No. SEC/BD/SE/AGM
August 28, 2024

Dy. General Manager
BSE Limited
Corporate Relationship Dept.,
1st Floor, New Trading Ring,
Rotunda Bldg., PJ Tower,
Dalal Street, Fort,
Mumbai - 400 001
Scrip Code: "500670"

Dy. General Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
C-1, Block - "G",
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051
Symbol: "GNFC"

Dear Sir / Madam,

Sub.:- Annual Report together with Notice of 48th Annual General Meeting of the Company for the FY 2023-24

Pursuant to Regulation 30 read with Para A of Part-A of Schedule-III & Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report for the FY 2023-24 of the Company together with Notice of 48th Annual General Meeting, scheduled to be held on Friday, September 20, 2024 at 03:00 PM through Video Conferencing (VC) / Other Audio Visual Means (OAVM). The deemed venue for the 48th Annual General Meeting will be the Registered Office of the Company at P.O. Narmadanagar – 392 015, District: Bharuch.

The Company has sent today the Annual Report for the FY 2023-24 of the Company together with Notice of 48th Annual General Meeting through email to all the Shareholders of the Company whose email ids are registered with the Company or Depository Participants.

The Annual Report together with Notice is also available on the website of the Company at www.gnfc.in .

You are requested to take note of the above.

Thanking you.

Yours faithfully,

For Gujarat Narmada Valley Fertilizers & Chemicals Limited

CHETNA PRABHATKUMAR DHARAJIYA
Digitally signed by CHETNA PRABHATKUMAR DHARAJIYA
Date: 2024.08.28 20:25:26 +05'30'

Chetna Dharajiya
Company Secretary & Chief Manager (Legal)

Encl.: As above

GNFC

48th Annual Report 2023-2024

Gujarat Narmada Valley Fertilizers & Chemicals Limited

Corporate Information

Board Of Directors

(As on 31.03.2024)

Shri Raj Kumar, IAS
Chairman

Shri Mukesh Puri, IAS
Director (up to 01.02.2024)

Shri Kamal Dayani, IAS
Director (w.e.f. 09.02.2024)

Shri Jagdish Prasad Gupta, IAS
Director

Smt. Mamta Verma, IAS
Director

Smt. Gauri Kumar, IAS (Retd.)
Independent Woman Director

Prof. Ranjan Kumar Ghosh
Independent Director

Shri Bhadresh Mehta
Independent Director

Dr. N. Ravichandran
Independent Director

Prof. Piyushkumar Sinha
Independent Director

Shri Pankaj Joshi, IAS
Managing Director

Chief Financial Officer & Executive Director
Shri D. V. Parikh

Company Secretary & Compliance Officer
Shri A. C. Shah
Company Secretary & GM (Legal) (up to 31.05.2024)

Company Secretary & Compliance Officer
Ms. Chetna Dharajiya
Company Secretary & Chief Manager (Legal) (w.e.f. 01.06.2024)

Statutory Auditors
M/s Suresh Surana & Associates LLP
Mumbai

Cost Auditors
Shri R. K. Patel
Vadodara

Secretarial Auditors
Shri J. J. Gandhi
Practicing Company Secretary

Registrar and Share Transfer Agent
M/s KFin Technologies Limited
Hyderabad

Registered Office
P.O. Narmadanagar - 392015, Dist.: Bharuch, Gujarat, India. **Website:** www.gnfc.in

48th ANNUAL GENERAL MEETING

Date : September 20th, 2024

Day : Friday

Time : 03:00 PM

Venue : The AGM will be conducted through VC/OAVM, pursuant to the circulars issued by the MCA and the SEBI, from time to time.

Contents

Broadening Horizons...
Changing More Lives

Cash positive company with almost ZERO debt.

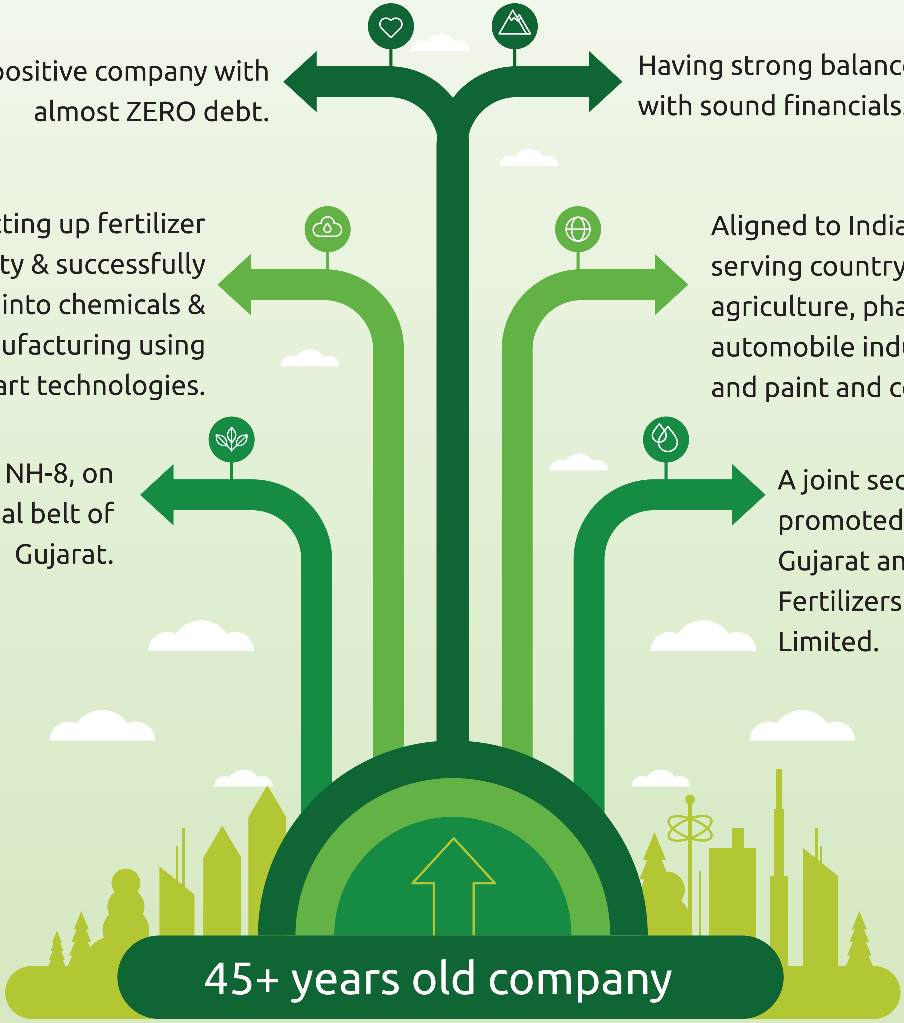
Having strong balance sheet with sound financials.

Established by setting up fertilizer manufacturing facility & successfully diversified into chemicals & petrochemicals manufacturing using state of the art technologies.

Aligned to India's growth story, serving country's critical sectors like agriculture, pharmaceutical, automobile industry, dyes industry and paint and coating industry etc.

Situated near NH-8, on prosperous industrial belt of Gujarat.

A joint sector enterprise promoted by Government of Gujarat and Gujarat State Fertilizers and Chemicals Limited.



GNFC today has extended its profile much beyond fertilizers through a process of horizontal integration, Chemicals/Petrochemicals, Energy Sector, Electronics/Telecommunications and Information Technology form ambitious and challenging additions to its corporate portfolio. GNFC has an enterprising, strategic view towards expansion and diversification.

Vision

To be technology driven, environmentally responsible Joint Sector Company manufacturing Fertilizers, Commodity and Speciality Chemicals maintaining highest standards of operational excellence and innovation for creating sustainable value for all stakeholders.

Mission

We Shall

- Be the leading provider of Chemicals and Agricultural inputs through adoption of State of the Art Technologies and Business Processes;
- Have a firm commitment to quality, environment, health and safety;
- Enrich human resources and promote teamwork, innovativeness and integrity;
- Achieve sustainable economic growth based on corporate excellence driven by ethical business practices, professionalism, dynamism and social responsibility.
- There is more to GNFC than meets the eye - and fertilizers are only a part of the Company’s growing sphere of activities.
- In fact, industrial chemicals have been the dominant driver of growth of for the company in recent times. GNFC is also making a foray into the arena of e-security for potential future growth in the InfoTech sector.
- As part of an evolved strategic thrust, the focus is on consolidating and driving growth through core competencies, absorbing technologies from the world’s leading technology providers and latching on to business areas with high potential.
- A business outlook that is fresh, dynamic has always been part of the GNFC culture. So expect something new every time.

MISSION

GNFC

is all around you...!!

Uniqueness & Strengths

01
Key Chemicals

India's only manufacturer of Glacial Acetic acid & Aniline

02
FOREX Saving

600 Million USD of foreign exchange saving every year

03
Location

Situated near NH-8, on prosperous industrial belt of Gujarat

04
Toluene Di-isocyanate (TDI)

Only manufacturer of Toluene Di- isocyanate (TDI) in South East Asia & Indian Sub Continent

05
State of the art technologies

Absorbed state-of-the art complex technologies from leading technology providers across the globe

06
Manpower

Never lost a single man-day on account of labour discord

GNFC

Shareholding Pattern As on March 31st, 2024

GNFC

- Promoters, **41.30%**
- Non Institutions, **30.0%**
- Institutions, **28.70%**

21.44%
Gujarat State Investments Limited (GSIL)

19.86%
Gujarat State Fertilizers & Chemicals Limited (GSFC)

Growing Continuously is in our Nature

1976
INCEPTION

GNFC

Capital Investment
₹ 500 Crore

Avg. Turnover
₹ 260 Crore

1981-1990 Ammonia, Urea, Methanol-1, Power Plant-I&II, Formic Acid.

Capital Investment
₹ 1100 Crore

Avg. Turnover
₹ 850 Crore

1991-2000 Methanol-2, NPP complex, Aniline-TDI complex, Acetic Acid, SGGU, CNA-II

Avg. Turnover
₹ 2350 Crore

2001-2010 MSU, Wind Power 21 MW

Capital Investment
₹ 200 Crore

Avg. Turnover
₹ 4950 Crore

2011-2020 CNA-IIII, WNA-II, CPSU, Ethyl Acetate, ASGP, TDI-II, 10 MW Solar Power

Capital Investment
₹ 4500 Crore

Empowering Lives Through Growth

1976
Laid foundation to Strengthen the green revolution in India.

1982
Started manufacturing and marketing operations by setting up one of the world's largest single-stream ammonia-urea fertilizer complex.

1986
Officially set up R&D Centre which is managed by a highly qualified team of scientists and Technologists.

1987 & 1990
GNFC commissioned 50 MW captive power project in two phases.

1991
Established a 142500 TPA Nitro phosphate Plant and a Calcium Ammonium Nitrate Plant.

1999-2000
Diversified into IT and inaugurated Info-tower at Ahmedabad and signed MoU with business partners having technical strength for strategic alliances.

2002-2003
Incorporated ING SATCOM Ltd for undertaking IT related activities including providing V-SAT services via Satellite Systems Internet Gateways Internet Service Provider.

2004-2005
Entered into a contract with Gas Authority of India Ltd (GAIL) for the supply of R-LNG and completed the capacity enhancement of Formic Acid Plant and a new parallel Methyl Format section has been successfully revamped and commissioned in March 2005 to utilize waste carbon monoxide stream available from ammonia plant.

2005
Completed the revamping of hydrogen PSA unit and increased the production of hydrogen by 1200 NM3/Hr and commissioned the Air Separation Unit (ASU) Revamp project.
In October 2005 the company commissioned the AN Melt Filling Station with the additional capacity of 400 MT per day. During the year 2006-07 Narmada Chematur Petrochemicals Ltd (NCPL) the subsidiary of the company amalgamated with the company.

Empowering Lives Through Growth

2007 – Commissioning of windmill power project of 9 MW capacity which was taken under Clean Development Mechanism (CDM). During the year ended 31 March, 2014 GNFC achieved 101 new records on production and marketing fronts.

2014 – GNFC emphasize on more sales of fertilizers to the farmers directly by increasing progressively its network of retail outlet known as Narmada Khedut Sahay Kendras (NKSKS).

2015-2016 – Achieved the highest ever production of Ammonia Urea ANP CNA Formic acid and TDI.

2017 – Looking to the exponential growth of the company's IT Division a wholly-owned subsidiary of the company in the name of 'Gujarat NCode Solutions Limited' has been incorporated.

2018 – Highest ever pre-payment of Long Term Debt of Rs.534 Crore and highest ever-Long Term Debt extinction Rs.888 Crore.

2019-2020 – Trading activities were continued in Muriate of Potash (MOP) Di-Ammonium Phosphate (DAP) Ammonium Sulphate (AS) Single Super Phosphate (SSP) and City Compost. Total 17869 MTs of Fertilizers were sold as a part of trading activities. During the year 2019 17467 MTs of Neem seeds were collected from which 932 MTs of Neem Oil and 6972 MTs of De-oiled Neem Cake were produced.

2021-2022 – Renewable Energy-Purchased Obligation 10 MW Solar Power Project at Charanka Solar Park P.O: Charanka Dist.: Patan is completed and in implementation.

2022-2023 – Formic Acid Revamp Project commissioned and capacity raised to 85 Tons per day.

2023-2024 – Ammonia Make Up Loop Project has started. 18 MW Captive Coal based Power Plant has started at Dahej.

Key Business Segments That Power Our Growth

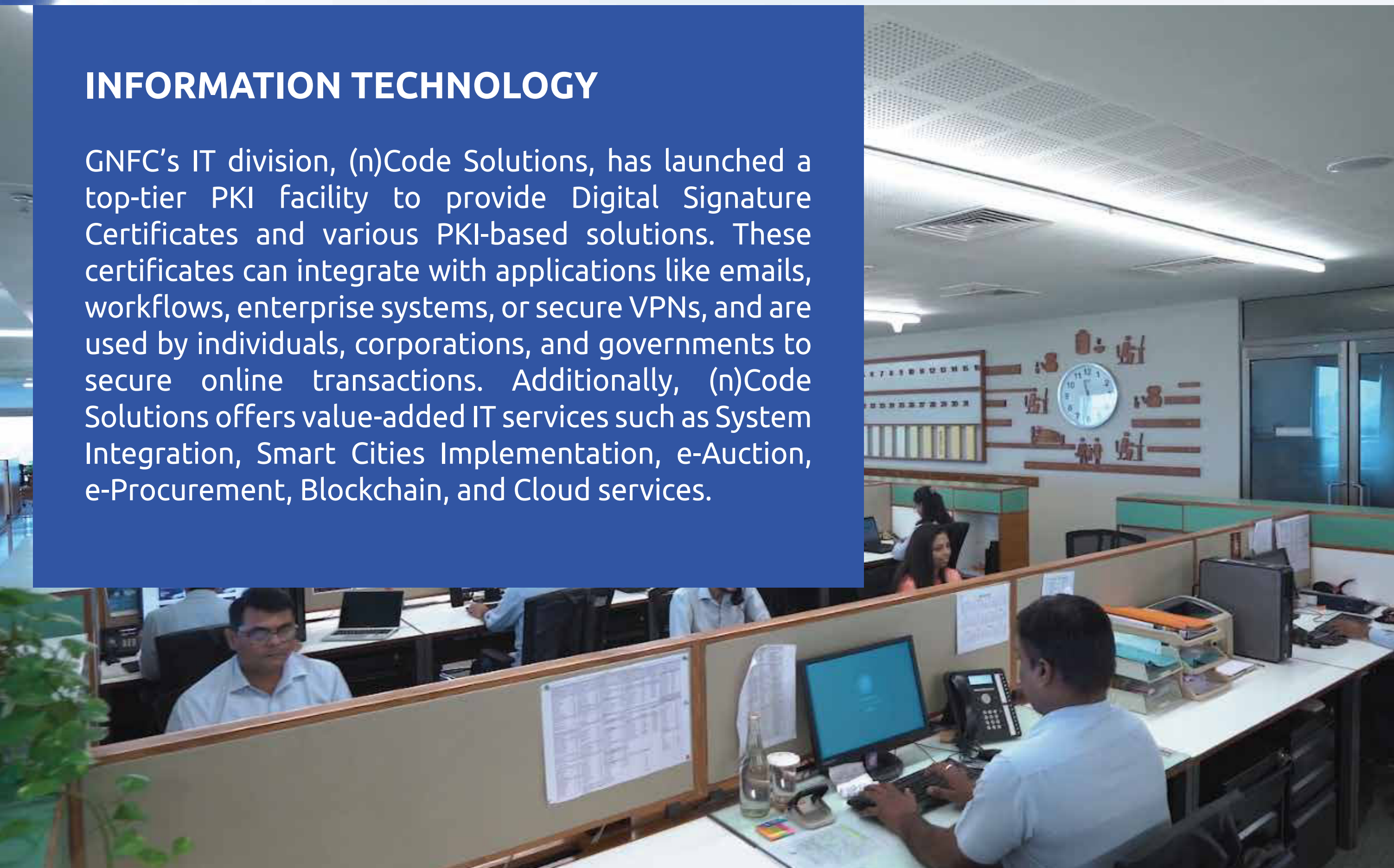
FERTILIZERS PLANT	ANNUAL CAPACITY (MTPA)
Urea	6,36,000
Ammonium Nitro-Phosphate	1,42,000
INDUSTRIAL PRODUCTS (CHEMICALS) PLANT	**ANNUAL CAPACITY (MTPA)**
Methanol (3 Plants)	2,68,700
Formic Acid	19,700
Acetic Acid	1,50,000
Ethyl Acetate	50,000
Weak Nitric Acid (2 Plants)	3,47,500
Concentrated Nitric Acid (4 Plants)	1,66,000
Aniline	40,000
Toluene Di-isocyanate (2 Plants)	67,000

FERTILIZERS SEGMENT

The production and sale of fertilizers commenced with the creation of one of the biggest single-stream ammonia urea facilities. This operation encompasses the production of Urea and Ammonium Nitro phosphate, which are sold under the brand name 'NARMADA'

CHEMICAL SEGMENT

The company operates core Chemical and Petrochemical Plants, producing Methanol, Formic Acid, Toluene Di-isocyanate, Technical Grade Urea, Weak Nitric Acid, Aniline, Concentrated Nitric Acid, Acetic Acid, Ethyl Acetate, and Ammonium Nitrate. GNFC is the sole producer of Acetic Acid and one of two producers of Formic Acid in India. It boasts the largest single-stream Aniline plant in India and is the only manufacturer of Toluene Di-Isocyanate in South East Asia and the Indian Subcontinent.



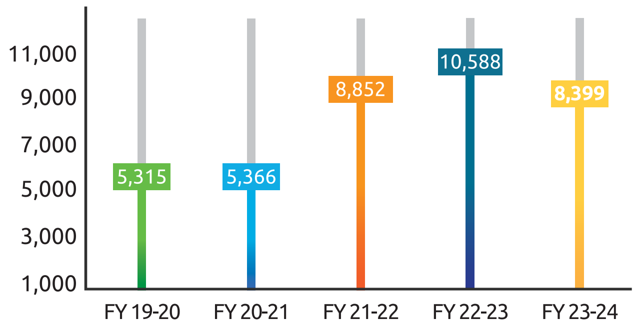
INFORMATION TECHNOLOGY

GNFC's IT division, (n)Code Solutions, has launched a top-tier PKI facility to provide Digital Signature Certificates and various PKI-based solutions. These certificates can integrate with applications like emails, workflows, enterprise systems, or secure VPNs, and are used by individuals, corporations, and governments to secure online transactions. Additionally, (n)Code Solutions offers value-added IT services such as System Integration, Smart Cities Implementation, e-Auction, e-Procurement, Blockchain, and Cloud services.

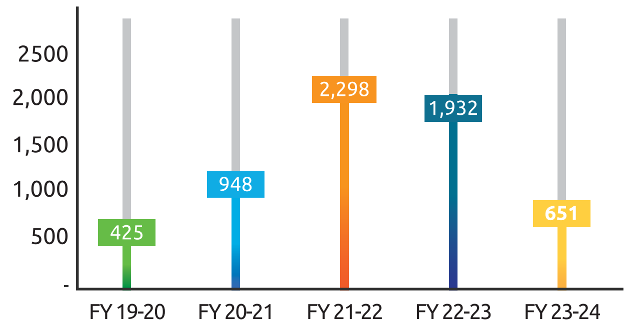
Financial Trends & Value creation charts
(LAST 5 YEARS)

(₹ In Crores, except per share data)

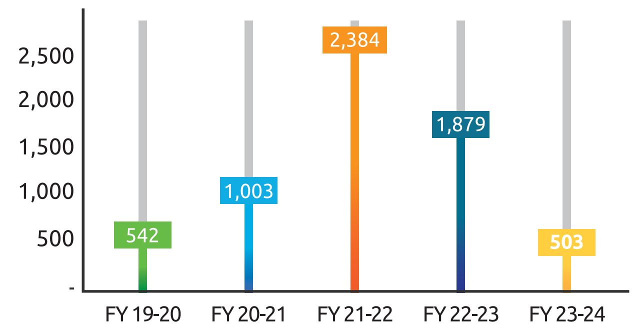
TOTAL REVENUE



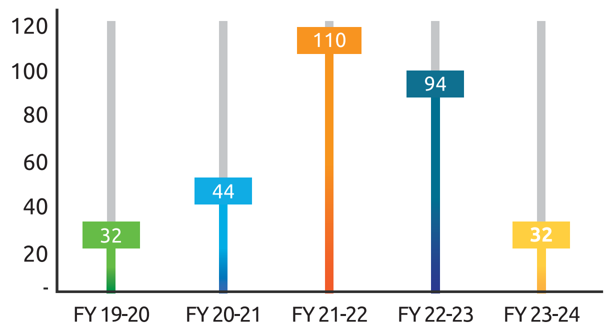
PROFIT BEFORE TAX



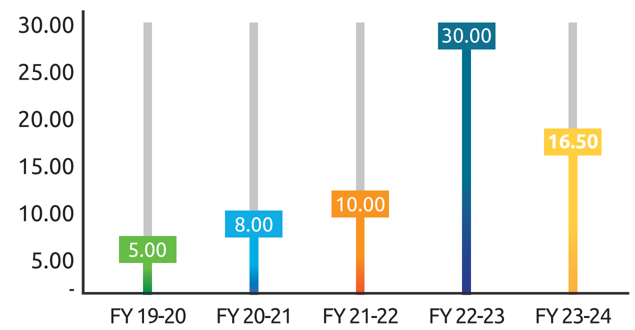
EBITDA



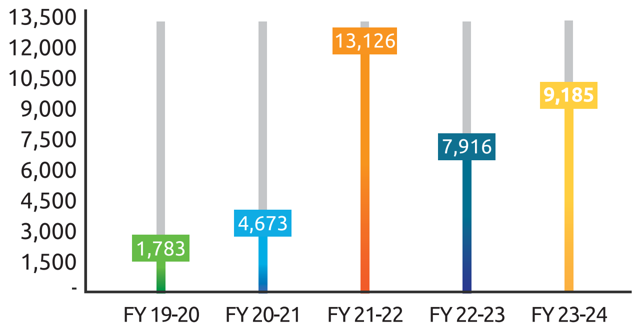
EARNINGS PER SHARE



DIVIDEND PER SHARE



MARKET CAPITALIZATION



The data is as on 31st March of the respective financial year

Financials over decade (Standalone)

(₹ In Crores, except per share data)

PARTICULARS	FY 23-24	FY 22-23	FY 21-22	FY 20-21	FY 19-20	FY 18-19	FY 17-18	FY 16-17	FY 15-16	FY 14-15
KEY PROFIT AND LOSS ITEMS										
Total revenue	**8,399**	10,588	8,852	5,366	5,315	6,117	6,058	5,170	5,098	4,988
EBITDA *	**503**	1,879	2,384	1,003	542	868	1,391	653	548	309
Finance cost	**13**	5	3	20	5	6	100	203	297	275
Depreciation & amortization	**308**	303	292	272	264	263	270	251	251	209
PBT	**651**	1,932	2,298	948	425	819	1,162	715	268	(452)
Tax	**166**	468	594	259	(74)	78	372	194	95	-
PAT	**485**	1,464	1,704	689	499	741	790	521	173	(452)
Total comprehensive income	**466**	1,263l	2,039	839	357	680	750	561	162	-
KEY BALANCE SHEET ITEMS										
Fixed assets (net block)	**3,526**	3,568	3,716	3,881	3,892	3,984	4,175	4,457	4,395	4,581
Investments	**2,919**	3,106	1,222	853	596	829	681	762	709	712
Cash, bank & deposits	**1,879**	2,874	3,682	1,851	472	395	16	13	10	16
Total equity	**8,198**	9,006	7,899	5,984	5,223	4,997	4,458	3,802	3,278	3,115
Total borrowings	**1**	-	-	2	859	208	303	1,959	3,101	3,832
Deferred tax liabilities (net)	**270**	344	422	391	316	467	479	387	296	208
PER SHARE DATA										
EPS	**32**	94	110	44	32	48	51	34	11	(29)
Dividend	**16.50**	30.00	10.00	8.00	5.00	7.00	7.50	5.00	2.00	-
Dividend (%)	**165**	300	100	80	50	70	75	50	20	-
Book value	**558**	579	508	385	336	322	287	245	211	200

EBITDA stands for earnings before interest, tax, depreciation & amortization and it is calculated as PBT + depreciation + finance cost - other income.

