%	118.84	0.00%	1.56	0.00%	-	0.00%	1.56
Gujarat Port and Logistics Company Limited								
31 March 2023	0.01%	114.70	0.00%	2.22	0.00%	-	0.01%	2.22
31 March 2022	0.01%	112.48	-0.01%	(5.76)	0.00%	-	0.00%	(5.76)
Non Controlling Interest in above subsidiaries								
31 March 2023	-0.01%	(157.34)	0.00%	(3.12)	0.00%	-	-0.01%	(3.12)
31 March 2022	-0.01%	(154.22)	0.00%	2.79	0.00%	-	0.00%	2.79
Associates (Investments as per the equity method)								
Indian								
Vadodara Enviro Channel Limited								
31 March 2023	0.01%	66.47	0.02%	22.45	0.00%	-	0.06%	22.45
31 March 2022	0.00%	44.02	-0.12%	(103.93)	0.00%	-	-0.04%	(103.93)
Gujarat Green Revolution Company Limited								
31 March 2023	0.83%	9,961.83	0.61%	769.16	0.00%	-0.52	2.09%	768.64
31 March 2022	0.79%	9,268.19	0.76%	678.87	0.00%	-0.15	0.26%	678.72
Foreign								
Karnalyte Resources Inc.								
31 March 2023	0.17%	2,051.43	-0.39%	(491.50)	0.00%	-	-1.34%	(491.50)
31 March 2022	0.05%	564.36	-0.46%	(414.65)	0.00%	-	-0.16%	(414.65)
Total								
31 March 2023	**100.00%**	**12,03,986.79**	**100.00%**	**1,26,588.66**	**100.00%**	**(89,862.58)**	**100.00%**	**36,726.08**
31 March 2022	**100.00%**	**11,77,222.89**	**100.00%**	**89,860.43**	**100.00%**	**1,72,108.29**	**100.00%**	**2,61,968.72**

Signatures to Notes 1 to 50 forming the part of the Financial Statements.

In terms of our report attached.

For **Parikh Mehta & Associates**
Chartered Accountants
Firm Registration No.: 112832W

Tejal Parikh
Partner
Membership No.: 109600

Mukesh Puri
Managing Director
(DIN-03582870)

Tapan Ray
Director
(DIN-00728682)

V. D. Nanavaty
ED (Finance) & CFO and Company Secretary

Gandhinagar
25th May, 2023

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	Name of the subsidiary	GSFC Agrotech Limited
3	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	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
5	Share capital (as on 31.03.2023)	20,00,00,000
6	Reserves & surplus (as on 31.03.2023)	47,11,75,561
7	Total assets (as on 31.03.2023)	1,59,48,14,346
8	Total Liabilities (as on 31.03.2023)	92,36,38,785
9	Investments (as on 31.03.2023)	-
10	Turnover (FY 2022-23)	4,81,32,61,028
11	Profit before taxation (FY 2022-23)	8,83,66,350
12	Provision for taxation (FY 2022-23)	2,28,91,430
13	Profit after taxation (FY 2022-23)	6,54,74,920
14	Proposed Dividend (FY 2022-23)	Not available
15	% of shareholding (as on 31.03.2023)	100% (with nominees)

	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

In terms of our report attached.

For **Parikh Mehta & Associates**
Chartered Accountants
Firm Registration No.: 112832W

Tejal Parikh
Partner
Membership No.: 109600

Mukesh Puri
Managing Director
(DIN-03582870)

Tapan Ray
Director
(DIN-00728682)

V. D. Nanavaty
ED (Finance) & CFO
and Company Secretary

Gandhinagar
25th May, 2023

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 Company Limited	Vadodara Enviro Channel Limited	Gujarat Data Electronics Limited	Karnalyte Resources Inc.
1	**Latest audited Balance Sheet Date**	31st March, 2022	31st March, 2022	Not available	31st December, 2022
2	**Shares of Associates held by the company on the year end**				
	No.	12,50,000	14,302	1,15,000	2,54,34,558
	Amount of Investment in Associates (₹)	1,25,00,000	20	11,50,000	2,66,84,94,819
	Extend of Holding %	46.87%	28.57%	23.00%	47.73%
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**	92,44,30,465	(67,14,757)	Not available	23,18,79,479
	(ii) Networth attributable to Shareholding as per unaudited Balance sheet as on 31/03/2023 (₹)	1,00,00,44,387	(47,14,757)	Not available	21,93,88,660
6	**Unaudited Profit / Loss for the FY 2022-23 (₹)**	16,41,01,000	70,00,000	Not available	(10,29,66,190)
	i. Considered in Consolidation (₹)	16,41,01,000	70,00,000	Not available	(10,29,66,190)
	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 **Parikh Mehta & Associates**
Chartered Accountants
Firm Registration No.: 112832W

Tejal Parikh
Partner
Membership No.: 109600

Gandhinagar
25th May, 2023

Mukesh Puri
Managing Director
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V. D. Nanavaty
ED (Finance) & CFO
and Company Secretary

Tapan Ray
Director
(DIN-00728682)

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New 20 MTPD HX Sulphate Crystal Project- Driving Innovation & Growth at Caprolactam-II Plant

Project Overview

Hydroxylamine Sulphate Solution is being manufactured by GSFC for its captive use in synthesis of Caprolactam. In the year 2012-13, based on in-house R&D technology and Pilot Plant, GSFC Design Department scaled up process to a commercialized Plant for 3.6 MTPD (1200 MTPY) HX Sulphate Crystal production. After implementation of various process optimizations, production was gradually increased to 10 MTPD in year 2020 and running consistently.