Propelling Progress, Enriching Lives

GNFC's commitment to impactful CSR programs is deeply rooted in understanding and addressing the specific needs of the community.

Narmadanagar Rural Development Society (NARDES) The CSR arm of GNFC has actively engaged since its early days, with a specific focus on uplifting those from underprivileged sections of society. The CSR initiatives are designed not just for immediate assistance, but for the long-term goal of enhancing the 'Human Development Index' (HDI) in rural communities. This approach reflects a deep commitment to fostering sustainable development and improving quality of life.

Over four decades ago, embarked on its journey by undertaking small, piecemeal activities to improve the quality of life for neighbouring villages. It organised health camps for blood and eye donations, reached out to the disabled and initiated simple training programmes.

Today, with the company's remarkable growth and maturing of its field experience, NARDES has evolved into a competent organisation with qualified CSR professionals. It has adopted a focused and strategic approach to development bolstered by scientific research, field studies and active community engagement.

NARDES holistic approach towards societal development is rooted in the belief that by addressing the diverse needs of communities and fostering collaboration among stakeholders, we can create positive and lasting change that uplifts lives, strengthens communities, and paves the way for a brighter future.

Focus on Driving Responsible Future Growth

GNFC

01

4 MW SOLAR POWER PROJECT

Increase company's RE capacity & will be utilized to met RPO obligation

02

CCPP :

Will bring down the steam cost & overall TDI operating cost

03

AMMONIA EXPANSION

Increase reliability of existing ammonia loop along with some energy saving

04

NAPHTHA BASED CRACKER & DOWN STREAM CHEMICALS

will suffice company's existing benzene & toluene requirement & import substitute petrochemicals – FOREX saving

05

GREEN HYDROGEN

Small step towards green chemicals & NetZero approach

06

WNA-AN

Will strengthen company's market share

07

POLYCARBONATE

Greenfield expansion & import substitute product – FOREX saving

Expansion Plan

Ongoing Projects

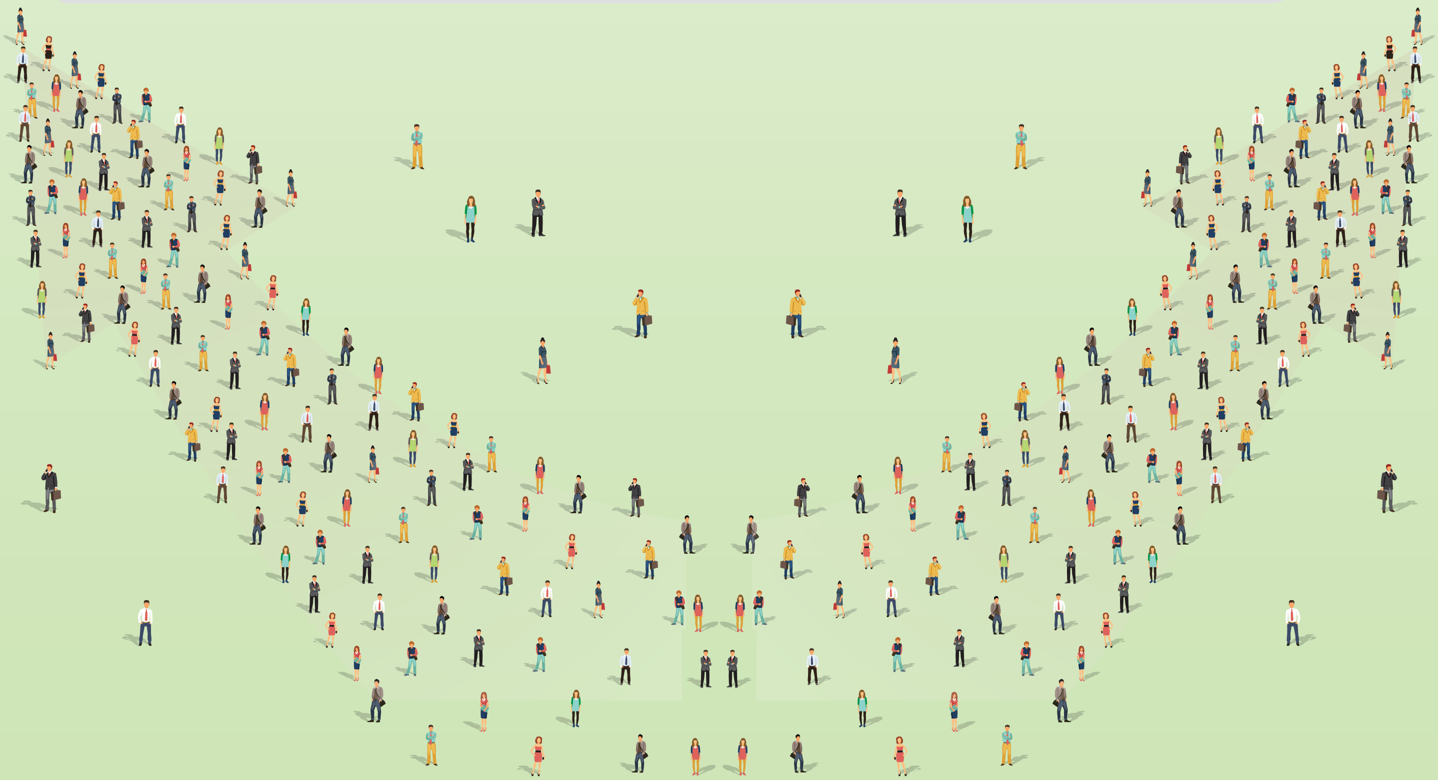
TENTATIVE TIMELINE	FY24-25	FY25-26	FY26-27	FY27-28
4 MW Solar Power Project	04 MW (AC)			
Coal Based Steam & Power Plant, TDI-II Capacity [CCPP]	150 Mt/Hr Steam & 18 MW Power			
Ammonia Expansion	50 KTPA			

Projects Under Active Consideration

TENTATIVE TIMELINE	FY24-25	FY25-26	FY26-27	FY27-28
Green Hydrogen Project (10 MW)	Phase - I: 5 MW			
Solar Power Project (50 MW) - For Green Hydrogen	Phase - I: 25 MW			
Weak Nitric Acid (WNA-III)	200 KTPA			
Ammonium Nitrate Prills (AN-II)	160 KTPA			

Projects Under Exploration

Polycarbonate
Naphtha Based Cracker & Down Stream Chemicals



GNFC: Nurturing Green

As a part of protecting Environment, following additional measures are adopted at GNFC Bharuch.

- Recently, 1.02 Lakh tree plantation of 92 different varieties were made through Miyawaki Forest Methodology in about 2.2 ha. land.
- GNFC has created “Namo Vad Van” within which 110 nos. of well grown Banyan trees are developed.
- GNFC has developed “Oxygen Park” in about 12 ha land, in which about 24000 trees are well grown with about 36 nos. of different varieties.
- 12 nos. of recharge wells are created to harvest the rain water and uplift the ground water table.

1. GLOBAL ECONOMIC SCENARIO

Over the past few months, the world economy has experienced numerous disruptions including Iran - Israel, almost equal to those caused by the pandemic, Russia-Ukraine war over a three-year period.

These disruptions have caused the prices of important commodities like crude oil, natural gas, fertilizers, and wheat to rise, leading to inflationary pressures.

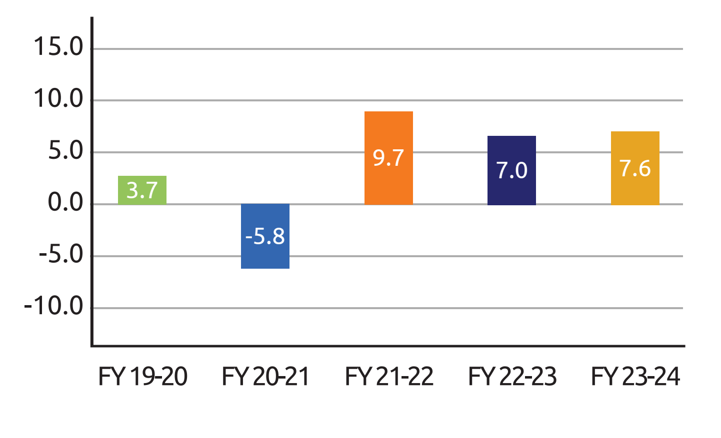
The baseline forecast is for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies, where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025, will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The forecast for global growth five years from now, at 3.1 percent, is at its lowest in decades. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies.

2. INDIAN ECONOMIC SCENARIO

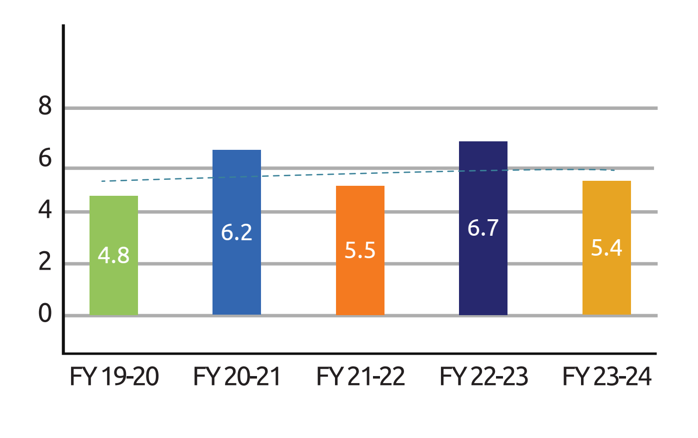
India's economic performance during FY 2023-2024 has remained robust despite global challenges and geopolitical concerns. This can be attributed to strong domestic demand, rural demand pickup, robust investment, and sustained manufacturing momentum. India's retail inflation for the fiscal year 2023-24 has seen a significant downturn, marking its lowest point since the onset of the Covid-19 pandemic. India’s foreign exchange reserves reached an all-time high in March 2024, sufficient to cover 11 months of projected imports and more than 100 percent of total external debt. Overall, resilient growth, robust economic activity indicators, price stability, and steady external sector performance continue to support India’s promising economic performance amidst uncertain global conditions.

India’s economy is forecast to expand by 6.9 per cent in 2024 and 6.6 per cent in 2025, mainly driven by strong public investment and resilient private consumption. Although subdued external demand will continue to weigh on merchandise export growth, pharmaceuticals and chemicals exports are expected to expand strongly.

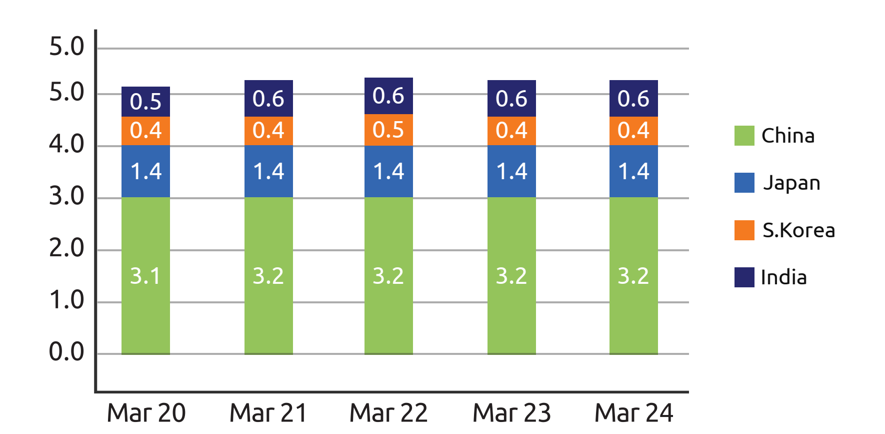
GDP GROWTH RATE %



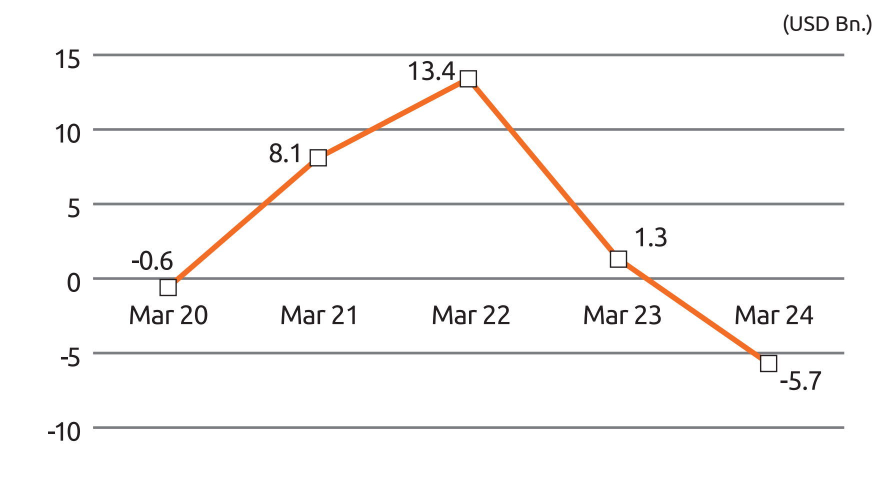
INFLATION %



FOREX RESERVE (USD TN.)



INDIA CURRENT ACCOUNT DEFICIT / (SURPLUS)



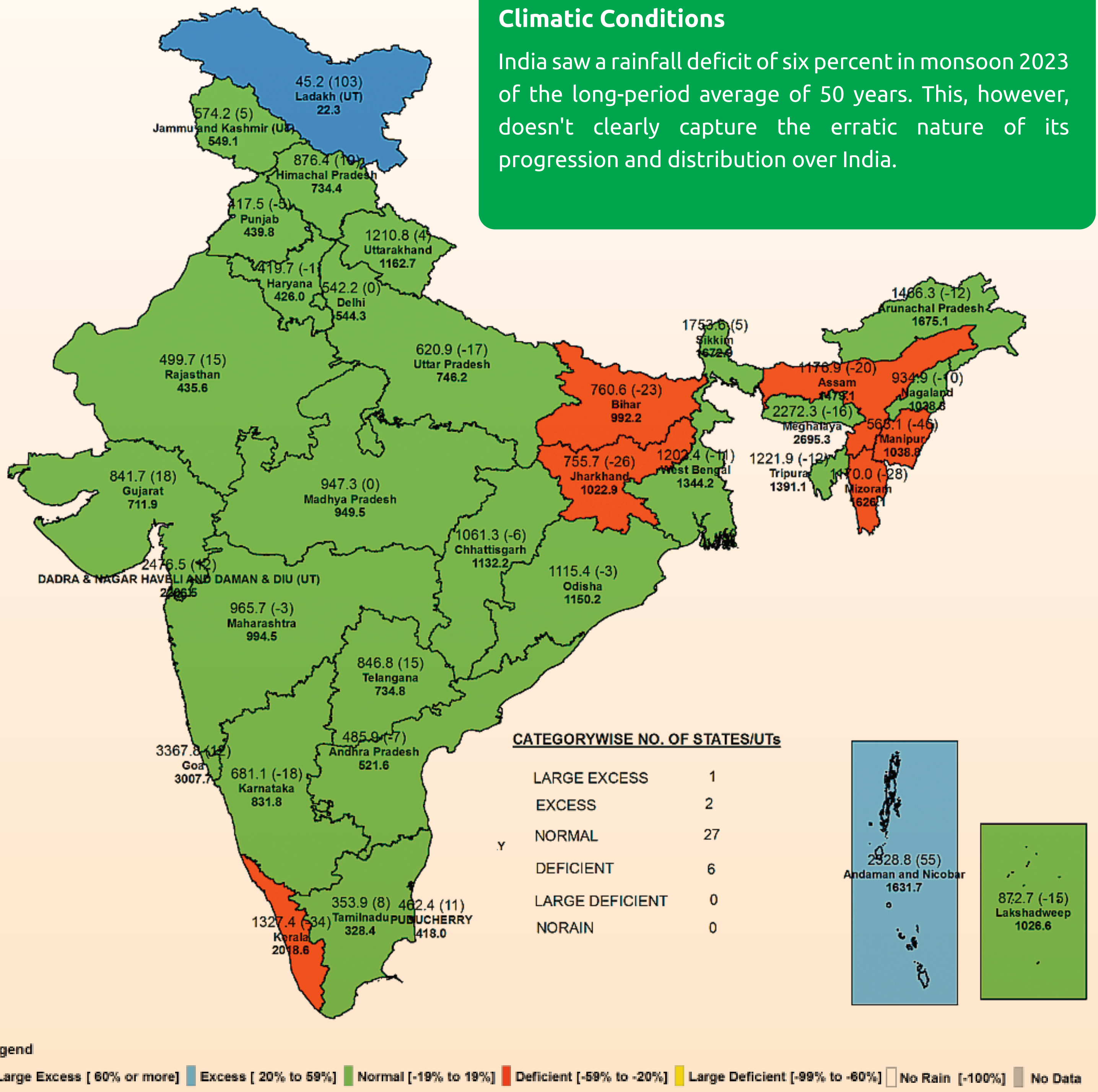
Source: RBI Figures are at quarter ending.

3. INDUSTRY STRUCTURE AND DEVELOPMENT

3.1. Fertilizer Industry

Climatic Conditions

India saw a rainfall deficit of six percent in monsoon 2023 of the long-period average of 50 years. This, however, doesn't clearly capture the erratic nature of its progression and distribution over India.



NOTES :
a) RainFall figures are based on operation data.
b) Small figures indicate actual rainfall (mm), while bold figures indicate Normal rainfall (mm).
c) Percentage Departures of rainfall are shown in brackets.

The month-wise distribution of rainfall during the SW Monsoon 2023 was as follows.

	JUNE 23	JULY 23	AUG 23	SEPT 23	SW MONSOON 2023
Actual	148.6	318.4	162.7	190.3	820
Normal	165.3	280.5	254.9	167.9	868.6
% departure	**-10.1%**	**+13.5%**	**-36.2%**	**+13.34%**	**-5.55%**

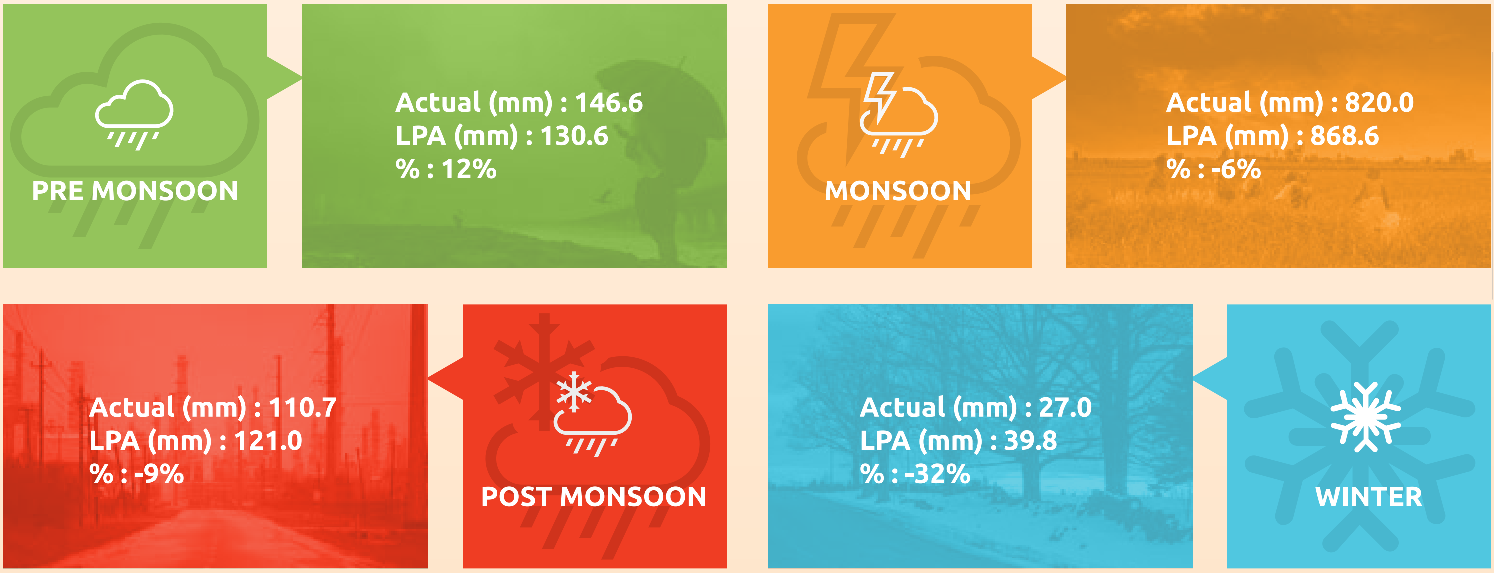
Source: IMD; rainfall figures in mm.

The same figures for SW Monsoon 2022 are given in the table below

	JUNE 23	JULY 23	AUG 23	SEPT 23	SW MONSOON 2023
Actual	152.3	327.7	263.8	181.2	925
Normal	165.3	280.5	254.9	167.9	868.6
% departure	**-8%**	**+16.8%**	**+3.5%**	**7.9%**	**+6.5%**

Source: IMD; rainfall figures in mm.

The rainfall in India is mapped for four seasons i.e. Pre Monsoon (Mar-May), Monsoon (Jun-Sep), Post Monsoon (Oct-Dec) & Winter (Jan-Feb). The maximum impact is of Southwest monsoon. Long Period Average (Average of 1961-2010) is compared to classify the rainfall as Deficient, Normal or Excess. Season-wise rainfall, India as a whole, has been below normal during FY 2023-2024.



The above normal rainfall in pre-monsoon season has increased the hope of higher acreages. This, however, is not that useful for the agriculture. The major rainfall period i.e. Monsoon was deficit (first time in last four years). Moreover, the monsoon was particularly erratic, with excessive rains in July and September and a dry spell in August, resulting in lower reservoir storage levels and higher risks of yield loss for crops. This erratic distribution of rainfall affected the planting of rabi crops for the 2023/2024 season, with a significant reduction in acreage for pulses.

Acreages

Kharif (Apr to Sep) – Against Kharif normal acreage (average of previous 5 years) of 1095 Lakh hectare, the country had achieved 1107 Lakh hectare registering 1% growth over normal.

Progress - KHARIF area coverage - As on 29.09.2023 - Lakh Hectare

CROP	NORMAL ACREAGE KHARIF	ACTUAL		VARIANCE OVER PY		COVERAGE (%) AGAINST NORMAL OF SEASON
		23-24	22-23	ACREAGE	%	
Rice	399	412	404	7.69	1.90	103
Pulses	140	124	129	(5.41)	(0.04)	88
Course Cereals	182	188	185	3.25	0.02	103
Oilseeds	190	193	196	(3.16)	(0.02)	102
Sugarcane	49	60	56	4.25	0.08	123
Jute & Mesta	7	7	7	(0.39)	(0.06)	96
Cotton	129	124	128	(3.86)	(0.03)	96
Total	1,095	1,107	1,105	2.37	0.00	101

In GNFC's operation area, the acreages have been as below

Coverage of Kharif Acreage in GNFC's Area - Lakh Hectare

STATE	NORMAL ACREAGE	ACTUAL ACREAGE	% COVERAGE
Gujarat	350	46	92
Maharashtra	111	113	102
Madhya Pradesh	127	140	110
Rajasthan	121	123	102
Uttar Pradesh	110	124	113
Total	519	546	105

Rabi (Oct-Mar) – In Rabi, country has achieved 709 Lakh hectare compared to normal acreage of 648 Lakh hectare.

Progress - RABI area coverage - As on 02.02.2024 - Lakh Hectare

CROP	NORMAL ACREAGE KHARIF	ACTUAL		VARIANCE OVER PY		COVERAGE (%) AGAINST NORMAL OF SEASON
		23-24	22-23	ACREAGE	%	
Wheat	307	342	339	2.37	0.70	111
Paddy	53	39	40	(1.08)	(0.03)	75
Pulses	153	160	166	(6.11)	(0.04)	105
Coarse Cereals	51	57	54	3.81	0.07	112
Oilseeds	84	111	110	1.20	0.01	131
Total	648	709	709	0.19	0.00	109

For the same period, in GNFC's area of operation, the coverage has been 115% against the normal acreage of season, till 02.02.2024 and the acreage increased in all states.

Rabi Coverage of Acreage in GNFC's Area - Lakh Hectare

STATE	NORMAL ACREAGE	ACTUAL ACREAGE	% COVERAGE
Gujarat	350	46	92
Maharashtra	111	113	102
Madhya Pradesh	127	140	110
Rajasthan	121	123	102
Uttar Pradesh	110	124	113
Total	519	546	105

Source - https://www.agricoop.gov.in/all-india-crop-situation

In Kharif, the acreages of Sugarcane, Rice, Coarse Cereals and Oilseeds increased over normal and the acreages of Pulses, Oilseeds and Cotton decreased over PY. In Rabi acreages of Wheat, Oilseeds, Coarse Cereals and Pulses have increased over normal and the acreages of Pulses & Paddy decreased over PY.

As per the advance estimates of Department of Agriculture and Farmer welfare, total foodgrain production in 2023-2024 is estimated to be 309 million tonnes (mt), against foodgrain production in the 2022-2023 crop year which was pegged at 329.6 mt. The production loss is contributed by almost all the crops except for wheat which has been estimated as 112.02 mt against 110.55 mt in PY).

Minimum Support Price (MSP)

The MSPs of most of Kharif & Rabi crops are increased over 2022-2023.

Minimum Support Prices – ₹/quintal

CROPS	FY 22-23	FY 23-24	% INCREASE
Paddy	2,040	2,183	7%
Jowar	2,970	3,180	7%
Bajra	2,350	2,500	6%
Maize	1,962	2,090	7%
Tur (Arhar)	6,600	7,000	6%
Moong	7,755	8,558	10%
Urad	6,600	6,950	5%
Cotton	6,080	6,620	9%
Groundnut	5,850	6,377	9%
Soybea	4,300	4,600	7%
Sesame	7,830	8,635	10%

CROPS	FY 22-23	FY 23-24	% INCREASE
Wheat	2,125	2,275	7%
Barley	1,735	1,850	7%
Gram	5,335	5,440	2%
Lentil (Masur)	6,000	6,425	7%
Rapeseed & Mustard	5,450	5,650	4%
Safflower	5,650	5,800	3%

Source - https://farmer.gov.in/mspstatements.aspx

MSPs are increased by 2% to 10% over previous year. Going by the past three years' data, the impact of the Minimum Support Price was almost nil on 12 of the 14 crops covered under MSP Scheme.

Government Policies – Fertilizers

No major changes in Policy have been announced during the year, except for the reasonability of MRP/Discounts/margins guidelines on fertilizers governed through NBS policy.

Government Policies – Fertilizers

GoI has strengthened efforts in setting up all fertilizer retail outlets into "Pradhan Mantri Krishi Samridhi Kendra (PMKSK)". The cost of conversion is continued to be met from the retailer margin being retained by the companies. There is no direct cost to companies.

GoI has started Namo Drone Didi initiative and have provided 1,100 drones to ladies pilots, who have been trained for using drones for spray on crops. Another 14,500 Drones shall be funded by GoI in next two years. The technology and the women empowerment goes hand in hand.

PM-Pranam Scheme is introduced, announcing Market Development Assistance of Rs 1,500 per MT on sales of Fermented Organic Manure (By product of CBG Units under GOBARdhan Scheme). DoF is planning to produce 25% of total Urea as Urea Gold (Sulphur Coated Urea) during 2024-2025. The technological glitches are, however, impacting its production adversely.

Rates for Nutrient Based Subsidy (NBS) for the Rabi 2023-2024 (01.10.2023 to 31.03.2024) are mentioned below:

Subsidy - Rs/MT

PRODUCT	RABI 22-23	RABI 23-24	INCREASE (+/-)	% CHANGE
DAP	48,431	22,541	-25,890	-53%
ANP	32,991	13,568	-19,423	-59%
20:20:0:13	33,786	13,814	-19,972	-59%
SSP	7,513	3,540	-3,973	-53%
MOP	14,190	1,427	-12,763	-90%

Rates for Nutrient Based Subsidy (NBS) for the Rabi 2023-2024 (01.10.2023 to 31.03.2024) are mentioned below:

Subsidy - Rs/MT

PRODUCT	W.E.F. 01.01.23	RABI 23-24	INCREASE (+/-)	% CHANGE
DAP	40,841	22,541	-18,300	-45%
ANP	29,842	13,568	-16,274	-55%
20:20:0:13	30,211	13,814	-16,397	-54%
SSP	7,513	3,540	-3,973	-53%
MOP	15,420	1,427	-13,993	-91%

Rates for Nutrient Based Subsidy (NBS) for the Rabi 2023-2024 (01.10.2023 to 31.03.2024) are mentioned below:

Subsidy - Rs/MT

PRODUCT	W.E.F. 01.01.23	RABI 23-24	INCREASE (+/-)	% CHANGE
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ANP	29,842	13,568	-16,274	-55%
20:20:0:13	30,211	13,814	-16,397	-54%
SSP	7,513	3,540	-3,973	-53%
MOP	15,420	1,427	-13,993	-91%

Rates for Nutrient Based Subsidy (NBS) for the Kharif 2024 (01.04.2024 to 30.09.2024) have been announced in advance. Comparison of NBS rates for Rabi 2023-2024 & Kharif 2024 is given below:

Subsidy - Rs/MT

PRODUCT	RABI 23-24	KHARIF 2025	INCREASE	% INCREASE
DAP	22,541	21,646	-865	-4%
ANP	13,568	15,148	1,580	12%
20:20:0:13	13,814	15,395	1,581	11%
SSP	3,540	4,804	1,264	36%
MOP	1,427	1,427	0	0%

DAP prices have surged abnormally during the year 2023-2024, compelling the GoI to increase the subsidy on it. The GoI has ensured price control in DAP which was kept at 1,350 per bag MRP level. There is decrease in price in finished products/raw material in international markets during Q4 over the corresponding period of 2022-2023. However, price have increased in RP during Q4 FY 2022-2023 over Q4 of the FY 2021-2022.

International Fertilizer Price – In US $ per MT

PRODUCT	MAR'23	MAR'24	% CHANGE
DAP	606	617.5	2%
Rock Phosphate	345	152.5	-56%
Phosphoric Acid	1050	968	-8%
Natural Gas (MMBTu)	2.1	1.54	-7.78%
Urea	313.5	330	-6.05%

Source - https://fertiliserindia.com/march-2024-global-fertilizer-price-updates-unveiled/

There is decreasing trend in the prices of finished goods and raw material, except for DAP

FERTILIZER – PRODUCTION, IMPORTS & CONSUMPTION

Production of Urea, DAP, NPK & SSP increased. Imports of Urea & MOP reduced over FY 2022-2023. Sales of Urea & DAP increased and sales of NPK, MOP & SSP decreased.

Progress - RABI area coverage - As on 02.02.2024 - Lakh Hectare

FERTILIZER	23-24 (LAKH MT)			22-23 (LAKH MT)		
	PRODUCTION	IMPORT	SALES	PRODUCTION	IMPORT	SALES
Urea	314	69	357	285	76	357
DAP	43	54	109	44	66	104
NP/NPK	102	22	111	93	28	101
MOP	0	30	16	0	19	16
SSP	44	0	46	57	0	50
Total	503	175	639	478	188	629

During FY 2023-2024, production of Urea & NPKs increased whereas production of DAP remained same as per PY. SSP production reduced by 19% over PY. Imports of Urea, DAP & NPK reduced over FY 2022-2023. Sales of DAP & NPK increased and sales of SSP decreased.

% Variance over FY 2022-2023

FERTILIZER	PRODUCTION	IMPORT	SALES
Urea	10	-10	0
DAP	-1	-18	4
NPKS	10	-20	10
MOP	NA	60	0
SSP	-21	NA	-8
Total	5	-7	2

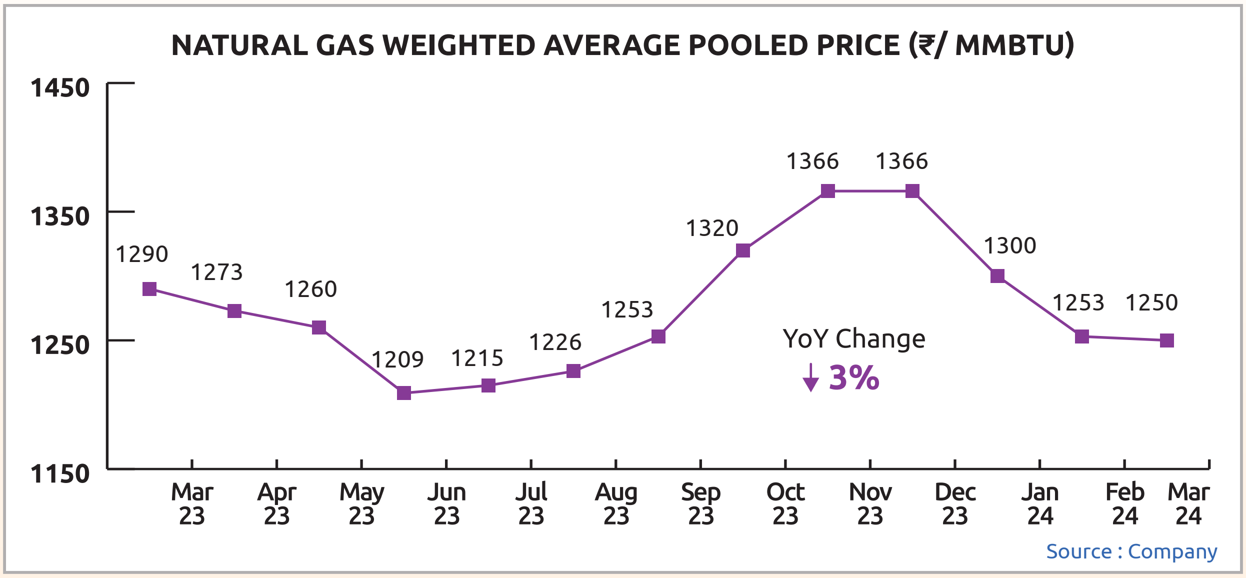
STOCKS OF DIFFERENT FERTILIZERS 1.4.2023 vs. 1.4.2024

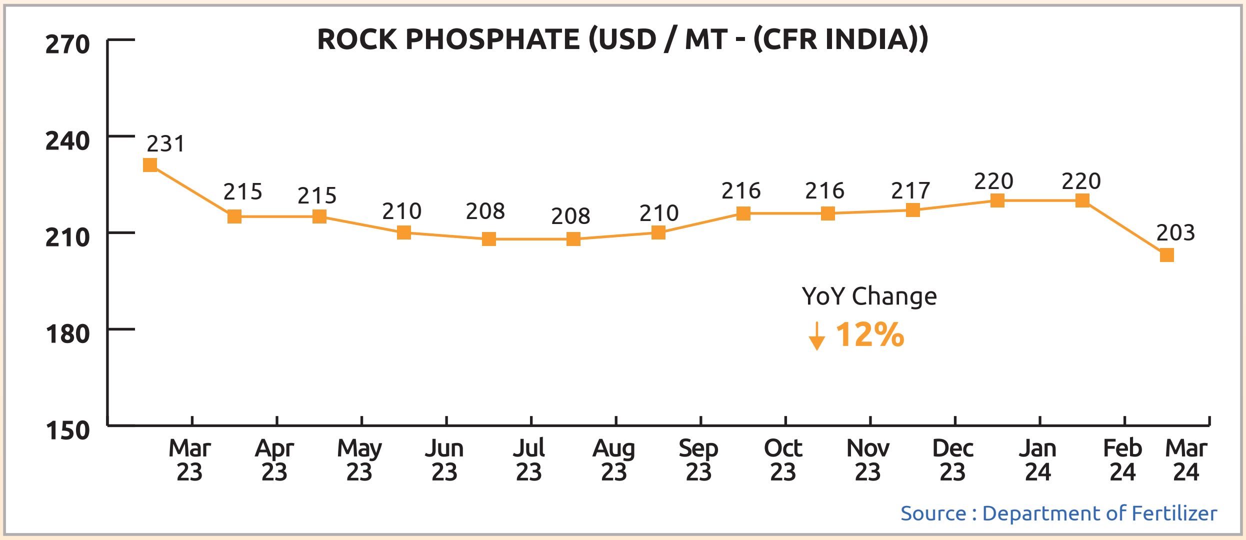
PRODUCT	OPENING STOCK AS ON 1.4.2023	EST. OPENING STOCK AS ON 1.4.2024	DIFFERENCE IN STOCK	% VARIATION
Urea	57.2	80.98	23.78	42%
DAP	25.41	15.29	-10.12	-40%
MOP	3.2	6.2	3	94%
NP/NPKs	30.51	35.73	5.22	17%
SSP	19.68	19.42	-0.26	-1%

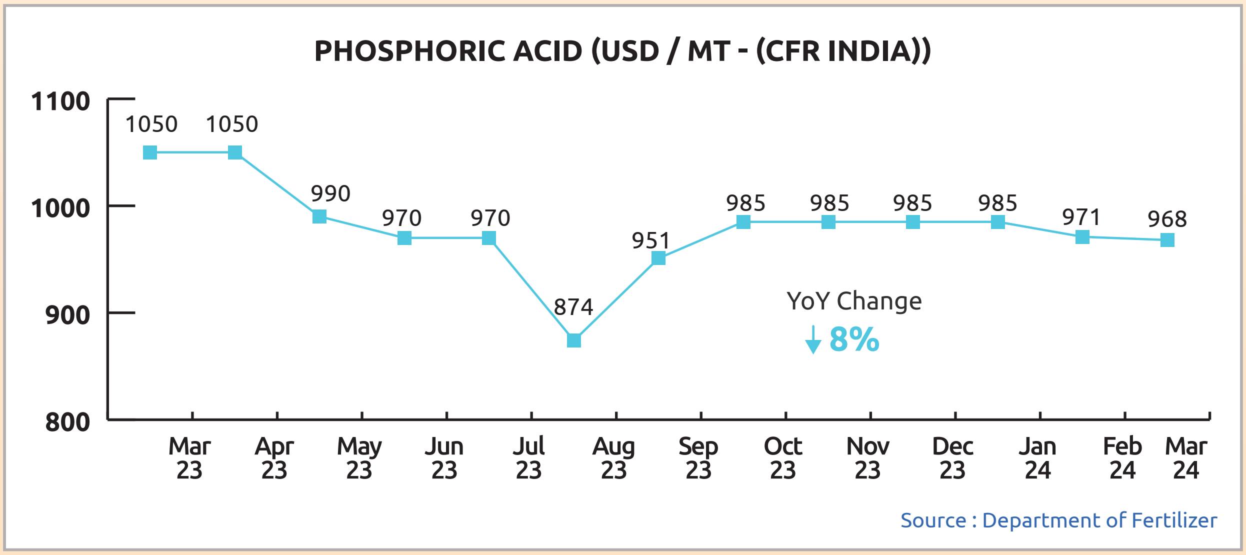
Source - https://reports.dbtfert.nic.in/

Country is having huge pile of stocks of Urea – 80.98 LMT, MOP – 6.20 LM & NPKs – 35.73 LMT as on 31.03.2024, which is far above the stocks levels as on 31.03.2023 (Urea – 57.2 LMT, MOP – 3.2 LMT, NPKs – 30.51 LMT).

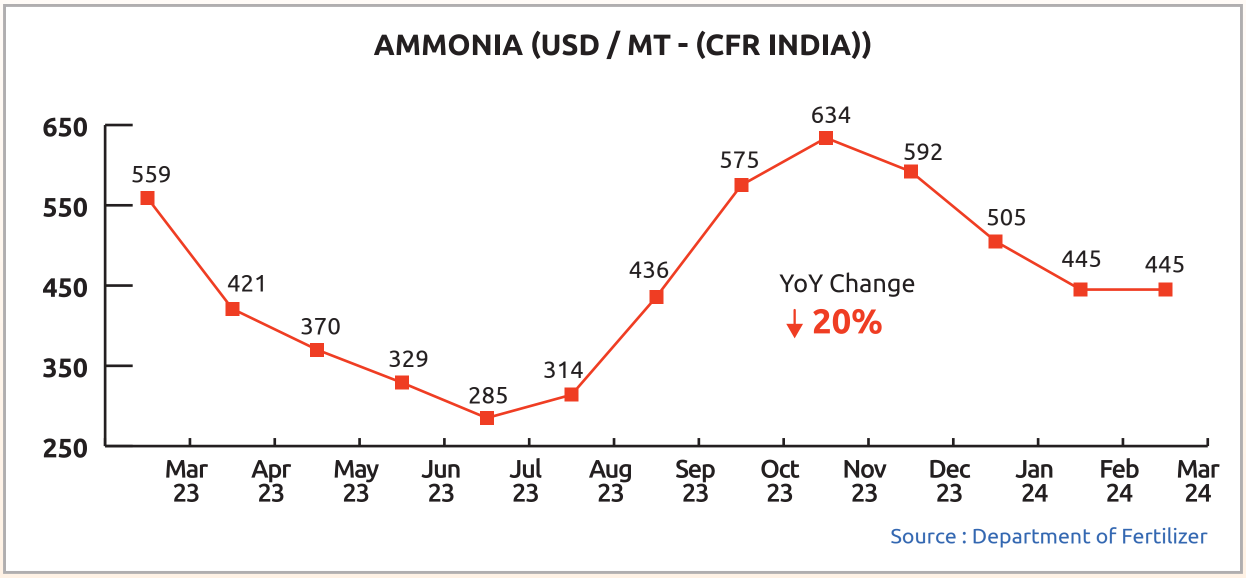
Raw Material & Fertilizer Price Trend

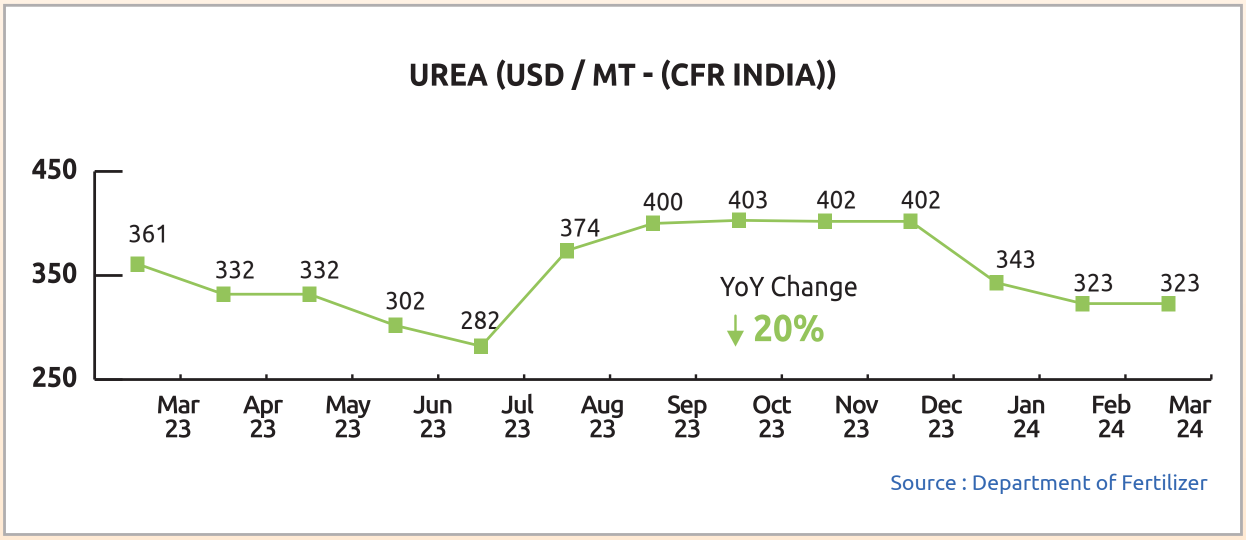


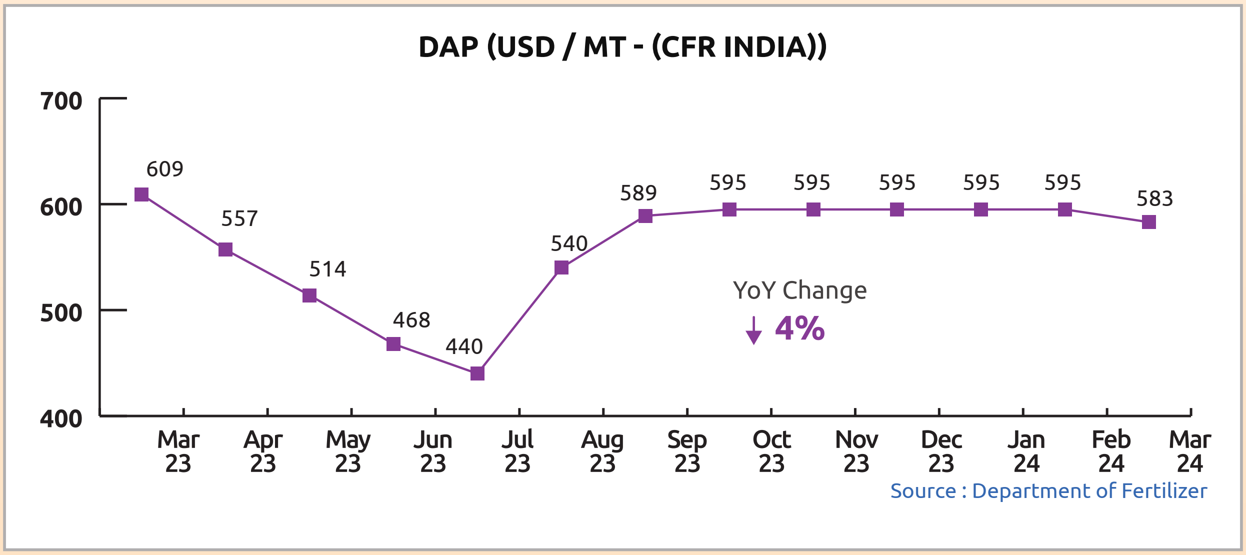




Raw Material & Fertilizer Price Trend



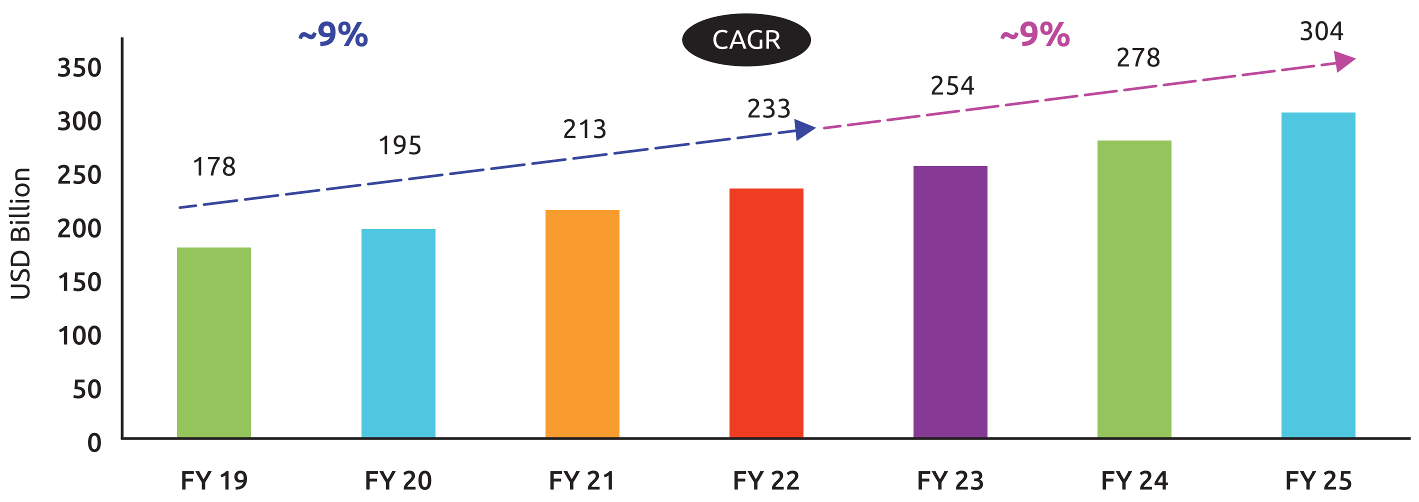




3.2. Chemical Industry

India is one of the world's leading chemical producers and exporters. India is the sixth largest producer of chemicals and the fourth largest producer of agrochemicals globally. The Indian Chemicals Industry is one of the most diversified among other industrial sectors covering a multitude of commercial products and comprises of both small scale as well as large scale units. With linkages to several other sectors of the economy, it enjoys a position of paramount importance. The rapid expansion of the various subsectors like bulk, speciality, petrochemicals, agrochemicals, fertilizers, etc., can be attributed to favourable government policies growing demand from multiple end-user sectors, the growing domestic customer base and changes in consumers' lifestyles.

Figure : Indian chemicals industry



The total installed capacity for major chemicals and petrochemicals in India has grown at a CAGR of 4.5 per cent between 2018 and 2022, with a similar trend in production. This is expected to grow further as the demand for chemical consumption increases in India, while the nation also grows further as an export hub.