HX Sulphate Crystals are used for various applications like Pharma intermediates, Agro chemicals, Aromatic Chemicals etc. Currently Indian demand of HX Sulphate Crystal is estimated at around 15,000 MTPA out of which, GSFC, being sole Indian manufacturer, caters approximately 3000 MTPA from existing Plant. Balance demand is met through imports from various global manufacturers located mainly in Japan, Germany, Russia and China. Hence, ample scope is available for GSFC to increase its market share in domestic market by increasing production of HX Sulphate Crystal.




Looking to favourable market scenario, import substitute product and profit margin, installation of 20 MTPD HX Crystal plant (two trains of 10 MTPD) is considered by proportionately reducing quantity of Caprolactam & Ammonium Sulphate. This will create flexibility for production of HX Crystal or Caprolactam based on profitability in future. New Plant will be installed within the premises of Caprolactam-II Plant.

Improvement in Design considered in New 20 MTPD HX Crystal Plant

Two trains of 10 MTPD each is considered to avoid total production loss in case of any breakdown.

New Plant is being set up where requirement of Good Manufacturing Practice (GMP) such as SOP of operating the plant, quality practices, keeping records of raw material and finished products, prevent contamination, internal audits, maintenance of equipment and their records, health and hygiene conditions in and around plant, disposal of waste etc. which is a requirement of Pharma Customers will be followed.

Plant is designed with Zero Liquid Discharge (ZLD) concept to meet the present pollution norms.

Objectives and Key Milestones

Complete Project is in-house i.e. Basic Engineering, Detail Engineering and Mechanical as well as civil construction activities are carried out by GSFC. The estimated Project Cost works out as ~ Rs. 125 Crores.

Project is at Detail Engineering stage and civil construction works has already started at site. Project is targeted to be commissioned by 31/03/2024.

With installation of new 20 MTPD HX Crystal Project, GSFC's production capacity will reach to 10,000 MTPA and is a step towards Aatmanirbhar Bharat.

According to the Standard Operating Procedure (SOP) provided by the Department of Fertilizers (DoF), Government of India, the Gujarat State Fertilizers and Chemicals Ltd (GSFC) has successfully developed a total of 5017 "Pradhan Mantri Kisan Samruddhi Kendra" **(PMKSK)**. These Kendras are model fertilizer retail shops that have been established across the nation to effectively address the requirements of farmers. The primary objective of these one-stop shops is to provide a wide array of agriculture-related inputs and services, ultimately contributing to the overall prosperity of farmers.

The establishment of **PMKSKs** aligns with the government's efforts to ensure the well-being of farmers by offering them convenient access to a comprehensive range of agricultural products and services. These Kendras serve as a centralized platform where farmers can find a diverse selection of fertilizers, seeds, pesticides, and other essential inputs required for their agricultural activities.

By providing a consolidated location for farmers to obtain their agricultural needs, the **PMKSKs** aim to streamline the procurement process and enhance the overall efficiency of the farming sector. Additionally, these Kendras serve as knowledge centres where farmers can seek guidance and support from agricultural experts. They provide valuable information on modern farming techniques, crop management practices, and the optimal utilization of agricultural inputs besides government policies and schemes.

The establishment of **PMKSKs** across the country is a significant step towards empowering farmers and ensuring their economic prosperity. These retail shops play a crucial role in bridging the gap between farmers and agricultural inputs, enabling them to make informed decisions and enhance their productivity. By facilitating easy access to high-quality inputs and expert guidance, the **PMKSKs** contribute to the sustainable development of agriculture in India.


VADODARA


NADIAD


JAMNAGAR


RAJKOT

GENERAL SPORTS ASSOCIATION – FOSTERING WELLNESS AND TEAM SPIRIT

Sports development within GSFC not only promotes physical fitness and well-being but also plays a pivotal role in enhancing team dynamics, boosting employee morale, and fostering a positive work environment. Adequate and well-maintained sports facilities provide the foundation for our employees to excel and overall development of a thriving sporting culture. During last year General Sports Association has carried out following infrastructural development:

- Renovated Swimming Pool.
- Renovated and reopened staff gymkhana .
- Prepared Practice Pitch for GSFC Cricket Academy (GCA) and opened to employees and cricket enthusiast.
- Constructed a state of the art Gymnasium for employees working at Corporate Office.
- Renovation & beautification of GSA Pavilion
- Construction of Badminton Court at Sikka Unit

Sports infrastructural development in pipeline:

- Construction of Astro Turf Football Ground at Fertilizernagar School
- Renovation/development of sports infrastructure at Navchetan Education Trust, Kharach.
- Development of Kid Zone at Sikka Fertilizernagar School
- Resurfacing of Lawn Tennis Court.
- 2^{nd} phase renovation of swimming pool.

Major activities carried out during the year :

- Organized Yoga Camp for Fertilizernagar residents, employees & dependents.
- Regular Zumba Classes for women employees & employee dependents.
- Organized Summer Camp consists of Skating, Basketball, Yoga, Tennis, Chess, Badminton and Cricket for kids.
- Organized Industrial Invitation Volleyball Tournament.
- Organized Night Cricket Tournament for Fertilizernagar Residents, School, University & employees.
- Organized T-10 & T20 Cricket Tournament for employees
- Organized T-20 Cricket Tournament for employees
- As GSFC Cricket Academy initiative, we are organizing training camp for Kids and Employees.
- Baroda Cricket Association (BCA) in collaboration with GSFC's GSA organised its group matches, Ranji trophy matches, women's T-20 matches and many more.

Sports development has numerous benefits, ranging from improved physical health to enhanced teamwork and morale. By prioritizing and investing in sports programs GSFC has created an environment that encourages employee engagement, collaboration, and personal growth.

GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

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