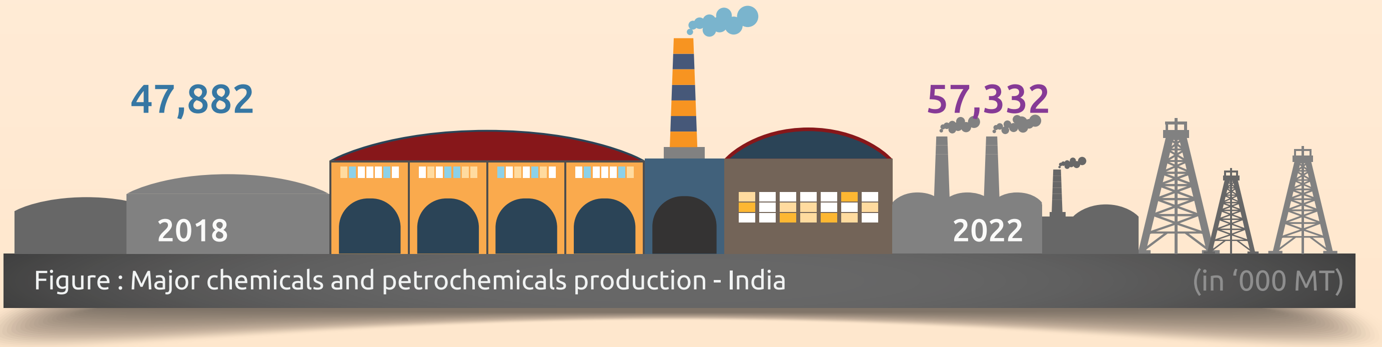


Figure : Major chemicals and petrochemicals production - India (in '000 MT)

Chemical and Petrochemical Statistics at a Glance - 2022, DCPC
KPMG & CII Report titled - Chemicals value chain transition | Addressing the impact of ESG, globalization and innovation (Jan 2024)

To facilitate the indigenous production of chemicals, the Government of India has allowed 100 per cent FDI in the chemicals sector under the automatic route (except in the case of certain toxic chemicals). The production of most chemicals, including organic/inorganic products, dyes, and pesticides, has been de-licensed to allow ease of doing business in the segment.

OVERVIEW
of Company

Gujarat Narmada Valley Fertilizers and Chemicals Limited ('the Company' or 'GNFC') operates businesses mainly in the Industrial Chemicals, Fertilizers apart from small presence of IT services.

In the chemical segment, it has a product portfolio of various bulk chemicals which are used in industries for manufacturing various speciality chemicals as well as end products.

Most of company's products are competing with big multinational players at import parity. Since India is net importer of oil and gas and this being primary feed/fuel for company, its financial performance is dependent upon how these variable play out.

Although in chemicals, company is in few cases the only manufacturer due to stiff import competition, it does provide some premium in realisation however it has to compete fiercely when it comes to basic pricing. Necessary measures are taken e.g. Anti-Dumping duty, applicability of BIS standards, inclusion on PLI scheme etc. through concerned Ministry of GoI. Company has added from time to time various production facilities. Company has been consistent in utilising, by and large, its existing production capacities.

4. OVERVIEW OF COMPANY

The journey so far is reproduced below:

PRODUCT	OPERATIONAL YEAR	RATED CAPACITY MTPA	PRODUCTION MTPA	REMARKS
Ammonia	1982	4,45,500	6,36,948	
Urea (Including Tech. Urea)	1982	6,36,900	7,99,791	
Methanol - I	1985	50,000	0	
Formic Acid	1989	19,720	31,663	Revamped in 2004-05 and 2022.
Methanol-II	1991	1,88,100	1,00,408	Revamped in 2008. Re-distillation of bought out methanol for AA-FA.
Concentrated Nitric Acid-I	1991	33,000	30,888	
Weak Nitric Acid-I	1991	2,47,500	3,12,882	Revamped in 1999.
Ammonium Nitro Phosphate	1991	1,42,500	1,86,970	
Calcium Ammonium Nitrate	1991	1,42,500	0	The plant operation stopped since 2014 due to AN rules.
Aniline	1995	35,000	30,337	Both plant installed by a separate JV company NCPL.
Toluene Di-Isocyanate-I	1998	14,000	17,688	
Acetic acid	1995	1,00,000	1,61,927	Revamped in 2002.
Syn Gas Generation unit	1998	2,01,960 KNm3	0	
Concentrated Nitric Acid-II	1999	33,000	34,037	
Methanol Synthesis Unit	2006	30,600	0	
Concentrated nitric acid-III	2011	50,000	50,503	
Weak nitric acid - II	2011	1,00,000	1,23,695	
Co-generation Power & Steam Unit (MWh)	2012	2,84,515	2,14,614	
Ethyl Acetate Plant	2012	50,000	71,510	
Ammonia Syngas Generation Plant	2013	3,69,600	3,74,979	Equivalent Ammonia Prod.
Toluene Di-Isocyanate - II	2014	50,000	53,117	
Concentrated Nitric Acid-IV	2023	50,000	34,141	

As it is evident from the above that gradual debottlenecking / revamping has resulted in achieving higher than rated capacities.

Fertilizer is more or less a controlled and working capital intensive business. In this business, currently company has no plans of expansion. The subsidy part consists of major portion of working capital.

5. OPPORTUNITIES AND STRENGTHS

01

In chemical segment, to cater to demand growth, profitable opportunities are being explored in different chemicals. Major benefits envisaged from change of world's view about China post pandemic.

02

Company has entered into Long/Mid Term / Annual Contracts / Agreements for supplies of most of the critical Raw Materials like Coal, Oil, Rock Phosphate, Packaging Materials etc. which are essential for continuous production. Company is continuously trying for broad basing supplier base.

03

In respect of fertilizers and chemicals, both, trading is another opportunity which is being explored.

04

For IT business, areas like software, e-Governance to support ever evolving client requirements are likely focus area apart from looking at evolving technologies for foray.

6. SEGMENT-WISE PERFORMANCE FOR FY 2023-24:

SEGMENT	REVENUE (₹ in Crores)	REVENUE (%)	RESULT (₹ in Crores)	RESULT (%)
Fertilizers	3,054	38%	(104)	(30%)
Chemicals	4,726	60%	402	117%
Others	150	02%	45	13%
Total	7,930	100%	343	100%

Fertilizer Segment revenue has been decreased by ₹ 601 Crores from ₹ 3,655 Crores to ₹3,054 Crores primarily due to lower claimable subsidy of Urea in view of lower variable Cost, lower subsidy of complex fertilizer and lower volume of Neem Urea which is partially compensated by higher volume of complex fertilizer and fertilizer-traded products. Fertilizer Segment Results reduced from gain of ₹ 36 Crores to loss of ₹ (104) Crores lower by 389 % at ₹ 140 Crores mainly due to low subsidy of complex fertilizer and higher fixed cost partly compensated by decrease in input cost of complex fertilizers, lower energy norms in Neem Urea and higher volume.

Chemical Segment revenue decreased by ₹ 1,758 Crores from ₹ 6,484 Crores to ₹ 4,726 Crores due to lower realization in all the products partially compensated by higher volume mainly due to TDI, Aniline, CNA, Formic Acid, Methanol, and Ethyl Acetate. Chemical Segment Results reduced from ₹ 1,652 Crores to ₹ 402 Crores lower by 77% at ₹ 1,250 Crores mainly due to lower realizations, lower volume and increase in fixed cost partially compensated by decrease in input cost and increase in other operating income.

The other segment revenue improved by ₹ 62 Crores which is mainly due to increase in revenue of IT services provided by (n)Code Solutions. The other segment results improved from ₹ 28 Crores to ₹ 45 Crores higher by 61% at ₹ 17 Crores mainly due to higher profitability of IT services and other products.

7. OUTLOOK

7.1. Fertilizers Business

Skymet predicts a 'normal' monsoon in 2024 for India with rainfall at 102% of the long-period average, ensuring equitable rains in the core agricultural zone. While the monsoon might begin weakly due to El Nino remnants, the later half of the season is anticipated to be abundant, especially in South, West, and Northwest regions. However, Bihar, Jharkhand, Odisha, and West Bengal may face deficit rainfall during peak months.

Urea will continue to get sold as per availability and on normal terms. However, considering the higher stocks positions in the country, there are chances of requirement of additional credit during the peak off seasonal months Feb & Mar. There is an expected increase in production of indigenous Urea due to start/stabilization of the various plants like HURL Gorakhpur/Sindhri/Barauni and RFCL Ramagundam and revival of NFCL, Kakinada.
ANP can be liquidated/placed in accordance to the market, if made available. The realization is expected to de-grow in light of huge availability and preference to DAP (which is priced at a low MRP due to special subsidy dispensation). ANP is one of the least preferred fertilizer due to content value vis-à-vis the offered price.

With reasonability guidelines in place, the ANP margins shall reduce. In Urea the losses shall continue till the fixed cost is revised. Trading activities for bulks & non-bulk agri inputs through retail outlets shall continue. Getting DAP from Hindalco Industries Limited is likely during the year. Procurement of Nano Urea has started. Arrangement for procuring FOM & City compost have been done.

7.2. Chemicals Business

The chemical sector in India is a major industry in the Indian economy and contributes significantly to the country's GDP and employment.

It drives growth by providing raw materials and performance to other sectors. It fuels the needs of several downstream industries such as textiles, papers, paints, varnishes, soaps, detergents, pharmaceuticals, etc. As of 2023, India is the world's sixth-largest producer of chemicals and the third largest in Asia. The market size of the Indian chemical industvry is around ~USD 233 billion as of FY 2021-2022 and is expected to expand at a CAGR of ~9 per cent reaching a value of ~USD 304 billion by 2025.

While India makes a steady progress towards achieving complete 'Atmanirbharta' in the chemical sector, it requires sustained efforts and continuous adoption to evolving market dynamics and technological advancements. The Department of Chemicals and Petrochemicals Vision 2024 aims to use this opportunity to establish India as a leading chemicals and petrochemicals manufacturing hub, with importance on reduction in import dependency. GNFC is fully committed in accomplishing this vision of DCPC by operating all its plants at more than 100% capacity and catering to the indigenous demand various plants like HURL Gorakhpur/Sindhri/Barauni and RFCL Ramagundam and revival of NFCL, Kakinada.

Risk and concerns

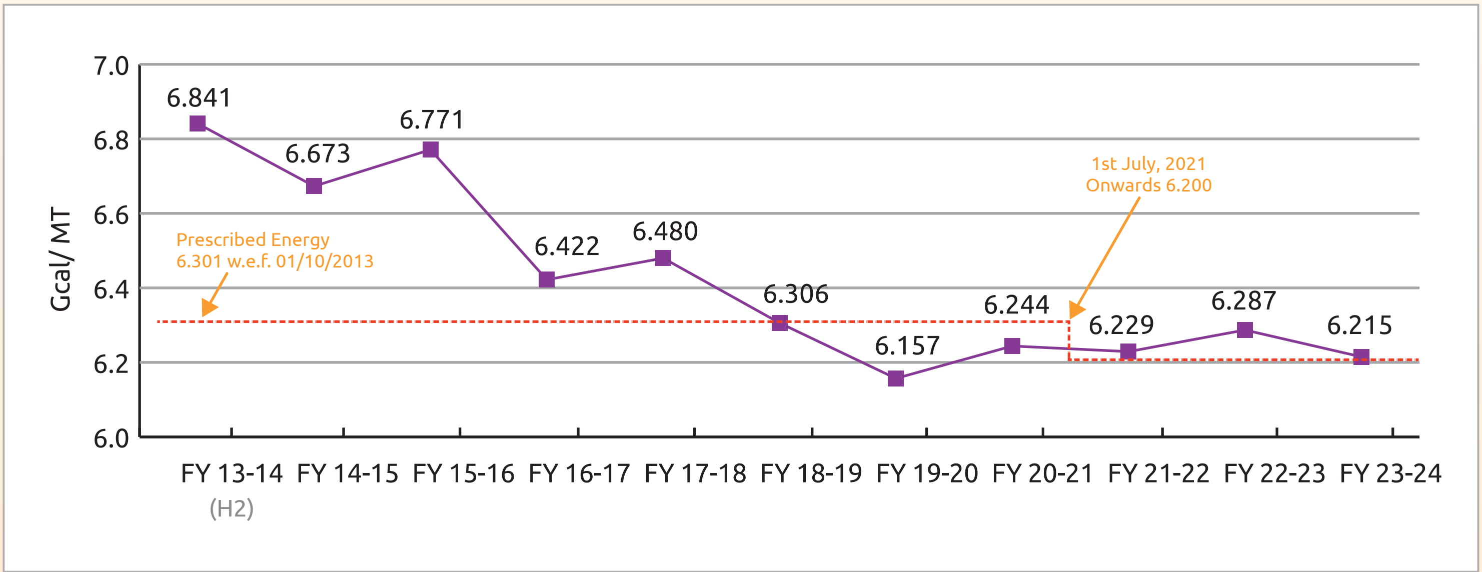
Most products are import substitutes and hence fierce competition from dominant foreign suppliers is a major threat. Key raw materials and feedstock are purchased at import parity price and its availability from limited supplier base and at time almost single pre-dominant source operates as possible threat to profitable operations.

NBS support from time to time may not match with actual input costs hence may affect profitable operations. Energy norms for fertilizers being prescribed without capital subsidy support increases further strain on resources is a source of major risk.

Urea Energy Norms & Consumption of COMPANY

Over one decade, Company has put their best efforts to bring down its energy consumption of Urea with a capital investment over INR 300 Crore. However, even after putting all out efforts, due to vintage nature of plant & consumption of coal, Urea targeted energy norms remains higher than prescribed norms for FY 2023-2024.

As company uses coal as one of the energy source for the Urea, the energy level of Urea is higher side against the prescribed norms by DoF. The representation at highest level in government are continued to re-look the prescribed energy norms for the Company.



8. INTERNAL CONTROL SYSTEM, THEIR ADEQUACY & RISK MANAGEMENT

The Company has an independent Internal Audit function with a well-established risk management framework. The scope and authority of the Internal Audit function are derived from the Internal Audit Charter approved by the Audit Committee.

The Company has engaged a reputable external firm to support the Internal Audit function for carrying out the Internal Audit reviews.

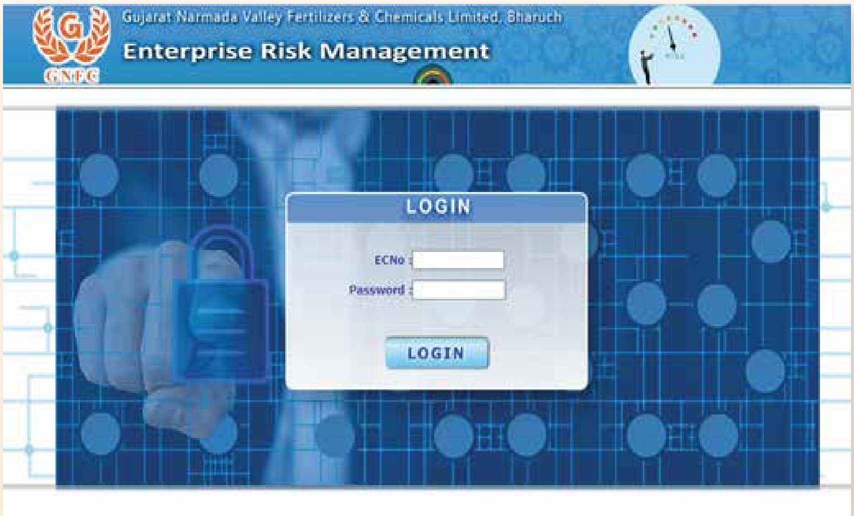
The Audit Committee meets every quarter to review and discuss the various Internal Audit reports and follow up action plans of past significant audit issues and compliance with the audit plan.

The Internal Financial Control framework of the company is subjected to review every year independently.

The Company has well-defined Enterprise Risk Management (ERM) framework in place which evolved over the years.

Risk Management

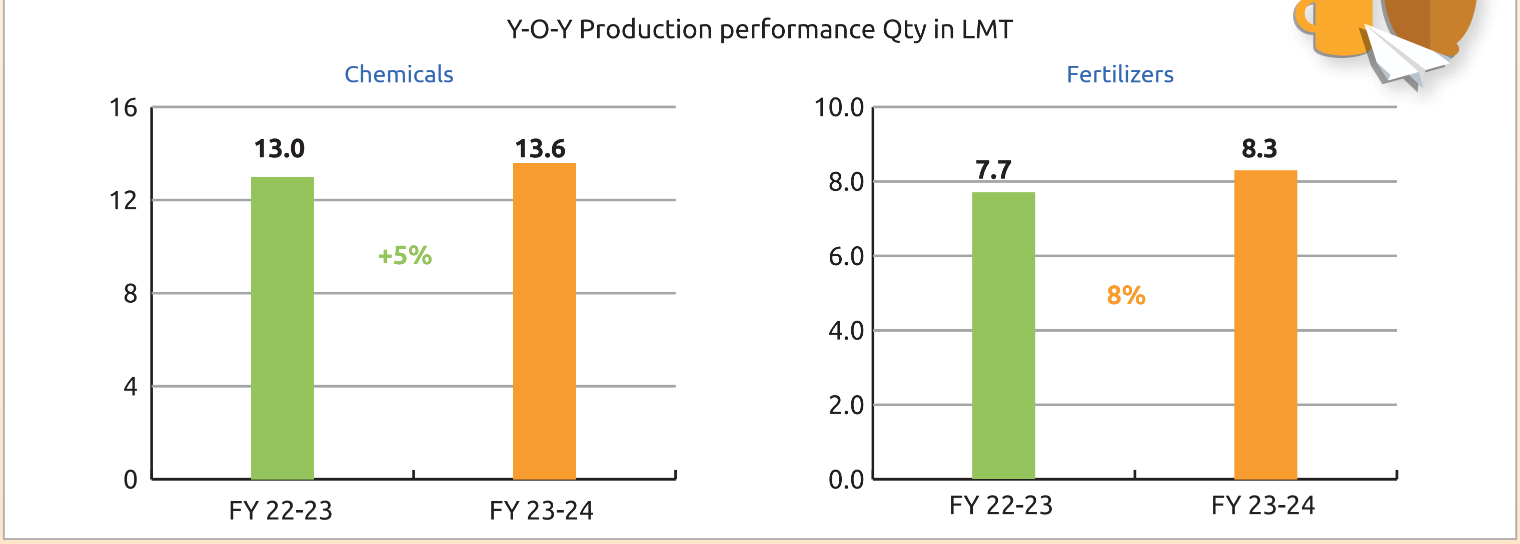
Risks are identified proactively periodically considering inputs from external as well as internal factors along with risk mitigation plans. The company has well defined Governance Structure viz., from Board to Committee to Risk Management function.



Company has developed the digital risk management platform where through the mechanism of action taken reports, the identified mitigation plans are monitored for their execution / current status against Risk Management Committee meeting takes place twice during the year wherein the framework as well as various risks are reviewed thoroughly. In addition to this, Risk Management Report covering various risks is put-up before the Board of Directors Meetings periodically for their review.

9. OPERATIONAL & FINANCIAL PERFORMANCE

9.1. Operational Performance (Production)



The Company has achieved remarkable production performance during the year 2023-24. Day to day plant operations were closely reviewed and plant operations were optimized accordingly, to maximize profit. During the year, strategic optimization of various plant operations had to be done keeping in line with prices of raw materials so as to achieve cost reduction in all aspects.

New Records Established

During the year 2023-2024, in all, 103 nos. of new records were established, out of which 56 nos. of new records were established in Production and 47 nos. in Dispatch /sale. Ever highest daily production achieved for ASGP, Total Urea (Neem+Technical), Methyl Formate, Formic acid, CNA-IV, Aniline, Nitro benzene, DNT-Bharuch, MTD-Bharuch.

Ever highest Monthly production achieved for ASGP, Methyl Formate, Formic acid, CNA-IV, DNT-Bharuch.

Ever highest yearly production achieved for Methyl Formate, Formic acid, Ethyl Acetate, CNA-IV, WNA-I, TDI-II, MTD-II, OTD-II, HCL, Hydrogen, CO, Steam production at Dahej & CATSOL catalyst.

Production/ Operational Performance

Ammonia plant, annual shut down was taken in March-April 2023 for Synthesis gas compressor (C-701) performance improvement job & turbine replacement. After rectification of compressor and turbine vibration, plant was restarted on May 08, 2023. Installation of E-1101 I/J additional exchange battery set at refrigeration compressor discharge resulted reduction in discharge pressure and steam saving of 1.3 MT/hr, as well as load limitation in summer to some extent. Ammonia storage tank D-1003A (10000 MT) replacement from single wall to double wall tank, work is under progress.

Ammonia synthesis gas generation plant (ASGP) plant, was under annual shut down in March-April 2023 along with Ammonia plant. LT shift reactor & Desulphuriser-1 catalyst replaced & improvement in CO slip helped in sustained plant operation above 1160 MTPD. Plant faced interruptions in May 2023 (PDI 2139 leakage, October 2023 (Urea stoppage & ID fan tripping), November 2023 (UPS power supply problem).

Urea plant was operated for more than 2500 MTPD for 150 days. New Reactor with latest super cup tray and higher grade liner MOC is received & its foundation work is under progress. at urea plant. New higher capacity Carbamate & molten Urea pump procurement is under progress to sustain higher productivity and consistency. For energy optimization in-principle approval for conversion of torque converter to VFD drive in HP ammonia pump is obtained.

Methanol-I/SGGU/MSU plant remained inoperative throughout the year due to unfavorable cost economics.

In Methanol-II plant, plant remained under shutdown due to economics. Captive consumption requirements of Formic acid & Acetic acid plants are met by sourcing methanol from market. Further purification of methanol is done in Methanol Distillation Unit. Modifications were done to operate PSA stand-alone with minimum Oil loading in absence of M-II purge gas.

In Formic Acid plant, commissioning of project after revamp, both MF and FA have set new milestones in Production levels. Methanol-1 plant distillation was started in Mar.'24 to independently treat off spec methanol of FA plant, to prevent metal contaminants going to Acetic acid plant through MDU route during combined reprocessing.

Acetic Acid plant, established a record of highest annualized average daily production (463.97 MT) with lowest Ir-Ru catalyst consumption, showing its strength and consistency.

Production/ Operational Performance

Ethyl Acetate plant, set an record of highest annual production & annualized average daily production (202.58 MT) with plant operation >100% load for 350 days.
CATSOL Unit, received annual order of 760.35 MT catalyst supply, marking a fivefold leap than previous years.

In WNA-I plant, the newly commissioned cooling tower (CT) cell overcomes limitation of cooling water temperature in summer & facilitates as a stand by CT cell. Safety & reliability of cooling tower is enhanced by timber replacement of two CT cells. For sustainable production during summer & monsoon, a scheme for compressor suction air chilling, modification in absorption column cooling coils & new boiler drum procurement is under progress.
Outsourced WNA tanker unloading scheme is completed.

In CNA-III plant, provision of passenger lift has been accomplished for safe and efficient movement of staff & goods.

CNA-IV new plant of 150 MTPD capacity successfully commissioned in July 2023.

In ANP plant, in rock phosphate area to unload higher capacity dumpers inside silo, increasing height of second silo (2C) is completed & third (2A) will be taken up. Modification in AN Melt transfer loop has made in-house chemical cleaning possible without affecting production. CCTV surveillance system is installed at AN Melt storage & tanker filling station.
In Steam & Power generation plant, due to hike in fuel prices, operational philosophy for power generation was optimized. For environment protection, ESP retrofitting is planned in phased manner & it will be completed in one boiler in April 2025.

In Utility Group of Plants, uninterrupted supply of all the Utilities were done. New C-2204M1 compressor was commissioned with enhanced capacity, to cater the emergency air requirement, as it is the sole compressor with emergency power supply. Resins of Cation-B & C ion exchangers were replaced to enhance efficiency of DM streams. Diesel driven fire water pump (P-1912CM1) commissioned & taken in service.

Production/ Operational Performance

Aniline Plant was operated for 282 on-stream days. Plant was operated with occasional stoppage & at lower load as per prevailing marketing conditions of Aniline, NB & CNA. Energy conservation Turbine (ECT) was commissioned in May 2023 and 65,11,650 kWh of power was generated.

TDI Plant was operated for 324 on-stream days. Amine water was sent to TDI-II Dahej for subsequent treatment. In line with prevailing international market & to cater to customers' requirement, 1543 MT of TDI was manufactured using a new Antioxidant (LeNox 1076) and sold in tankers as well as 40 MT exported in barrels. Red water was send to external agency for further treatment & disposal. In March 2024, plant suffered 7 Nil production days due to internal oil leakage in LIST reactor.

TDI-II Dahej Plant was operated for 322 on-stream days with capacity utilization of 106.23%. Since commissioning in FY 2013-2014, first time plant achieved name plate capacity of 50,000 MTPA with highest annual production. Sulphuric Acid concentration plant was operated with in-house fabricated E31704 shell with PTFE sleeve of SS304L MOC. Major anxieties like hydrogenator reactor coil leakage, steam jacket failures in OTD distillation column, P-36202-line leakage, E-36811 tubes failure were successfully identified & resolved which averted long shut down.

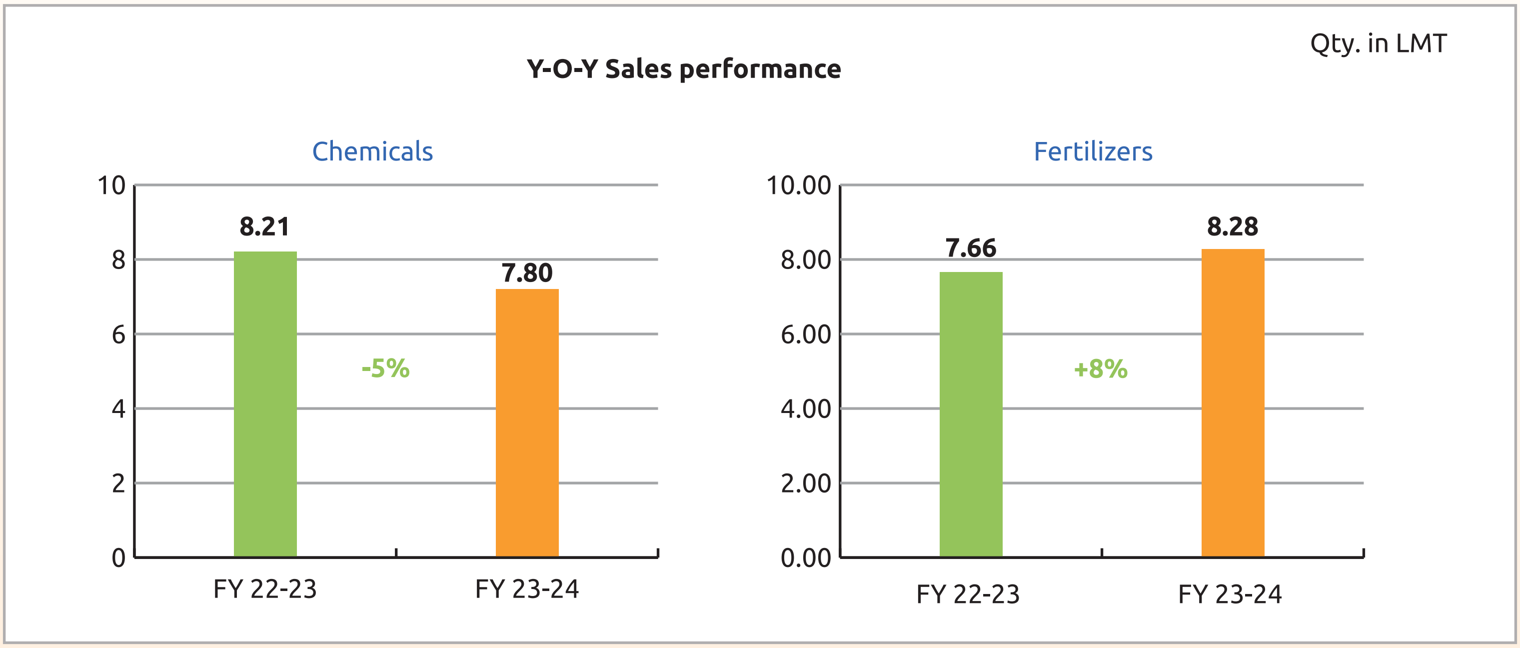
Existing VAM units are replaced with screw chillers, enhancing reliability in plant operation. Supply of desalinated water supply from GIDC has averted scarcity anxiety in summers.

ISO 14001:2015 and ISO 45001:2018 certificates from M/s. Bureau of Veritas India Ltd for GNFC complex Bharuch are valid up to September 03, 2025.

ISO 9001:2015 and ISO 50001:2018 certificates from M/s. Bureau of Veritas India Ltd for GNFC complex Bharuch are valid up to May 07, 2027 & June 13, 2027 respectively.

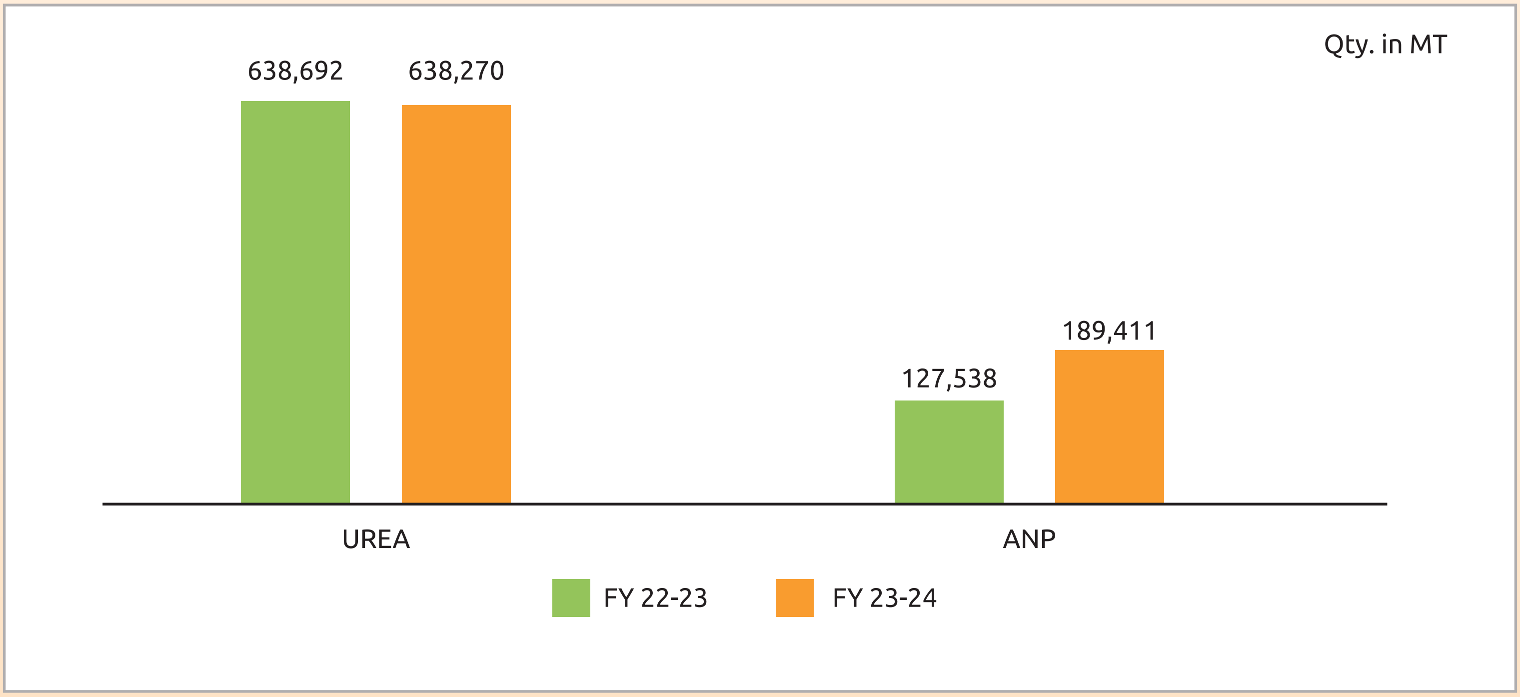
ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 50001:2018 certificates from M/s. Bureau of Veritas India Ltd for GNFC Dahej complex is valid up to December 17, 2025.

9.2. Sales Performance:



Fertilizers Sales performance

Fertilizer Sales during FY 2023-2024 was marginally at par in Urea but increased 49% in ANP by compared to FY 2022-2023. The increase in ANP was due to comparatively higher availability during FY 2023-2024.



Trading operations continued and overall quantum is 10% higher compared to last year, however, there is a reduction in City Compost and SSP. Increase in quantity of DAP was registered during the period due to good supply from Hindalco (20,104 MT DAP)

Fertilizer Trading (MT)

PRODUCT	FY 23-24	FY 22-23	VARIANCE MT	% VARIANCE
City Compost	2,665	3,230	(564.75)	-17%
DAP	23,477	17,452	6,024.80	35%
SSP	4,382	6,705	(2,323.65)	-35%
MOP	1,167	816	350.90	43%
UREA (Traded)	197	666	(469.35)	-70%
Amm. Sulphate	2,180	2,149	31.40	1%
Total	34,068	31,018	3,049	10%

In addition, an attempt was made to have a stronger synergy with GATL (wholly owned subsidiary of GSFC), we sold non bulk agro products worth ₹95.56 Lakhs through our retail outlets during FY2023-2024 and earned profit margin of ₹18.10 Lakhs during FY2023-2024. We could offer a bigger range of agro products to our farmers and the volumes shall grow, going forward. Besides, we supplied 2,090 MT of Urea & 660 MT ANP to GATL retail outlets in Gujarat & Rajasthan.

Chemicals sales performance

The Indian Chemical industry as a whole was adversely affected in FY 2023-2024 with many chemical giants witnessing plunge in their sales volume and profits. Pricing of major industrial products of GNFC witnessed downtrend compared to the previous year. GNFC's products have better resonance due to their application and use in different end use sectors. Some of the industrial products could outperform by achieving sales milestones even in highly aggressive competitive market. The sales volume of these products has increased in range of 25-65% respectively compared to the previous year.

9.3. Materials Management

Feed stock availability

Since inception of GNFC, IOCL has been meeting our entire requirement of feed-stock (HSFO/LSHS-P/FOHV). The current agreement signed between GNFC and IOCL for supply of FOHV, LSHS-P and HSFO is valid up to 30-4-2029.

Vendor Registration / Vendor Management

To have resourceful, competitive and cost-effective vendors in approved list, continuous efforts are being made to enlarge vendor base for supply of goods. In 2023-2024, total 277 new applications were processed for vendor registration and 32 new vendors added in the vendor list. This will help in increasing competition and improvement in delivery of goods.

Long Term Contracts

Company has entered into Long Term / Annual Contracts / Agreements for supplies of most of the critical Raw Materials like Coal, FOHV/FO, Natural gas, Rock Phosphate, Benzene, Toluene, Packaging Materials etc. which are essential for continuous production.

Disposal of Used Equipment / Scrap

With the sustained team efforts, the disposal of used equipment / scraps and surplus items worth ₹1,124.65 Lakhs was achieved during 2023-2024

(Amount in ₹Lakhs)

LOCATION	SCRAP DISPOSAL	SURPLUS DISPOSAL	TOTAL
Bharuch	926.60	155.93	1,082.53
TDI-II Dahej	42.12	-	42.12
Total	968.72	155.93	1,124.65

Outlook for 2024-2025

On raw material front

FOHV/HSFO/LSHS-P

Their prices vary depending on International crude prices. International Crude Oil prices are having upward trend on account of rising global demand supply scenario. The Crude prices are difficult to forecast especially due to current geo-political disturbances.

Coal

GNFC has been getting Indian Coal under the ambit of Fuel Supply Agreement (FSA) with M/s South Eastern Coalfields Limited (SECL) a subsidiary of Coal India Limited (CIL). FSA between GNFC and SECL is renewed w.e.f. 01-05-2023 and valid up to 30-04-2028.

Indian Coal is being utilized for the production of Urea Fertilizer in compliance of the undertaking given to SECL and accordingly, the annual contract quantity has been reduced. For the requirement of Coal towards balance plants, Imported Coal is being procured through competitive bidding and subsequently Reverse Auction is being conducted on nCode portal.

Benzene and Toluene

The Benzene and Toluene are being procured on Import Price Parity basis. During the FY2023-2024, the average annual rate on NOCD basis of both Benzene and Toluene have decreased from ₹85,369/- to ₹80,927/- (5.20%) and from ₹94,237/- to ₹91,103/- (3.33%) PMT (respectively as compared to FY 2022-2023.

Currently, the commodity prices are highly volatile. It is anticipated that, the prices will remain volatile during 2024-25 till Geo political stability established. As a result, it is expected that aromatic market will remain unpredictable during FY 2024-25. Indian Rupee may also likely to be depreciated slightly against US$ in FY 2024-2025. Exchange rate for USD / INR remains concern.

Considering above points of view, an annualized average prices of both Benzene and Toluene are expected to remain upward during FY 2024-2025 as compared to the prices of FY 2023-2024.

Rock Phosphate

Phosphoric Acid and Rock Phosphate prices have been steadily declining since July 2023. The FOB rate of Rock Phosphate stood at USD 230 PMT in the first half of 2023, but dropped to USD 228 PMT in the first quarter of 2024, and further decreased to USD 220 PMT in the second quarter of 2024. Current international market trends suggest that Rock Phosphate prices are likely to stabilize at this level.

Since November 2023, Houthi rebels from Yemen are attacking marine vessels in the Red Sea area, causing ocean freight rates to surge by over 50%. Freight rates are expected to stabilize upon settlement of geo-political issues.

Natural Gas

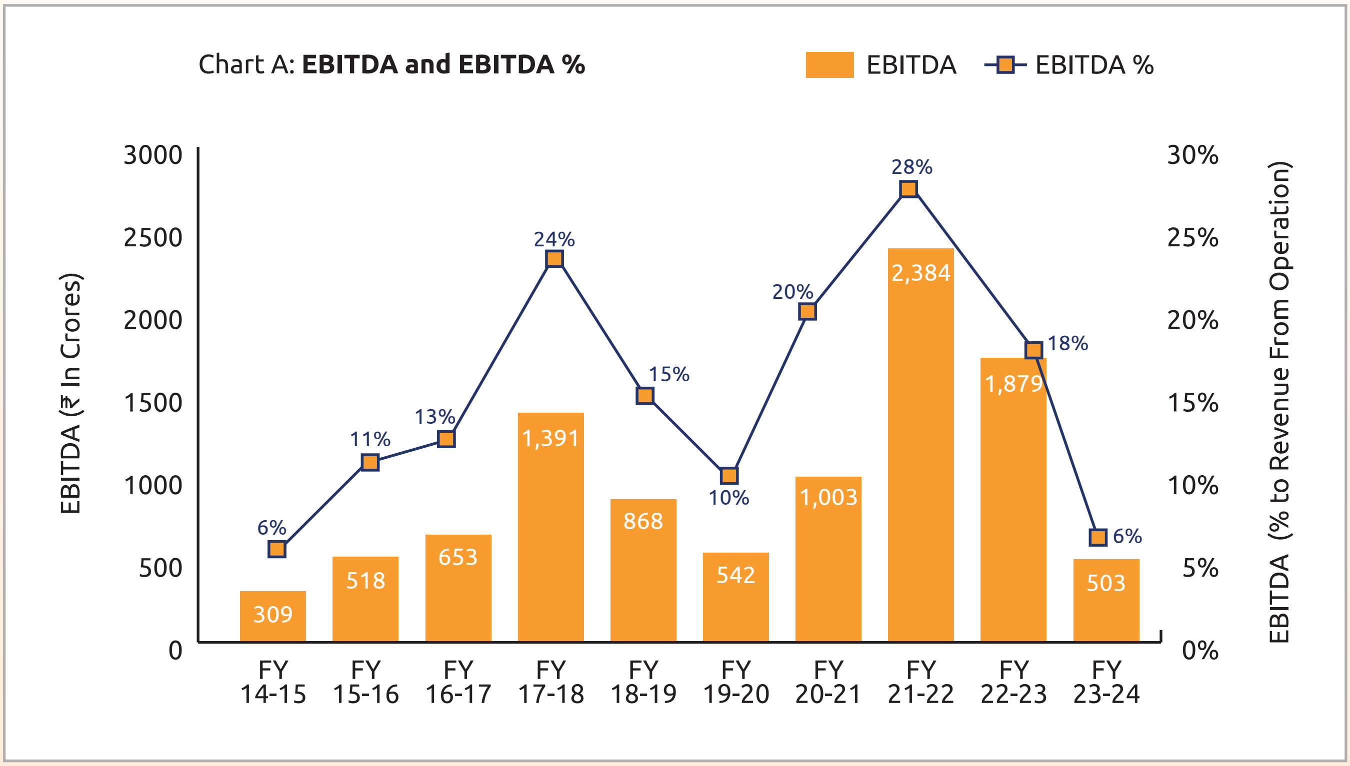
Our total natural gas requirement for Urea production is met through competitive Long term /Medium Term contracts. However, if any short fall in natural gas supply is found then the same is mitigated by submitting our deficit gas requirement to EPMC (pooling for Urea gas) or arranged by floating spot tenders.

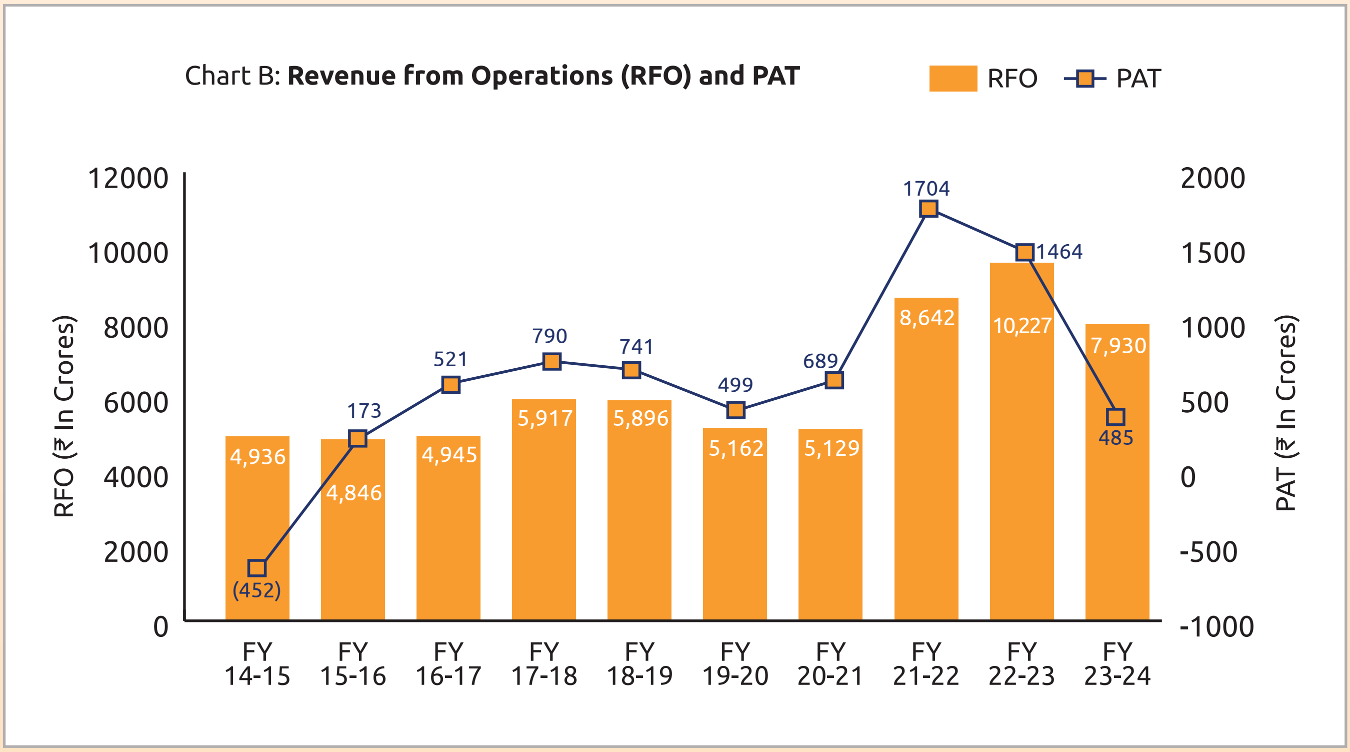
Total gas requirement for industrial products is being met by floating monthly spot tenders and/or through contract finalization on competitive bidding for Short or Medium term basis.

Projection of future price trend of natural gas is very difficult considering high volatility, supply-demand and geo-political disturbances.

9.4. Comparative Financial Performance Highlights

Charts A and B illustrate GNFC's financial performance





(₹ in Crores)

PARTICULARS	FY 23-24	FY 22-23	CHANGE	
			VALUE	%
Revenue from operations	**7,930**	10,227	(2,297)	(22%)
Other income	**469**	361	108	30%
EBITDA @	**503**	1,879	(1,376)	(73%)
PBT	**651**	1,932	(1,281)	(66%)
PAT	**485**	1,464	(979)	(67%)
Book value (₹ Per share)	**558**	579	(21)	(4%)
EPS (₹ Per share)	**31.67**	94.20	(62.53)	(66%)

@ EBITDA Excludes Other income

On a Y-o-Y full year basis, both, the bulk chemicals as well as complex fertilizers have witnessed substantial dents in realisation and margin as the cycle has turned from sellers to buyers' market.

The results for full year is not fully comparable in view of the annual shutdown during the period, which limited the availability of saleable volume. During the current financial year, Dahej operations of TDI has been stable with increased volume, which has improved the operating results. It achieved highest ever production of ~53 TMT against the plant's rated capacity of 50 TMT. The Concentrated Nitric Acid (CNA-IV) plant, which became operational during the year, achieved ~90% capacity utilisation in its first year of operation.

During the FY 2023-2024, two important developments took place (a) Employee Wage Settlement (b) Equity Share Buyback worth ~₹802 crores including income tax.

Cash Flow Summary

(₹ in Crores)

PARTICULARS	FY 23-24	FY 22-23	CHANGE	
			VALUE	%
Operating cash flow before working capital changes	**648**	1,975	(1,327)	(67%)
Net change in working capital	**(404)**	(17)	(387)	(2,276%)
Taxes paid	**(212)**	(585)	373	64%
Net cash from operating activities	**32**	1,373	(1,341)	(98%)
Net cash from / (used in) investing activities	**1,235**	(1,229)	2,464	200%
Net cash (used in) financing activities	**(1,281)**	(161)	(1,120)	(696%)
Net (decrease) in cash & cash equivalent	**(14)**	(17)	3	18%

During FY 2023-2024, the highest ever dividend payment as well as first ever Share Buyback Program of ~₹461 crores and ~₹802 crores, respectively are the main reasons for cash outflow under financing activities whereas the positive investment activities refer to liquidation of cash deposit positions held for meeting the needs of financing activities.

10. MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED

The company's Human Resource is a highly valued contributor to the success of business of the company. Ensuring well-being of employees on the job and off the job remains top priority of the company with focused attention to provide an inclusive environment for promoting diversity in gender, age and culture and inculcating organizational values and ethics.

The company makes all possible efforts for maintaining work life balance and improving the well-being of its employees through various welfare schemes leading to an atmosphere conducive to sustained growth of the company. The company conducts various In-house training programs on safety awareness, environmental protection, health awareness, awareness on sexual harassment policy, as also, for enhancing employee's skill and knowledge.

The company's proactive actions have resulted in harmonious, cordial and healthy industrial relations throughout the year which has helped in sustained growth and enrichment of value for the shareholders.
Rightsizing of the company and continuous enhancement of productivity, learning and skill sets of the employees remains the prime focus of the company.

The total strength of the Human Assets of the Company was 2431 on 31.03.2024.

11. SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS ALONG WITH EXPLANATIONS

Key financial ratios (standalone) for the financial year ended 31.03.2024 are provided here below:

PARTICULARS	UNITS	FY 23-24	FY 22-23	CHANGE (%)	REASON
Debtors turnover	Times	**15.96**	20.61	(23%)	
Inventory turnover	Times	**7.07**	9.74	(27%)	a
Interest coverage	Times	**40.09**	357.13	(89%)	b
Current ratio	Times	**4.14**	3.77	10%	
Debt equity ratio	Times	**-**	-	-	
Operating profit margin	%	**8.37**	18.94	(56%)	c
Net profit margin	%	**6.11**	14.31	(57%)	d
Return on net worth	%	**5.64**	17.32	(67%)	e

a. Inventory turnover ratio decreased by 27% mainly due to due to decrease in revenue from operations.

b. Interest coverage ratio has decreased by 89% mainly due to lower PBT and higher interest expense compared to previous year.

c. Operating profit margin decreased by 56% mainly due to decrease in operating profit and decrease in revenue from operation.

d. Net profit margin decreased by 57% due to decrease in net profit by ₹ 979 Crores.

e. Return on net worth decreased by 67% due to decrease in net profit by ₹ 979 Crores.

12. CAUTIONARY STATEMENT

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

NOTICE

NOTICE IS HEREBY given that the **48th Annual General Meeting (AGM)** of the Members of Gujarat Narmada Valley Fertilizers & Chemicals Limited will be held **on Friday, September 20, 2024 at 3:00 P.M.** through two-way Video Conferencing ('VC') facility or Other Audio Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements and Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024 and the Reports of the Board of Directors and Auditors' thereon.
2. To declare Dividend on equity shares for the Financial Year ended March 31, 2024.
3. To appoint a Director in place of Shri Kamal Dayani, IAS (DIN: 05351774), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Appointment of Shri S. J. Haider, IAS (DIN: 02879522) as Director of the Company**

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

   "**RESOLVED** that pursuant to the provisions of Section 149, 152 and all other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Shri S. J. Haider, IAS (DIN: 02879522) who was appointed as Additional Director of the Company by the Board of Directors w.e.f. August 13, 2024 pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company (AoA) and who holds office of Director up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the Office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. **Re-appointment of Prof. Ranjan Kumar Ghosh (DIN: 08551618) as an Independent Non-Executive Director of the Company**

   To consider and, if thought fit, to pass the following Resolution **as Special Resolution:**

   "**RESOLVED** that pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Prof. Ranjan Kumar Ghosh (DIN: 08551618), who was appointed as an Independent Director of the Company by the members for a term of 3 (three) consecutive years commencing from September 23, 2021 upto September 22, 2024 (both days inclusive) and who being eligible for re-appointment for a second term as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to

NOTICE

retire by rotation, to hold office for a second term of 3 (three) consecutive years on the Board of the Company commencing from September 23, 2024 to September 22, 2027 (both days inclusive).

"**RESOLVED FURTHER** that the Board of Directors and / or its delegated authority be and is / are hereby authorized to do all such acts and take all steps as may be deemed necessary, proper or expedient to give effect to the above resolution."

6. Ratification of remuneration payable to Cost Auditor of the Company for the financial year 2024-25

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 the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of ` 1,00,000 /- (Rupees One Lakh only) plus statutory levies and reimbursement of out of pocket expenses payable to the Cost Auditor, M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune (Firm Registration No. 000030) for carrying out the audit of the cost records of the Company for the FY 2024-25 ending on March 31, 2025, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby ratified."

"RESOLVED FURTHER that the Board of Directors and / or its delegated authority be and is / are hereby authorized to do all such acts and take all steps as may be deemed necessary, proper or expedient to give effect to the above resolution."

By Order of the Board of Directors
For Gujarat Narmada Valley Fertilizers & Chemicals Limited

Chetna Dharajiya
Company Secretary & Chief Manager (Legal)
Membership No.: ACS 20835

Registered Office:
Gujarat Narmada Valley Fertilizers & Chemicals Limited
CIN: L24110GJ1976PLC002903
'Narmada House', Corporate Office,
P.O.: Narmadanagar - 392 015, Dist.: Bharuch
Phone: 02642 - 247001, 247002
Email id: investor@gnfc.in
Website: www.gnfc.in
Date: August 13, 2024

NOTES:

1. Pursuant to Ministry of Corporate Affairs (MCA) General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, followed by General Circular Nos. 10/2022 dated December 28, 2022 and the latest being 09/2023 dated September 25, 2023 (collectively referred to as 'MCA Circulars') has permitted the holding of the AGM through Video Conferencing ('VC') or through Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue.

   Further, Securities and Exchange Board of India ('SEBI'), vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023 and October 7, 2023 ('SEBI Circulars') and other applicable circulars issued in this regard, have provided relaxations from compliance with certain provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 ('SEBI Listing Regulations').

In compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), SEBI Listing Regulations and MCA Circulars, the 48th AGM of the Company is being held through VC/OAVM on Friday, September 20, 2024, at 3:00 P.M. (IST). The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at the Board Room, P.O.: Narmadanagar - 392 015, District: Bharuch.

2. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations, as amended and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.

5. The relative Explanatory Statement pursuant to Section 102 of the Act, in respect of the Business under Item Nos. 4 to 6 set out above is annexed hereto. The information required to be furnished under Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard - 2 on "General Meetings" issued by The Institute of Company Secretaries of India, in respect of persons seeking appointment / re-appointment as Director are also annexed.

6. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

7. In line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.gnfc.in The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, where the shares of the Company are listed The AGM Notice is also disseminated on the website of CDSL i.e. www.evotingindia.com.

8. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 13, 2024 to Friday, September 20, 2024 (both days inclusive).

A. ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT

(i) In compliance with the above mentioned Circulars, the Annual Report 2023-24, the Notice of the 48th AGM and instructions for e-voting are being sent through electronic mode to those Members whose email addresses are registered with the Company / RTA / Depositories.

(ii) Members holding shares in physical mode and who have not updated their email addresses are requested to update their email addresses with the Company's RTA by writing at einward.ris@kfintech.com along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the Income-Tax PAN card and self-attested copy of any document (eg.: Driving License, Election Identity Card, Passport) in support of the address of the Member.

Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant DPs. In case of any queries / difficulties in registering the e-mail address, Members may also write to investor@gnfc.in.

B. INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS FOLLOWS:

Step 1: Access through Depositories 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.

(i) The voting period begins on Monday, September 16, 2024 at 9:00 A.M. (IST) and shall end on Thursday, September 19, 2024 at 5:00 P.M. (IST) (both days inclusive). 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) i.e. Thursday, September 12, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 under Regulation 44 of SEBI Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

Pursuant to above said 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 users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. 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 their 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, 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 CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL 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 holding 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. 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 above mentioned 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 : 022 - 4886 7000 and 022 - 2499 7000

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

(v) 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 Physical shareholders and other than individual shareholders holding shares in Demat
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.

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

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

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

(ix) Click on the EVSN for Gujarat Narmada Valley Fertilizers & Chemicals Limited, on which you choose to vote.

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

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

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

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

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

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

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

(xvii) **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.

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- 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, the scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, are be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatorily to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote to the Scrutinizer at jjgandhics@gmail.com and to the Company at the email address investor@gnfc.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that participants connecting from mobile devices or tablets or through Laptop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investor@gnfc.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investor@gnfc.in. These queries will be replied to by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM 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.
10. If any votes are casted 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's RTA** by writing at einward.ris@kfintech.com;
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, Senior 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.

C. PROCEDURE FOR INSPECTION OF DOCUMENTS:

All documents referred to in the Notice along with the Statutory Registers maintained by the Company as per the Act will be available for inspection in electronic mode upto the date of the AGM of the Company and will also be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an email to investor@gnfc.in.

D. DIVIDEND RELATED INFORMATION:

A. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, September 06, 2024, i.e. cut-off date will be paid the Final Dividend for the financial year ended March 31, 2024, as recommended by the Board, if approved at the AGM, on or after Monday, September 23, 2024.

B. Members holding shares in demat form are hereby informed that bank particulars registered with their respective DPs, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DPs of the Members. Members holding shares in demat form are requested to intimate any change in their address and/or bank mandate immediately to their DPs.

C. Members holding shares in physical form are requested to intimate any change of address and/ or bank mandate to KFin Technologies Limited, Registrar and Share Transfer Agent of the Company by sending a request in Form ISR-1 at Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana India – 500 032 or by email to einward.ris@kfintech.com from their registered email id. In case the Company is unable to pay the dividend to any shareholder by electronic mode, due to non-availability of bank mandate, the Company shall dispatch the dividend warrant to such shareholder by post in due course.

D. Shareholders may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after April 01, 2020 shall be taxable in the hands of the Shareholders.

The Company shall therefore be required to deduct Tax at Source (TDS) at the time of making the final dividend. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961.

a. **For Resident Shareholders**: Tax at source shall be deducted under Section 194 of the Income Tax Act, 1961 at 10% on the amount of dividend declared and paid by the Company during financial year 2024-25, subject to PAN details registered/updated by the Member. If PAN is not registered/updated in the demat account/folio as on the cut-off date, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961.

   No tax at source is required to be deducted, if during the financial year, the aggregate dividend paid or likely to be paid to an individual member does not exceed ` 5,000/- (Rupees Five Thousand Only).

   Further, in cases where the shareholder provides Form 15G (applicable to any person other than a Company or a Firm)/Form 15H (applicable to an Individual above the age of 60 years), provided that the eligibility conditions are being met, no TDS shall be deducted.

   Notwithstanding the above, in case PAN of any Member falls under the category of 'Specified Person', the Company shall deduct TDS @20% as per Section 206AB of the Income Tax Act 1961.

b. **For Non-resident Shareholders**: Tax at source shall be deducted under Section 195 of the Income Tax Act, 1961 at the applicable rates. As per the relevant provisions of the Income Tax Act, 1961, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to non-resident Members. As per Section 90 of the Income Tax Act, 1961, Non- Resident Members may be entitled to avail lower TDS rate as per Double Taxation Avoidance Agreement (DTAA). To avail the Tax Treaty benefits, the non-resident Member will have to provide the following:

   - Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the Member is a resident.
   - Self-declaration in Form 10F if all the details required in this form are not mentioned in the TRC.
   - Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities, if any.
   - Self-declaration, certifying the following points:

     a. Member is and will continue to remain a tax resident of the country of its residence during the financial year 2024-25;

     b. Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;

     c. Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;

     d. Member is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and

     e. Member does not have a taxable presence or a permanent establishment in India during the financial year 2024-25.

E. Notwithstanding the above, in case PAN falls under the category of "Specified Person", Member is mandatorily required to submit a declaration providing status of Permanent Establishment in India for financial year

2024-25. As per Section 206AB of the Income Tax Act 1961, if the said declaration is not furnished, the Company shall deduct tax at source at twice the applicable rate referred above.

F. The Company shall not be obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the Non-Resident Member.

G. Kindly note that the aforementioned documents are required to be submitted at https://ris.kfintech.com/form15/ on or before September 01, 2024 in order to enable the Company to determine and deduct appropriate TDS/ withholding tax rate. No communication on the tax determination/deduction shall be entertained post September 01, 2024. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

H. We shall arrange to e-mail the soft copy of TDS certificate to you at your registered Email id in accordance with the provisions of the Income Tax Act, 1961 after filing of the quarterly TDS Returns of the Company, post payment of the said Dividend.

I. In accordance with the provisions of Section 124 and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules made there under, the Company has transferred the dividend amount, remaining unclaimed for a period of seven years from the respective date of transfer to 'Unpaid Dividend Account' for the FY 1999-2000 to 2015-16 to Investor Education & Protection Fund (IEPF), set up by the Central Government.

J. Shareholders may claim their unclaimed dividend for the years prior to and including the FY 2015-16 and the corresponding shares, from the IEPF Authority by applying in the prescribed Form No. IEPF-5.

K. The unclaimed dividend for the below mentioned years and the corresponding shares will be transferred by the Company to IEPF in accordance with the schedule given below. In this regard, we have informed, vide our letter dated August 10, 2024, to all those shareholders who have not claimed their dividend amount for a consecutive period of seven years from FY 2016-17, advising them to contact KFintech at einward.ris@kfintech.com and claim their dividend amount before due date of transfer of shares to IEPF Authority. The due date of transfer of such shares to IEPF Authority is October 31, 2024.

Financial Year	Dividend Identification No.	Date of Declaration of Dividend	Due Date for transfer to IEPF
2016-17	33rd	September 29, 2017	October 2024
2017-18	34th	September 29, 2018	October 2025
2018-19	35th	September 26, 2019	October 2026
2019-20	36th	September 29, 2020	October 2027
2020-21	37th	September 23, 2021	October 2028
2021-22	38th	September 27, 2022	October 2029
2022-23	39th	September 26, 2023	October 2030

E. OTHERS:

1. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021 (subsequently

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amended by Circular Nos. SEBI/ HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024) has mandated that with effect from April 1, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.

Further SEBI vide its Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024, has informed that security holders holding securities in physical form shall be eligible for receipt of any payment including dividend, interest and redemption payment as well as to lodge grievance or avail any service request from the RTA even if "Choice of Nomination" is not submitted by these security holders.

The forms for updation of PAN, KYC, Bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13 and the said SEBI Circular are available on website at https://www.gnfc.in/useful-forms/. Members who hold shares in dematerialised form and wish to update their PAN, KYC, Bank details and Nomination are requested to contact their respective DPs. Attention of the Members holding shares of the Company in physical form is invited to go through and submit the said Forms duly filled and signed by sending physical copy to M/s. KFin Technologies Limited at Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India – 500 032.

Further, Members holding shares in physical form are requested to ensure that their PAN is linked to Aadhaar to avoid freezing of their folios. Such frozen folios shall be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, after December 31, 2025.

2. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are advised to convert their holdings in demat form.

3. As per the provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect of the shares held by them.

   Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13, if a Member desires to change in nomination, the Member may submit the same Form SH-14, the said forms can be downloaded from the Company's website at https://www.gnfc.in/useful-forms/

4. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTA.M.B/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate, claim from Unclaimed Suspense Account, Renewal/Exchange of securities certificate, Endorsement, Sub division/Splitting of securities certificate, Consolidation of securities certificates/folios, Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR–4, the format of which is available on the Company's website under the web link at https://www.gnfc.in/useful-forms/. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

5. As an ongoing endeavor to enhance Investor experience and leverage new technology, our Registrar and Share Transfer Agent, KFIN Technologies Limited have been continuously developing new applications. Here is a list of applications that has been developed for our investors.

   Investor Support Centre: A webpage accessible via any browser enabled system. Investors can use a host of services like Post a Query, Raise a service request, Track the status of their DEMAT and REMAT request, Dividend status, Interest and Redemption status, Upload exemption forms (TDS), Download all ISR and other related forms.

   https://ris.kfintech.com/clientservices/isc/default.aspx

   eSign Facility: Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination requires that eSign option be provided to Investors for raising service requests. KFIN is the only RTA which has enabled the option and can be accessed via the link below.

   https://ris.kfintech.com/clientservices/isr/isr1.aspx?mode=f3Y5zP9DDNI%3d

   KYC Status: Shareholders can access the KYC status of their folio. The webpage has been created to ensure that shareholders have the requisite information regarding their folios.

   https://ris.kfintech.com/clientservices/isc/kycqry.aspx

   KPRISM: A mobile application as well as a webpage which allows users to access Folio details , Interest and Dividend status, FAQs, ISR Forms and full suite of other investor services.

   https://kprism.kfintech.com/signin.aspx

ANNEXURE TO THE NOTICE

AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 AND PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2 ON GENERAL MEETINGS, THE FOLLOWING EXPLANATORY STATEMENT SET OUT ALL MATERIAL FACTS RELATING TO BUSINESS MENTIONED UNDER ITEM NOS. 4 TO 6 OF THE ACCOMPANYING NOTICE

Item No. 4:

Appointment of Shri S. J. Haider, IAS (DIN: 02879522) as Director of the Company:

In terms of the provisions of Section 161 (1) of the Act read with Article 144 of the Articles of Association (AoA) of the Company, Shri S. J. Haider, IAS (DIN: 02879522) was appointed by the Board as an Additional Director effective August 13, 2024, based on the recommendation of Nomination & Remuneration Committee and he holds the Office of Director up to the date of this Annual General Meeting.

The Company has received a Notice under Section 160 of the Act from a Member proposing the candidature of Shri S. J. Haider, IAS (DIN: 02879522) for the office of Director of the Company.

Shri S. J. Haider, IAS (DIN: 02879522) is a member of the Indian Administrative Service (IAS) with over 32 years of experience in administration and governance. He has completed his M.Sc. in Physics with specialization in Electronics.

He is presently posted as the Additional Chief Secretary, Energy and Petrochemicals Department, Government of Gujarat.

Shri S. J. Haider, IAS (DIN: 02879522) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company. The Company has received a declaration from him that he is not debarred from holding office of a Director by virtue of any order passed by the Securities and Exchange Board of India ("SEBI") or any other such authority. Further, he has submitted all statutory disclosures/declarations prescribed under the Act and SEBI Listing Regulations.

Shri S. J. Haider, IAS (DIN: 02879522) is not related to any of the Directors or Key Managerial Personnel of the Company, in terms of Section 2(77) of the Act.

Brief details of Shri S. J. Haider, IAS viz. qualification, experience, expertise etc. are provided in the "Annexure – I" forming part of this notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

The Board considers that it would be in the interest of the Company to appoint Shri S. J. Haider, IAS (DIN: 02879522) as Rotational Director on the Board and therefore, recommends the proposed Resolution for your approval by way of an Ordinary Resolution as set out at Item No. 4 of the accompanying Notice.

Except Shri S. J. Haider, IAS (DIN: 02879522), none of the Directors / Key Managerial Personnel of the Company and their relative(s) is / are, in any way, concerned or interested, financially or otherwise, in the said resolution. This Explanatory Statement may also be regarded as disclosure under Regulation 36 (3) of Listing Regulations.

Item No. 5:

Re-appointment of Prof. Ranjan Kumar Ghosh (DIN: 08551618) as an Independent Non-Executive Director of the Company:

The Shareholders of the Company at the 45th Annual General Meeting held on September 23, 2021 had approved the appointment of Prof. Ranjan Kumar Ghosh (DIN: 08551618) as an Independent Director (Non-Executive) of the Company for the first term to hold the office of Independent Director upto September 22, 2024 ("First Term"), pursuant to the provisions of the Companies Act, 2013 (the Act) and Rules framed thereunder read with Schedule IV to the Companies Act, 2013. In terms of the provisions of Section 149 of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), an Independent Director shall be eligible for re-appointment on passing of a special resolution in general meeting by the Company for the "Second term".

The Nomination and Remuneration Committee (NRC), based on the various factors viz., the number of board, committee and general meetings attended by Prof. Ranjan Kumar Ghosh; his knowledge, qualification, contribution & experience in his respective fields; his specialized skills and expertise in assisting the Board and its Committees in attaining the objectives of the Company and his participation in the Board/Committee deliberations and his performance evaluation, recommended to the Board, the re-appointment of Prof. Ranjan Kumar Ghosh as an Independent Director (Non-Executive) for a second term of upto three (3) consecutive years, w.e.f. September 23, 2024 to September 22, 2027 or as may be advised by Statutory Authority.

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, have approved the re-appointment (not liable to retire by rotation) of Prof. Ranjan Kumar Ghosh as an Independent Director (Non-Executive) subject to approval of shareholders of the Company for his second term, by way of passing of a Special Resolution. The Board of Directors states that, given his professional background and experience and contributions made by him during his first term, the re-appointment of Prof. Ranjan Kumar Ghosh would be in the interest of the Company and its Shareholders and it is desirable to continue to avail his services as an Independent Director.

The Company has received from Prof. Ranjan Kumar Ghosh, his consent to act as Director of the Company along with a declaration to the effect that he meets the criteria of independence as provided in Section 149 of the Act and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and an intimation to the effect that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Act and he is not debarred from holding office of a Director by virtue of any order passed by the Securities and Exchange Board of India ("SEBI") or any other such authority.

The Company has received notice in writing under the provisions of Section 160 of the Act from Member proposing the candidature of Prof. Ranjan Kumar Ghosh for re-appointment as Independent Director of the Company.

In the opinion of the Board, Prof. Ranjan Kumar Ghosh meets the criteria of independence as specified in the Act, the Rules framed thereunder and the SEBI Listing Regulations and he is Independent of the Management.

Brief details of Prof. Ranjan Kumar Ghosh viz. qualification, experience, expertise etc. are provided in the "Annexure – I " forming part of this notice pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

Presently, Prof. Ranjan Kumar Ghosh is a Member of the Audit Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee and the Chairperson of Risk Management Committee and Stakeholders' Relationship Committee of the Board of Directors of the Company.

Your Directors, therefore, recommends the resolution for your approval by way of a Special Resolution as set out at Item No. 5 of the accompanying Notice.

Except Prof. Ranjan Kumar Ghosh (DIN: 08551618), being an appointee, none of the Directors / Key Managerial Personnel of the Company and their relative(s) is / are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice.

Item No. 6:

Ratification of remuneration payable to Cost Auditors of the Company for the FY 2024-25

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. Further, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors is required to be ratified by the Shareholders.

The Board of Directors, on the recommendation of the Audit Committee, in its Meeting held on May 28, 2024 approved the appointment of M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune (Firm Registration No. 000030) as the Cost Auditor of the Company to conduct audit of the cost records of the Company for the FY 2024-25, ending on March 31, 2025, at a remuneration of ` 1,00,000 /- (Rupees One Lakh only) plus statutory levies and reimbursement of out of pocket expenses.

Accordingly, consent of the Shareholders is sought for passing an Ordinary Resolution as set out at Item No. 6 of the accompanying Notice for ratification of the remuneration amounting to ` 1,00,000/- (Rupees One Lakh only) plus statutory levies and reimbursement of out of pocket expenses payable to the Cost Auditor for the Financial Year ending on March 31, 2025.

None of the Directors or KMP of the Company and their respective relatives is/are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice.

By Order of the Board of Directors
For Gujarat Narmada Valley Fertilizers & Chemicals Limited

Chetna Dharajiya
Company Secretary & Chief Manager (Legal)

Registered Office:
Gujarat Narmada Valley Fertilizers & Chemicals Limited
CIN: L24110GJ1976PLC002903
'Narmada House', Corporate Office, P.O.: Narmadanagar - 392 015, Dist.: Bharuch
Phone: 02642 - 247001, 247002
Email id: investor@gnfc.in
Website: www.gnfc.in
Date: August 13, 2024

NOTICE

Annexure - I

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 (3) OF THE SEBI LISTING REGULATIONS AND APPLICABLE SECRETARIAL STANDARDS

Name of Director	Shri Kamal Dayani, IAS	Shri S. J. Haider, IAS	Prof. Ranjan Kumar Ghosh
Director Identification Number	05351774	02879522	08551618
Age	59	59	43
Date of appointment/ change in terms of appointment	09-02-2024	13-08-2024	29-10-2020
Relationship with Directors	None	None	None
Expertise in specific functional area	Shri Kamal Dayani, IAS (DIN: 05351774) is Additional Chief Secretary to General Administration Department (Personnel), Government of Gujarat. He has worked in various capacities covering a very wide spectrum of Government departments, both at State level and National level, such as Industries, Revenue, General Administration, Power, Civil Supply departments etc.	Shri S. J. Haider, IAS (DIN: 02879522) is a member of the Indian Administrative Service (IAS) with over 32 years of experience in administration and governance. He is presently serving as the Additional Chief Secretary to the Government of Gujarat in Energy and Petrochemicals Department. He has earlier served in various capacities such as District Development Officer, Municipal Commissioner and Collector & District Magistrate in various Districts of Gujarat and worked in various Departments like Finance, Transport, Science and Technology, Tourism & Civil Aviation, Rural Development, Education (Higher and Technical Education) and Industries and Mines Department. He also held the additional charge of Additional Chief Secretary, Climate Change Department.	Prof. Ranjan Kumar Ghosh (DIN: 08551618) is presently Associate Professor and Chairperson - Centre for Management in Agriculture at Indian Institute of Management (IIM), Ahmedabad. His areas of expertise includes Agriculture, Agri-food, Resource and Climate Management and Energy Conservation, etc.
Qualification(s)	He possesses a degree of B.E. in Electronics and post graduate in Business Administration. He commands a very vast experience in public administration and public policy.	He has completed his M.Sc. in Physics with specialization in Electronics.	He has distinguished academic background with Ph.D Economics from Humboldt University of Berlin, Germany; Post-Doctoral Fellow, Department of Economics, SLU UPPSALA, Sweden; Visiting Scholar, Ostrom Workshop, Indiana University, Bloomington, USA; M.Sc. Economics from Madras School of Economics, Chennai and B.A. Economics, University of Delhi.

Name of Director	Shri Kamal Dayani, IAS	Shri S. J. Haider, IAS	Prof. Ranjan Kumar Ghosh
Number of Shares held in the Company as on March 31, 2024	NIL	NIL	NIL
Directorships held in other Companies*	a. Gujarat State Fertilizers & Chemicals Limited b. Indian Potash Limited c. Gujarat Green Revolution Company Limited d. Infrastructure Finance Company Gujarat Limited	a. Gujarat Foundation For Entrepreneurial Excellence b. Gujarat Mineral Development Corporation Limited c. PM Mitra Park Gujarat Limited d. Gujarat Rail Infrastructure Development Corporation Limited e. Gandhinagar Railway and Urban Development Corporation Limited f. Dahej SEZ Limited	NIL
Directorship in other Companies along with listed entities from which the person has resigned in the past three years*	a. Gujarat Fibre Grid Network Limited b. Dholera Industrial City Development Limited c. Diamond Research and Mercantile City Limited	a. Dholera Industrial City Development Limited b. Gujarat Student Startup and Innovation Hub	NIL
Chairman/Member of the Committee of Directors of other Companies in which she / he is a Director as on March 31, 2024**	a. Gujarat State Fertilizers & Chemicals Limited Member - Stakeholders' Relationship Committee	NIL	NIL
Key Terms and Conditions for appointment	As per the resolution at Item No. 3 of this Notice.	As per the resolution at Item No. 4 of this Notice.	As per the resolution at Item No. 5 of this Notice.
Remuneration proposed to be paid	Remuneration of Non-Executive Directors (NEDs) is decided by the Board. NEDs are paid remuneration by way of sitting fees only for attending the Board or committees meeting(s).	Remuneration of Non-Executive Directors (NEDs) is decided by the Board. NEDs are paid remuneration by way of sitting fees only for attending the Board or committees meeting(s).	Remuneration of Non-Executive Directors (NEDs) is decided by the Board. NEDs are paid remuneration by way of sitting fees only for attending the Board or committees meeting(s).
Last drawn remuneration	- NIL -	- NIL -	Please refer Corporate Governance Report.
Skills and capabilities required for the role and the manner in which Director meets such requirements	NA	NA	Please refer explanatory statement for Item No. 5 forming part of this Notice.
Number of Board Meetings attended during the year 2023-24	0 of 0	NA	4 of 4

*As per disclosures received from Directors as on March 31, 2024.

**Committee Membership includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (whether listed or not).

DIRECTORS' REPORT

DIRECTORS' REPORT

To,

The Members,

Your Directors have immense pleasure in presenting this 48th Annual Report on the Company's business and operations together with Audited Financial Statements (Standalone and Consolidated) for the Financial Year (FY) ended on March 31, 2024.

FINANCIAL RESULTS AND STATE OF THE COMPANY'S AFFAIRS

During the year under review, the Company achieved remarkable performance on operational and financial fronts. The Company established total eighty (80) new records during the FY 2023-24, out of which forty four (44) records were established in production and thirty six (36) for sale / dispatch.

Financial Highlights on Standalone basis are summarized as follows:

(` in Crores)

Particulars		Standalone	
		2023-24	2022-23
Income from operations		**7,930**	10,227
Other income		**469**	361
Total income		**8,399**	10,588
Total expenditure		**7,427**	8,348
Profit before depreciation, finance cost and tax		**972**	2,240
Depreciation		**308**	303
Finance cost		**13**	5
Profit before tax		**651**	1,932
Tax expense		**166**	468
Net Profit for the year	**A**	**485**	1,464
Re-measurement of gain on defined employee benefit plans (Net of tax)	**B**	**(4)**	(69)
Balance brought forward from previous year	**C**	**5,115**	4,075
Amount available for appropriation	**A+B+C**	**5,596**	5,470
Appropriations :			
Dividend paid		**466**	155
Transferred to general reserve		**500**	200
Buy-back of equity shares		**331**	-
Tax on buy-back of equity shares		**150**	-
Expenses for buy-back of equity shares		**5**	-
Transfer to capital redemption reserve		**9**	-
Surplus carried to Balance Sheet		**4,135**	5,115

COMPANY'S PERFORMANCE OVERVIEW

1.0 Operational Performance:

The Company has achieved remarkable production performance during the FY 2023-24. Day to day plant operations were closely reviewed and optimized to maximize profit.

During the year, several plants achieved over 100% capacity utilization level. Ammonia (6,36,948 MTs i.e. 142.97%), ASGP (3,74,979 MTs i.e. 101.45%), Urea (7,99,791 MTs i.e. 125.58%), M.F (41,008 MTs i.e. 179.86%), Formic Acid (31,663 MTs i.e. 160.56%), Acetic Acid (1,61,927 MTs i.e. 161.93%), ANP (1,86,970 MTs i.e. 131.21%), WNA-I (3,12,882 MTs i.e. 126.42%), WNA-II (1,23,695 MTs i.e. 123.70%), CNA-II (34,037 MTs i.e. 103.14%), CNA-III (50,503 MTs i.e. 101.01%), TDI-I, Bharuch (17,688 MTs i.e. 126.34%),TDI-II, Dahej (53,117 MTs i.e. 106.23%), EA (71,510 MTs i.e. 143.02%) and were among the plants that excelled in capacity utilization.

During the year, strategic optimization of various plant operations and product mix had been done keeping in line with price of raw materials so as to achieve cost reduction in all aspects.

TDI-II Dahej plant was operated for 322 on-stream days with capacity utilization of 106.23%. Since commissioning in FY 2013-14, first time plant achieved name plate capacity of 50,000 MTPA with highest annual production of 53,117 MTs.

Sulphuric Acid Concentration plant was operated with in-house fabricated E31704 shell with PTFE sleeve of SS304L MOC. Major anxieties like hydrogenator reactor coil leakage, steam jacket failures in OTD distillation column, P-36202 line leakage, E-36811 tubes failure were successfully identified & resolved which averted long shut down. Existing VAM units are replaced with screw chillers, enhancing reliability in plant operation. Supply of desalinated water supply from GIDC has averted scarcity anxiety in summers.

2.0 Financial Performance:

During the FY 2023-24, both the bulk chemicals as well as complex fertilizers have witnessed substantial dents in realisation and margin as the cycle has turned from sellers to buyers' market.

During the FY 2023-24, two important developments took place (a) Employee Wage Settlement (b) Equity Share Buyback worth ` 802 crores including income tax.

Further, the results for full year is not fully comparable in view of the annual shutdown during the period which limited the availability of saleable volume.

The Board of Directors at its meeting held on May 28, 2024 has recommended dividend of ` 16.50/- per share (i.e. 165%).

SALES

1.0 Industrial Products:

The Chemical industry as a whole and Company's Industrial Products market witnessed slump in demand of various chemicals due to recession like situation particularly in Europe due to ongoing war and weak international market. Despite such a situation, we could achieve, highest ever annual sales for some of our main products like TDI, Formic Acid, Ethyl Acetate etc. in FY 2023-24. GNFC's products have better resonance due to their application and use in different end use sectors. TDI, AN- Melt & TGU made 26%, 13% & 13% share of the turnover respectively in the FY 2023-24. Notable mention to Aniline, CNA, Formic Acid & TDI which have performed well in terms of sales volume & turnover compared to last FY 2022-23.

2.0 Fertilizers Business:

During the FY 2023-24, your Company has achieved total sales of 6.38 Lakh Metric Tonnes of Urea which was at par with previous year (i.e. 6.39 Lakh Metric Tonnes). Sales of Nitrophosphate (20-20-0) stood at 1.89 Lakh Metric Tonnes, higher to 1.28 Lakh Metric Tonnes in the FY 2022-23. Sales volume of Urea was kept to the levels of re-assessed capacity i.e. 6.37 Lakh Metric Tonnes to avoid loss in subsidy realization. Nitrophosphate was produced in higher quantum considering product priority in terms of viability. During the FY 2023-24, the Company retailed 69,088 MT Urea and 10,701 MT ANP through Narmada Khedut Sahay Kendras (NKSKs).

During the year, trading activities were also continued in Muriate of Potash (MoP), Di-Ammonium Phosphate (DAP), Ammonium Sulphate (AS), Single Super Phosphate (SSP) and City Compost. A total quantity of 34,068 Metric Tonnes of Fertilizers were sold during the FY 2023-24 against 31,018 Metric Tonnes sold in FY 2022-23. Besides, GNFC sold non-bulk agri inputs worth ` 95.56 Lakhs through NKSKs.

3.0 (n)Code Solutions – IT Division:

During the FY 2023-24, (n)Code Solutions - IT Division of the Company, continued to provide IT services such as e-Passport project, Digital Signature Certificates, PKI Solutions, e-Procurement and e-Auction services, Smart City/System Integration, Data Centre Operations, software/application development & support etc. Our commitment to innovation, excellence and customer satisfaction helped us achieve growth in almost every business vertical.

(n)Code Solutions registered a Profit Before Tax (PBT) of ` 45 Crores for the FY 2023-24, an increase of 25% from the previous year's PBT of ` 36 Crores. IT Division's total income for the FY 2023-24 was ` 143 Crores, showing an increase of 72% as compared to the income of the previous year at ` 83 Crores. (n)Code Solutions successfully managed all business and support activities with full client satisfaction.

(n)Code Solutions successfully executed several prestigious projects in the last FY 2023-24. This includes ongoing implementation in the e-Passport initiative of the Government of India (GoI), "Ease of Doing Business" initiative for the Central Bureau of Narcotics (Ministry of Finance, Department of Revenue, Government of India), aimed at digitizing business processes and promoting ease of access and prompt service and Development and implementation of an online system ('Coal Distribution Management System') for distributing and allocating coal quota received from the Gujarat Mineral Development Corporation (GMDC).

Looking ahead, our aspiration is to expand our presence across India and enhance business convenience through our comprehensive range of software solutions. We are particularly focused on introducing innovative products such as e-Tender/e-Auction, E-sign, Digital Solutions, integrated Mining solutions etc. with efforts to penetrate the Enterprise Segment alongside the Government Segment. By leveraging the latest digital technologies, we remain committed to equipping our clients with the tools necessary to thrive in today's competitive marketplace.

An analysis of the Company's operational, sales and financial performance is presented under a separate section on "Management Discussion & Analysis (MDA)" forming part of this Report.

DIVIDEND

Keeping in view the Company's performance for the FY 2023-24, long term growth strategy and to ensure that the Shareholders get sustained return on their investments, your Directors have recommended a Dividend of ` 16.50/- per share (@ 165%) on 14,69,40,683 Equity Shares of ` 10/- each fully paid up, subject to approval of Shareholders at the Annual General Meeting. The Dividend payout works out to be ` 242.45 Crores. This amounts to 50% of the Net Profit of the Company for the FY 2023-24.

APPROPRIATIONS

Your Company has registered a Net Profit of ` 484.79 Crores for the FY 2023-24. After deducting therefrom ` 4.14 Crores, being the re-measurement loss on defined employee benefit plans and, adding thereto ` 5,115.16 Crores, being the balance of Statement of Profit & Loss brought forward from previous year, an amount of ` 5,595.81 Crores is available for appropriation. Out of this ` 466.26 Crores is appropriated towards payment of dividend for the FY 2022-23, ` 500 Crores is transferred to General Reserve, ` 331.03 Crores appropriated towards buy-back of shares, ` 150.10 Crores appropriated towards payment of tax on buy back of shares, ` 4.98 Crores appropriated towards buy back related expenses and ` 8.48 Crores is transferred to Capital Redemption Reserve. The balance amount of ` 4,134.96 Crores is proposed to be carried to Balance Sheet.

TRANSFER TO RESERVES

The Board of Directors has decided to transfer ` 250 Crores of profits of FY 2023-24 to General Reserve.

FERTILIZERS INDUSTRY – GOVERNMENT POLICY

Government Policies in respect of fertilizers have remained same during the FY 2023-24, except for a reasonability of MRPs in fertilizer governed through Nutrient Based Subsidy Policy. Department of Fertilizers issued guidelines on January 18, 2024 for reasonable profit in fertilizers under Nutrient Based Subsidy (NBS) policy with retrospective effect i.e. April 1, 2023.

The DoF's initiatives viz. PM – Pranam (for soil improvement, promoting organic manures and reducing chemical fertilizers) and Namo Drone Didi (bringing technological improvements in agriculture through women empowerment) have gained momentum during the FY 2023-24. Besides, initiatives like One Nation One Fertilizers, Pradhan Mantri Kisan Samriddhhi Kendra are being strengthened.

NBS was announced on six monthly basis during the FY 2023-24. For GNFC's Nitrophosphate, the NBS Subsidy was ` 23,504/- per Metric Tonnes in first half and ` 13,568/- per Metric Tonnes during the second half of the year.

On-Going Projects / New Projects/ Revamp Schemes

Your Company is continuously looking for the growth opportunities and has initiated actions for implementation of various projects / revamp schemes as follows:

1. **Formic Acid Capacity Enhancement:**

   GNFC implemented Formic Acid (FA) project to increase the capacity by 20 MTPD (6,800 MT per annum). Project was commissioned in April 2022 & required designed capacity was achieved in June 2022.

2. **Concentrated Nitric Acid (CNA) – IV Plant:**

   GNFC implemented CNA-IV Project of the capacity of 150 MTPD. Project was commissioned in July 2023 and required designed capacity was achieved.

3. **04 MW Solar Power Plant Project:**

   To fulfil Renewable Purchase Obligation & for the captive use, GNFC is in the process of implementing 04 (Four) MW Solar Power Project at Charanka Solar Park. Project is expected to be completed by first quarter of the FY 2024-25.

4. **Ammonia Plant revamp:**

   At present, Company is producing about 1,950 MTPD Ammonia from both fuel oil and natural gas route after installation of S-300 revamp. It is planned to increase the Ammonia production capacity from 1,950 MTPD to 2,100 MTPD by installation of Ammonia Make-up Gas Convertor Loop [AMUGL], in existing Ammonia Synthesis Loop (ASL). The Project will also increase the reliability of existing ASL.

   This will increase Ammonia production by 50,000 MT per annum. Agreement has been signed with M/s. Topsoe, Denmark, the Technology Licensor for the providing Basic Engineering Package (BEP) & supply of propitiatory equipment & commissioning assistance.

   Project shall be executed on EPC basis and is likely to be completed by first quarter of the FY 2027-28.

5. **Coal based Captive Co-generation Power Plant (CCPP) at Dahej:**

   The Company has set up 100 MT/Hr. capacity gas based Boiler at TDI – II Dahej Complex to meet captive steam requirement, while power is being sourced from DGVCL Grid. There is large variation in gas prices.

   The Board of Directors has already approved the implementation of coal based Captive Generation Power Plant (CCPP) Project having a capacity to produce 18 MW Power and 150 MT/ Hr. Steam in October 2022, in order to reduce cost of steam and power and to improve reliability of TDI-II Dahej Plant. LSTK Contract has been awarded to M/s. Thyssenkrupp Industries India Private Limited in October 2022.

   Activities of Engineering, Procurement & Construction is going in full swing & Power Project is expected to be completed by April 2025.

6. **Weak Nitric Acid-III (WNA-III) and Ammonium Nitrate-II (AN-II) Projects:**

   Your Company is planning to expand its capacity of WNA and AN considering the future market growth. NITs for WNA-III with capacity of 600 MTPD and AN-II with capacity of 480 MTPD have been floated. The offers for the same are under commercial evaluation stage and the investment approval is expected in near future.

DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Sections 134(3)(c) read with 134(5) of the Companies Act, 2013 (as amended), your Directors confirm that–

(i) in the preparation of Annual Accounts for the financial year ended March 31, 2024, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;

(ii) they 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 as at end of the financial year on March 31, 2024 and of the profit of the Company for that period;

(iii) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (as amended) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, if any;

(iv) they had prepared Annual Accounts on a going concern basis;

(v) they 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

(vi) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

BUY-BACK OF EQUITY SHARES

During the year under review, the Company has completed Buy-back of 84,78,100 equity shares of face value of ` 10/- each at a price of ` 770/- per equity share ("Buy-back Offer Price") payable in cash for an aggregate maximum amount not exceeding ` 652,81,37,000/- (Indian Rupees Six Hundred Fifty Two Crores Eighty One Lakhs Thirty Seven Thousand only), excluding the transaction costs (such maximum amount hereinafter referred to as the "Buy-back Offer Size") which represents 7.90% and 7.80% of the aggregate of the Company's paid-up capital and free reserves as per the audited standalone financial statements of the Company as on March 31, 2023 and audited consolidated financial statements of the Company as on March 31, 2023 respectively, which is within the 10% statutory limit of the aggregate of the fully paid-up share capital and free reserves (including securities premium account) of the Company as per the audited standalone financial statements of the Company as on March 31, 2023 or audited consolidated financial statements of the Company as on March 31, 2023, respectively, whichever sets out a lower amount, from all the shareholders/ beneficial owners of the Equity Shares of the Company, including promoters and members of the promoter group, as on a record date i.e. November 24, 2023 ("Record Date"), through the "Tender Offer" route, on a proportionate basis as prescribed under the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.

DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES

The Company has Associate Company viz. Gujarat Green Revolution Company Limited (GGRCL). The Statements containing salient features of Financial Statements are given in Form AOC-1 as Annexure to the Consolidated Financial Statements and the same have not been repeated here for the sake of brevity.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Companies Act, 2013 (as amended), read with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended (SEBI Listing Regulations), the Company has prepared Consolidated Financial Statements in respect of Associate Company viz. Gujarat Green Revolution Company Limited (GGRCL) for the FY 2023-24 and forms part of this Annual Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not made any investment in other bodies corporate or given any Loan or Guarantee or provided any Security in connection with loan to any other body corporate or person during the FY 2023-24.

PARTICULARS OF CONTRACT OR ARRANGEMENT MADE WITH RELATED PARTY(IES)

The Policy for Related Party Transactions (RPTs) deals with review and approval of RPTs and the same is available on the Company's Website at web link https://www.gnfc.in/wp-content/uploads/2021/04/Related-Party-Transactions-Policy.pdf. The Audit Committee has granted omnibus approval for RPTs, which are routine and repetitive in nature, based on the criteria approved by the Board of Directors within the overall framework of the said Policy. All RPTs under the omnibus approval are placed before the Audit Committee periodically for its review and approval.

The Company has not entered into any contract or arrangement with related parties, as referred to in Section 188(1) of the Companies Act, 2013 (as amended) during the FY 2023-24. Accordingly, the disclosure of RPTs in Form AOC-2, as required under Section 134(3)(h) of the Companies Act, 2013 (as amended), is not applicable to your Company. Details of Related Party as per Ind AS-24 is given in Note No. 37 to the Standalone Financial Statements.

Requisite details on RPTs have also been furnished in the 'Report on Corporate Governance' forming part of this Report.

MEETINGS OF THE BOARD AND COMMITTEES THEREOF

(i) Board Meeting:

Four (4) meetings of the Board of Directors were held during the year.

(ii) Committees of the Board:

Presently, there are seven Committees of the Board:

1. Audit Committee (AC);
2. Stakeholders' Relationship Committee (SRC);
3. Nomination and Remuneration Committee (NRC);
4. Corporate Social Responsibility (CSR) Committee;
5. Risk Management Committee (RMC);
6. Project Committee (PC); and
7. Human Resource Development Committee (HRDC).

Details of composition of the Board and its Committees, which are mandatorily required to be constituted, major Terms of Reference of these Committees, Meetings held during the year and attendance of Directors at such Meetings are furnished in the 'Report on Corporate Governance' forming part of this Report.

All the recommendations made by the Audit Committee were accepted by the Board.

REMUNERATION POLICY FOR DIRECTORS / KEY MANAGERIAL PERSONNEL / SENIOR MANAGEMENT AND OTHER EMPLOYEES

The Company has formulated a Nomination, Remuneration & Evaluation Policy as required under Section 178 of the Companies Act, 2013 (as amended) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is available on the Company's website at web link https://www.gnfc.in/wp-content/uploads/2021/04/GNFC-NRC-Policy_11815.pdf. The details of remuneration paid to Directors / Key Managerial Personnel / Senior Management and other employees are furnished in the Report on Corporate Governance, forming part of this Report.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Company has carried out annual performance evaluation of the Board, its Committees and Individual Directors in line with the provisions of the Act, as amended and the SEBI Listing Regulations, as amended.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Chairman of the Company

Shri Raj Kumar, IAS, was nominated and appointed as Chairman of the Company by the Govenrment of Gujarat w.e.f. August 1, 2023.

DIRECTORS' REPORT

Retirement of Director(s) by Rotation

In terms of Section 152 of the Companies Act, 2013 (as amended), Shri Kamal Dayani, IAS will retire by rotation at this AGM and being eligible, offers himself for re-appointment.

Declaration by Independent Directors

In terms of Section 149(7) of the Companies Act, 2013 (as amended) and the SEBI Listing Regulations, the Company has received necessary declarations for the FY 2024-25, from all Independent Directors, to the effect that they meet with the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 (as amended) and Regulation 16(1)(b) of the SEBI Listing Regulations, as amended.

Change in Directorate

The information relating to change in Directorate during the year is furnished in the 'Report on Corporate Governance' forming part of this Report.

Your Directors place on record their deep sense of appreciation for the valuable services rendered by the outgoing Director(s) and take this opportunity to welcome the incoming Director(s).

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013 (as amended), read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), as amended, all unpaid or unclaimed dividends which were required to be transferred by the Company to the IEPF were transferred to IEPF Authority. The Company has also transferred 4,13,493 shares held by 6,266 Shareholders in respect of which dividend amount remained unpaid / unclaimed for a consecutive period of seven years or more to IEPF Authority within stipulated time.

The details of unpaid / unclaimed dividend and the shares transferred to IEPF Authority are available on the Company's website at web link – https://www.gnfc.in/about-us/share-holders/information-regarding-transfer-of-shares-to-iepf-authority

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

Requisite details have been furnished in the "Report on Corporate Governance" forming part of this Report.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has in place Risk Management Policy (RMP). Under this Policy, various risks pertaining to Operations & Maintenance of the Plants, financial and other organizational risks are assessed, evaluated and continuously monitored for taking effective steps for its mitigation.

In compliance with Regulation 21 of the SEBI Listing (Amendment) Regulations, 2018, the Board of Directors has constituted a Risk Management Committee (RMC) defining its Terms of Reference (ToR), in its Meeting held on February 11, 2019. The details as to the constitution of RMC and its major ToR included in the "Report on Corporate Governance" are forming part of this Report.

The Risk Management Report, inter-alia, containing major anxiety areas of risks and action plans for its mitigation and noteworthy risk management activities carried out by the Company is put up before the Meetings of the Audit Committee, RMC and the Board of Directors, from time to time, for its / their review.

The Company has adequate internal controls commensurate with the nature of business, size and complexity of its operations. Details of internal control system and its adequacy are furnished in "Management Discussion & Analysis Report", forming part of this Report.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3) (a) of the Companies Act, 2013 (as amended), the Draft Annual Return in Form

MGT-7 as on March 31, 2024 is available on the Company's website at https://www.gnfc.in/statistics-annual-report/#1661838618831-f3392cb8-b234

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of Section 135 of the Companies Act, 2013 (as amended) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended), the Company has constituted a Corporate Social Responsibility (CSR) Committee and formulated a CSR Policy. As a responsible corporate, the Company has been undertaking societal activities / projects directly as well as through its CSR arm – Narmadanagar Rural Development Society (NARDES) in the major areas which are covered in the CSR Policy and Schedule-VII to the Companies Act, 2013 (as amended).

The Company's CSR Policy is available on the website of the Company at web link https://www.gnfc.in/wp-content/uploads/2021/04/CSR-Policy-Revised_17-05-2021.PDF

As per the provisions of Section 135 of the Companies Act, 2013 (as amended), the statutory amount (i.e. 2% of the average net profits of the last three Financial Years) that was required to be spent by the Company for various CSR activities/projects during the FY 2023-24 was ` 34.23 Crores. The Company had actually spent ` 22.70 Crores, towards various CSR Activities/Projects during the FY 2022-23 and transferred ` 11.53 Crores to Unspent CSR Account of FY 2023-24 as per Section 135(6) of the Companies Act, 2013 (as amended). During the FY 2023-24, no amount (being excess spending of previous FY) was available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Pursuant to Rule 12 of Companies (Accounts) Rules, 2014, the Company has filed statutory Form CSR-2 for the FY 2022-23 on April 6, 2024.

Annual Report on CSR activities as required under Rule 9 of the Companies (Accounts) Rules, 2014 read with Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) is enclosed as **Annexure - A** to this Report.

VIGIL MECHANISM-CUM-WHISTLE BLOWER POLICY

The Company has formulated a "Vigil Mechanism-cum-Whistle Blower Policy" for its Directors and Employees to report their genuine concerns, details of which have been furnished in the "Report on Corporate Governance", forming part of this Report.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

MANAGEMENT DISCUSSION & ANALYSIS AND REPORT ON CORPORATE GOVERNANCE

Management Discussion & Analysis on the business and operations of the Company and the Report on Corporate Governance together with the following are attached herewith and form part of this Annual Report:

- Declaration by Managing Director regarding compliance of the Company's Code of Conduct by the Board Members and Senior Management Personnel;
- Certificate by Practicing Company Secretary certifying:
  - (i) compliance of the conditions of Corporate Governance by the Company; and
  - (ii) that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority.

BUSINESS REPONSIBILITY AND SUSTAINABILITY REPORT

Business Responsibility and Sustainability Report (BRSR) is based on Environment, Social and Governance (ESG) norms and Sustainable Development Goals. Your Company has strived to actualize the principles of responsible business conduct in letter and spirit and is conducting its business in a manner that creates shared values for all Stakeholders whilst aiming to achieve the best targets on ESG fronts.

DIRECTORS' REPORT

The BRSR is appended as **Annexure – B** forming part of this Report.

INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 134(3)(m) of the Act, as amended read with Rule 8(3) of the Companies (Accounts) Rules, 2014, requisite information on conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is furnished in the enclosed **Annexure – C** forming part of this Report.

PARTICULARS OF EMPLOYEES AND REMUNERATION

There were 2,134 permanent employees of the Company as of March 31, 2024. The disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 (as amended) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the 'Rules') have been appended as **Annexure – D** forming part of this Report. Details of employee remuneration as required under the provisions of Section 197 of the Act, as amended and Rules 5(2) and 5(3) of the Rules are available to any Shareholder for inspection on request. If any shareholder is interested in obtaining a copy thereof, such shareholder may write to the Company Secretary, where upon a copy would be sent through email only.

AUDITORS AND AUDITORS' REPORT

Pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 (as amended) and relevant Rules made there under, the Shareholders of the Company had at their 45th AGM held on September 23, 2021 appointed M/s. Suresh Surana & Associates LLP, Mumbai, Chartered Accountants, a member firm of RSM International as Statutory Auditors of the Company for a term of five (5) consecutive years, until conclusion of the forthcoming 50th AGM to be held in the year 2026, on such remuneration as may be determined by the Board of Directors, based on the recommendation of the Audit Committee plus certification fees, applicable taxes and reasonable out of pocket expenses actually incurred by them during the course of Audit.

Notes to Financial Statements (Standalone and Consolidated) forming part of Audited Financial Statements for FY 2023-24 are self- explanatory and need no further explanation. The Auditors' Reports on Audited Financial Statements (Standalone and Consolidated) does not contain any Modified Opinions.

COST AUDITOR

As per Section 148 of the Act, as amended read with the Companies (Cost Records and Audit) Rules, 2014 (as amended), the Company is required to prepare, maintain as well as have the audit of its cost records conducted by a Cost Accountant and accordingly, it has made and maintained such cost accounts and records. The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. Dhananjay V. Joshi & Associates, Cost Accountants (Firm Registration No: 000030) as the Cost Auditor of the Company for the FY 2024-25 at a remuneration of ` 1,00,000/- (Rupees One Lakh only) p.a. plus out of pocket expenses and statutory levies.

M/s. Dhananjay V. Joshi & Associates, have confirmed that they are free from disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act and that the appointment meets the requirements of the Act. They have further confirmed their independent status and an arm's length relationship with the Company.

The remuneration payable to the Cost Auditor is required to be placed before the Shareholders in General Meeting for ratification. Accordingly, a resolution seeking Shareholders' ratification for the remuneration payable to M/s. Dhananjay V. Joshi & Associates, forms part of the Notice of 48th AGM, forming part of this Annual Report.

SECRETARIAL AUDITOR

In pursuance of Section 204 of the Act and the Rules made thereunder, the Board of Directors, in its meeting held on August 7, 2023 had appointed CS J. J. Gandhi, Practicing Company Secretary of M/s. J. J. Gandhi & Co., Vadodara, as Secretarial Auditor for the FY 2023-24. The Secretarial Audit Report in Form MR-3 in respect of Secretarial Audit work carried out by him for the

FY 2023-24 is enclosed at **Annexure – E** forming part of this Report. The said Report does not contain any qualification, reservation or adverse remark.

DIVIDEND DISTRIBUTION POLICY

As per Regulation 43A of the SEBI Listing Regulations, Dividend Distribution Policy of the Company inter-alia, set-out the various parameters and circumstances that are to be taken into account while determining the distribution of Dividend to the Shareholders and / or retaining profits by the Company. The said Policy is enclosed at **Annexure – F** forming part of this Report and the same is also available on the Company's website at web link https://www.gnfc.in/wp-content/uploads/2021/04/Dividend-Distribution-Policy.pdf

DISCLOSURE ON COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), New Delhi and approved by the Central Government.

DETAILS OF FRAUDS, IF ANY, REPORTED BY THE AUDITORS

During the year, there was no fraud reported by Auditors under Section 143(12) of the Companies Act, 2013 (as amended).

FIXED DEPOSITS

The Company has not invited or accepted any fixed deposits during the year.

CHARGE

The Company, based on observation received from Secretarial Auditor during their Secretarial Audit, has replied that charges aggregating to ` 14.15 Crores are appearing as "Open" as of March 31, 2024 which were executed with Banks (the lender) in relation to securing repayment of loan facility related to year 1985 to 1990. The Company is in process to obtain the No Objection Certificates from Banks. Once the same is received, the Company will file the "Satisfaction of Charge" with Registrar of Companies (ROC).

INSURANCE

The properties, insurable assets and interest of the Company such as Buildings, Plant & Machinery and Stocks, amongst others, are adequately insured. As required under the Public Liability Insurance Act, 1991, the Company has also taken necessary insurance cover.

INDUSTRIAL RELATIONS

The Industrial Relations within the Company remained cordial and harmonious throughout the year. It has helped the Company to achieve satisfactory performance on Operational and Financial fronts and in achieving targets.

Your Directors place on record their sincere appreciation for the dedicated and committed contributions made by all employees at all levels for the sustainable growth of the Company.

ACKNOWLEDGEMENTS

The Board of Directors wish to place on record their deep sense of gratitude for the kind support and guidance received from the Government of India and the Government of Gujarat. Your Directors also take this opportunity of extending their wholehearted thanks to all our Consumers, Dealers, Customers, Banks, Business Associates, SEBI, NSDL, CDSL, Stock Exchanges and other Agencies for their continued support and co-operation and valued Investors for strengthening their bond with the Company.

For and on behalf of the Board of Directors

Raj Kumar, IAS
Chairman
DIN: 00294527

Place : Gandhinagar
Date : May 28, 2024

ANNEXURE - A

ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2023-24

(Pursuant to Section 135 of the Companies Act, 2013 read with Rule 9 of Companies (Accounts) Rules, 2014 and Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. Brief outline on CSR Policy:

The Board of Directors, in its meeting held on May 17, 2021, had reviewed and considered the amendments as per the Companies (CSR) Amendment Rules, 2021 and accordingly amended the CSR Policy of the Company.

CSR Policy provides a guideline of the methodologies and areas for choosing and implementing the Company's CSR Projects. The major sectors covered under the said Policy includes education, health care, rural Infrastructure, sanitation and self-employment generation, vocational skills, empowerment of women and youth, environment sustainability, protection and development of national heritage, art culture, public libraries, disaster management etc.

2. Composition of CSR Committee:

Name	Designation/Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
Shri Vipul Mittra, IAS[1]	Chairman	02	02
Smt. Gauri Kumar, IAS (Retd.)[2]	Member	04	04
Prof. Ranjan Kumar Ghosh	Member	04	04
Shri Bhadresh Mehta	Member	04	04
Dr. N. Ravichandran	Member	04	04
Prof. Piyushkumar Sinha	Member	04	04
Shri Pankaj Joshi, IAS	Member	04	04

1. Shri Vipul Mittra, IAS Chairman of the committee w.e.f. March 22, 2023 up till July 31, 2023.
2. Smt. Gauri Kumar, IAS (Retd.) continued as Member w.e.f. March 22, 2023 up till July 31, 2023, continued as Chairperson of the committee w.e.f. August 7, 2023.

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.

The CSR Policy is available on the Company's website at

https://www.gnfc.in/wp-content/uploads/2021/04/CSR-Policy-Revised_17-05-2021.PDF

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).

Major CSR Projects / Activities undertaken by the Company are of the outlay of less than ` 1.00 Crore.

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 Lakhs)	Amount required to be set off for the Financial Year, if any (` in Lakhs)
I.	**2022-23**	**NA**	**NA**
II.	**2023-24**	**NA**	**NA**

6. Average net profit of the Company as per section 135(5) : ` 1,71,131.72 lakhs.

7. (a) 2% of average net profit of the Company as per section 135(5) : ` 3,422.63 lakhs.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Year. : Nil

(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) : ` 3,422.63 lakhs

8. (a) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (` in Lakhs)	Amount Unspent (`)				
	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 (` in Lakhs)	Date of Transfer	Name of the Fund	Amount	Date of transfer
` 2,269.63	**1,153**	**30.04.2024**	**NA**	**Nil**	**NA**

(b) Details of CSR amount spent against ongoing projects for the Financial Year:

The Company has undertaken following CSR Activities / Projects during the FY 2023-24: **(` in Lakhs)**

1	2	3	4	5		6	7	8	9	10	11	
Sr. No.	Item from the list of activities in Schedule VII	Name of the Project	Local area (Yes/ No)	Location of the project		Project Duration (in months)	Amount allocate for the project (`)	Amount spent in the Financial Year (`)	Amount transferred to Unspent CSR Account for the Project as per Section 135 (6) (`)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						CSR Registration Number	Name
1.	Promoting Education	Support to the Indian Institute of Information Technology (IIIT) Surat	No	Gujarat	Surat	18	494	0	494.00	Yes	CSR00004841	NARDES
2.	Promoting Healthcare	Construction of PHC (G+1) at Shuklatirth in Bharuch District	Yes	Gujarat	Bharuch	12	284	0	284.04	Yes		NARDES
3.	Preventive Healthcare	Solar RO with Water Coolers in Rural Areas of Bharuch	Yes	Gujarat	Bharuch	12	150	0	149.98	Yes		NARDES

4.	Rural Development	Construction of Compound wall, laying of Paver Blocks, Fencing, and other civil work in Panchayat premises, Anganwadi and Nandelav Govt. School, Zadeshwar Boys School & Thematic Painting of Compound wall in five Govt. Schools of Bharuch District	Yes	Gujarat	Bharuch	12	94	0	93.78	Yes		NARDES
5.	Rural Development	Construction of Panchayat Building at Vadadla Village, Bharuch	Yes	Gujarat	Bharuch	12	36	0	36.20	Yes		NARDES
6.	Promoting Education	Support to GSFC University for infrastructural development	No	Gujarat	Vadodara	8	95	0	95.00	Yes		NARDES
		Total					1,153	0	1,153			

c) Details of CSR amount spent against **other than ongoing projects** for the Financial Year:

The Company has identified following new Projects / Initiatives during the FY 2023-24: **(` in Lakhs)**

1	2	3	4	5		6	7	8	
Sr. No.	**Item from the list of activities in Schedule VII to the Act**	**Name of the Project**	**Local area (Yes/ No)**	**Location of the project**		**Amount spent for the project (₹)**	**Mode of Implementation-Direct (Yes/No)**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**			**Name**	**CSR Registration Number**
1.	Livelihood Enhancement Project	Livelihood Enhancement through Vocational Skills up-gradation through NITI -GCVT	Yes	Gujarat	Bharuch	95.00	Yes	NARDES	CSR00004841
2.	Women Empowerment	Revival of SHG's for entrepreneurial activities	Yes	Gujarat	Bharuch	20.00	Yes	NARDES	
3.	Health Care including Preventive Health care	Mobile Medical Van Project	Yes	Gujarat	Bharuch	35.00	Yes	NARDES	
4.	Senior Citizens for Elderly	Aashirwad Recreation centre for elderly people	Yes	Gujarat	Bharuch	3.50	Yes	NARDES	
5.	Education	Improving education facilities in Narmada Motlabai Public School	Yes	Gujarat	Bharuch	30.00	Yes	NARDES	
6.	Education	Support to Meritorious Students of Bharuch	Yes	Gujarat	Bharuch	10.00	Yes	NARDES	
7.	Rural Development	Digital Initiatives on Social Media Project	No	Gujarat	Gujarat as a whole	45.00	Yes	NARDES	

8.	Education	Upgradation & Development of education facilities in Narmada College (NEST)	Yes	Gujarat	Bharuch	98.00	Yes	NARDES	
9.	Education	Upgradation & Development of education facilities in Narmada Vidyalaya	Yes	Gujarat	Bharuch	95.00	Yes	NARDES	
10.	Education	Development of Mini Science Lab in Govt. Schools of Dahej	Yes	Gujarat	Bharuch	40.00	Yes	NARDES	
11.	Education	Upgradation of existing Anganwadi into Smart Anganwadi	Yes	Gujarat	Bharuch	177.00*	Yes	NARDES	
12.	Promoting Healthcare	Extending support for Community Health Nutritional support for TB Patients of Bharuch District	Yes	Gujarat	Bharuch	15.00	Yes	NARDES	
13.	Promoting Healthcare	Support to NIMHANS for undertaking research work	No	Karnatak a	Bangalore	26.40	Yes	NARDES	
14.	Promoting Healthcare	Installation & commissioning of Fire Safety System at Govardhan Hospital of Bharuch	Yes	Gujarat	Bharuch	76.70	Yes	NARDES	
15.	Promoting Healthcare	Extending support for Medical Equipment at SNCU, Netrang	Yes	Gujarat	Bharuch	55.00	Yes	NARDES	
16.	Promoting Healthcare	Providing curative, preventive and rehabilitative health care services through MMU in villages of Bharuch through GVK EMRI	Yes	Gujarat	Bharuch	88.32	Yes	NARDES	
17.	Promoting Healthcare	Support to Divyang Utkarsh Pahal through District Panchayat, Bharuch	Yes	Gujarat	Bharuch	100.00	Yes	NARDES	
18.	Livelihood Enhancement Project	Skill development to youths in Gujarat through FICCI	Yes	Gujarat	Bharuch	46.90	Yes	NARDES	
19.	Environment Sustainability	Support to Bharuch District Panchayat for awareness on World Bird Day	Yes	Gujarat	Bharuch	3.00	Yes	NARDES	
20.	Environment Sustainability	Support for beautification of Amrit Sarovar in Bharuch in 20 villages of Bharuch	Yes	Gujarat	Bharuch	10.26	Yes	NARDES	
21.	Environment Sustainability	Providing support for maintaining cleanliness of Kabirwad in Bharuch	Yes	Gujarat	Bharuch	12.00	Yes	NARDES	
22.	Animal Welfare	Conducting Pet a Thon animal welfare event	Yes	Gujarat	Bharuch	2.00	Yes	NARDES	
23.	Sanitation	Support to Smart Automated Public Toilets in Ahmedabad	No	Gujarat	Ahmedab ad	98.00	Yes	NARDES	
24.	Protection and Development of National Heritage, Culture	Support to Kala Gurjari	No	Gujarat	Ahmedab ad	0.25	Yes	NARDES	
25.	Disaster Management	Distribution of food packets to the flood victims	Yes	Gujarat	Bharuch	17.53	Yes	NARDES	
26.	Protection and Development of National Heritage, Culture	Supporting National Integration event	Yes	Gujarat	Bharuch	1.00	Yes	NARDES	

DIRECTORS' REPORT

27.	Livelihood Enhancement Project	Provided 20 Agricultural Drones to SHG Women	No	Gujarat	Gujarat as a whole	76.00	Yes	NARDES	
28.	Support to Armed Forces	Improving standard of education and training in SVPNPA, Hyderabad	No	Telangana	Hyderabad	50.00	Yes	NARDES	
29.	Livelihood Enhancement Project	Agri Clinics under Pradhan Mantri Kisan Samriddhi Kendra	No	Gujarat	Gujarat as a whole	13.00	Yes	NARDES	
30.	Eradicating Malnutrition	Distribution of Happiness Grocery Kit in 18 PAA's of Bharuch and Dahej	Yes	Gujarat	Bharuch	55.00	Yes	NARDES	
31.	Environment Sustainability	Support for Miyawaki Plantation at Smritivan Earthquake Memorial, Bhuj	No	Gujarat	Bhuj	100.00	Yes	NARDES	
32.	Promoting Education / Environment Sustainability	Support for Rainwater Harvesting in 18 PAA's of Govt. schools of Bharuch & Dahej	Yes	Gujarat	Bharuch	100.00	Yes	NARDES	
33.	Promoting Healthcare	Pre & Post-surgical assistance to needy & unattended patients of Bharuch	Yes	Gujarat	Bharuch	27.00	Yes	NARDES	
34.	Promoting Education	Support to Rural Students through Seva Rural, Jhagadia	Yes	Gujarat	Bharuch	31.91	Yes	NARDES	
35.	Rural Development	Support to GSRTC for new pick up bus stand Bharuch	Yes	Gujarat	Bharuch	200.00*	Yes	NARDES	
36.	Sanitation	Five (05) slum lavatories with support to District Administration	Yes	Gujarat	Bharuch	50.00	Yes	NARDES	
37.	Education	Support for developing Smart classroom in 10 PAA's of Primary Govt. School of Bharuch through District Panchayat	Yes	Gujarat	Bharuch	100.00	Yes	NARDES	
38.	Education	Support to the Indian Institute of Information Technology (IIIT) Surat	No	Gujarat	Surat	150.00	Yes	NARDES	
39.	Project undertaken as per Schedule VII	Project Implementation Cost	No	Gujarat	Bharuch	100.00	Yes	NARDES	
40.	Rural Development	CSR Reserve Fund	Yes	Gujarat	Bharuch	8.93	Yes	NARDES	
	Total					**2,262.70**			

Note: - * indicates several project / activities has been undertaken under this head

(d) Amount spent in Administrative Overheads: **Nil**

(e) Amount spent on Impact Assessment, if applicable: **` 6.93 lakhs**

(f) Total amount spent for the financial year (8b+8c+8d+8e): **` 3,422.63 lakhs**

(g) Excess amount for set off, if any.

Sr. No.	Particular	Amount (₹ in Lakhs)
i.	Two percent of average net profit of the Company as per section 135(5)	**3,422.63**
ii.	Total amount spent for the financial year	**3,422.63**
iii.	Excess amount spent for the financial year [(ii)-(i)]	**NA**
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous FY, if any.	**NA**
v.	Amount available for set off in succeeding Financial Years[(iii)-(iv)].	**NA**

9. (a) Details of Unspent CSR amount for the preceding three Financial Years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs)	Amount spent in the reporting Financial Year (₹ in Lakhs)	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 Lakhs
				Name of the Fund	Amount (₹)	Date of transfer	
1.	2021-22	—	1,439.66	—	—	—	**Nil**
2.	2022-23	—	2,426.68	—	—	—	**Nil**
3.	2023-24	1,153	2,269.63	—	—	—	**1,153**
	TOTAL	**1,153**	**6,135.97**	—	—	—	**1,153**

(b) Details of CSR amount spent in the Financial Year for ongoing Projects of the preceding Financial Year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹)	Amount spent on the project in the reporting Financial Year (₹)	Cumulative amount spent at the end of reporting Financial Year (₹)	Status of the project - Completed /Ongoing
				NA				

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). NA.**

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

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

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

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

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). **NA.**

Pankaj Joshi, IAS
(Managing Director)
DIN: 01532892

Gauri Kumar, IAS, (Retd.)
(Chairperson - CSR Committee)
DIN: 01585999

ABSTRACT FOR CSR ANNUAL REPORT FY 2023-24

In the heartlands of Gujarat, where the tranquil waters of the Narmada River weave their way through lush greenery, lies a beacon of hope and transformation – the Narmadanagar Rural Development Society (NARDES). As we embark on another chapter of our journey, it is with great pride and gratitude that we present our annual report, a testament to our unwavering commitment to driving positive change in the lives of those we serve.

From empowering communities through education and healthcare to fostering sustainable livelihoods and nurturing entrepreneurship, NARDES stands as a pillar of support and progress in the rural landscape.

NARDES, the Narmadanagar Rural Development Society, stands as a beacon of hope and progress in the rural landscapes of Gujarat, aligning its efforts seamlessly with the Sustainable Development Goals (SDGs) and the Human Development Index (HDI).

With a steadfast commitment to fostering holistic development and improving the well-being of communities, NARDES actively contributes to achieving the SDGs by addressing key areas such as education, healthcare, gender equality, poverty alleviation, and environmental sustainability.

Through innovative programs and initiatives, NARDES empowers individuals, promotes social inclusion and creates pathways to a brighter future for all. By prioritizing human development indicators such as education, health and income, NARDES not only uplifts communities but also enhances their overall quality of life, thus making significant strides towards fulfilling the vision of a more equitable and sustainable world.

At the heart of our approach lies empowerment, as we strive to empower individuals and communities to become architects of their own destiny. Through capacity-building initiatives, skill development programs and entrepreneurship training, we equip people with the tools and knowledge needed to chart a path towards sustainable livelihoods and economic self-sufficiency.

Additionally, NARDES recognizes the intrinsic link between human well-being and environmental health. Through initiatives aimed at environmental conservation, sustainable agriculture and climate resilience, we strive to protect natural resources, mitigate climate change impacts and create a greener, more sustainable future for generations to come.

The resources are utilized prudently within the specified time line to comply the obligations cast on the Company under the provisions of the Companies Act, 2013. Periodic as well as Annual Assessment of various CSR Projects / Activities has been done through an independent agency namely The Arch Social Consultants, Vadodara based agency.

In essence, NARDES holistic approach towards societal development is rooted in the belief that by addressing the diverse needs of communities and fostering collaboration among stakeholders, we can create positive and lasting change that uplifts lives, strengthens communities and paves the way for a brighter future.

ANNEXURE - B

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A : GENERAL DISCLOSURE

I. Details of the liste entity

Sr. No.	Requirement	Company Detail
1.	**Corporate Identity Number (CIN) of the Listed Entity**	L24110GJ1976PLC002903
2.	**Name of the Listed Entity**	Gujarat Narmada Valley Fertilizers & Chemicals Limited
3.	**Year of incorporation**	1976
4.	**Registered office address**	P.O.: Narmadanagar - 392015, District: Bharuch, Gujarat
5.	**Corporate address**	P.O.: Narmadanagar - 392015, District: Bharuch, Gujarat
6.	**E-mail**	investor@gnfc.in
7.	**Telephone**	(02642) 247001, 247002
8.	**Website**	www.gnfc.in
9.	**Financial year for which reporting is being done**	April 1, 2023 - March 31, 2024
10.	**Name of the Stock Exchange(s) where shares are listed**	National Stock Exchange of India Limited and BSE Limited
11.	**Paid-up Capital**	Equity Share Capital of ` 146.94 Crores

12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	
Name	Ms. Chetna Dharajiya
Designation	Company Secretary
Telephone	02642-203752
Email	sustainability@gnfc.in

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).
Disclosures under this report are made on Standalone Basis.

14.	**Name of assurance provider**	Not Applicable as per SEBI's criteria
15.	**Type of assurance obtained**	Not Applicable

DIRECTORS' REPORT

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):			
Sr. No.	**Description of Main Activity**	**Description of Business Activity**	**% of Turnover of the entity**
1.	Chemical segments	GNFC has established a core setup for chemicals and Petrochemicals Plants such as Methanol, Formic Acid, Acetic Acid, Toluene Di- Isocyanate (TDI), Technical Grade Urea (TGU), Weak Nitric Acid, Concentrated Nitric Acid, Ethyl Acetate, and Ammonium Nitrate. GNFC is the only producer of Acetic Acid and one of the two producers of Formic Acid in India and has the largest single-stream Aniline plant in India. It is the only manufacturer of Toluene Di–Isocyanate (TDI) in South-east Asia and the Indian Sub-Continent.	60.00%
2.	Fertilizers segment	This segment began with the establishment of one of the largest single-stream Ammonia Urea Plants. It includes the manufacturing of Urea and Ammonium Nitro phosphate, which was being marketed under the brand 'Narmada' till Dec 2022. Thereafter these are being marketed under brand 'Bharat' as mandated by GoI under One Nation One Fertilizer Initiative.	38.00%

17. 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	Ammonium Nitro Phosphate	24121	98%
2	Neem Urea	24123	
3	Acetic Acid	24115	
4	AN Melt	20123	
5	Aniline	24121	
6	Concentrated Nitric Acid	24121	
7	Weak Nitric Acid	24121	
8	Ethyl Acetate	24115	
9	Formic Acid	24116	
10	Methanol	24116	
11	Toluene Di-Isocynate (TDI)	24121	
12	Technical Grade Urea (TGU)	20121	
Note: All the NIC Codes are from NIC Code 2004			

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:			
Location	**Number of plants**	**Number of offices**	**Total**
National	2	5	7
International	-	-	-

19. Markets served by the entity: a. Number of locations:	
Locations	**Number**
National (No. of States)	27
International (No. of Countries)	86

b. What is the contribution of exports as a percentage of the total turnover of the entity?
2.14% of total turnover is export turnover.

c. A brief on types of customers:
The Company has two business segments, fertilizer segment and industrial product segment. The fertilizer segment serves the customer base including federations/Agro industries/Co-operatives private dealers and farmers. The Industrial product segment majorly operates in business to business including MSMEs, Industries, Government agencies, PSUs, and small manufacturing units.

IV. Employees

20. 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)	2144	2081	97.06	63	2.94
2.	Other than Permanent (E)	287	259	90.24	28	9.76
3.	Total employees (D + E)	2431	2340	96.26	91	3.74
			WORKERS			
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	1946	1834	94.24	112	5.76
6.	Total workers (F + G)	1946	1834	94.24	112	5.76

DIRECTORS' REPORT

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)	13	11	84.62	2	15.38
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differentlyabled employees (D + E)	13	11	84.62	2	15.38
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total workers (F + G)	0	0	0	0	0

21. Participation/Inclusion/Representation of women:

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	2	20
Key Management Personnel	2*	0	0

*KMPs- Other than MD

22. Turnover rate for permanent employees and workers:

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	1	0.04	1.04	0.56	0	0.56	1.06	0.13	1.19
Permanent Workers	0	0	0	0	0	0	0	0	0

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

23. (a) Names of holding/subsidiary / associate companies / joint ventures:

Sr. 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	Gujarat Green Revolution Company Limited	Associate Company	46.87	No

VI. CSR Details:

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes	
(ii) Turnover (in `)	` 7,930 Crores
(iii) Net worth (in `)	` 8,198 Crores

VII. Transparency and Disclosures Compliances:

25. 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 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of com-plaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes	74	0	–	71	0	–
Employees and workers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners	Yes	Nil	Nil	Nil	Nil	Nil	Nil

26. 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

Sr. No.	Material issue identified	Indicate whether risk or oppor-tunity (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)
1	Reducing Carbon footprint by using renewable energy	O	GNFC is increasing the share of renewable energy sources and reducing use of fossil fuels in total energy consumption which can significantly contribute towards reducing carbon footprint. This may substantially lower the operational cost to the Company and resulting towards good reputation of the Company as well .	-	P
2	Climate Change	R	The Company may encounter Significant environmental risks due to climate change, including water scarcity and extreme weather events. It may also affect the continuity of the business.	GNFC is increasing its renewable energy sources across its operations. The Company has developed a green belt in approximately 42% of the Plant premises and a lush green Oxygen Park. GNFC has two DCs identified as per the PAT Scheme where several energy conservation initiatives are undertaken. The appropriate strategies are in place to prevent any kind of disruption of business activity in the Company.	N

3	Water Consumption	R	GNFC is in the business of manufacturing of fertilizers and chemicals its operations are water-intensive and heavily dependent upon freshwater, the Company may face water scarcity due to extreme weather conditions. Additionally, excessive water consumption also may result in water scarcity and dependency on local water suppliers.	GNFC has already installed 55 nos. of ground water recharge wells in the green belt area to recharge the ground water during monsoon season and also the Company has constructed a concrete reservoir to store water. The Company has also set goal to reduce water consumption in upcoming year.	N
4	Waste management	R	Waste generation poses risk to regulatory compliances and increases operating costs. As a chemical and fertilizer manufacturing Company, the hazardous wastes generated from its operations have environmental risks.	GNFC ensures proper waste management of hazardous waste generated from its operations. Waste is being collected and stored at designated hazardous waste storage areas. Management of hazardous waste is being carried out as per Consolidated Consent & Authorization (CC&A) granted by the Gujarat Pollution Control Board (GPCB) and as per the Hazardous & Other Waste (Management & Transboundary Movement) Rules-2016 as amended.	N
5	Occupational Health & Safety	R	The Company's operations have associated health and safety hazards, where its employees and workers can be exposed towards various health and safety issues.	GNFC has implemented a robust and effective occupational, health and safety management system to avoid accidents. It is continuously improving its health and management system to minimize/ eliminate risk associated with its operations. Please refer Principle 3 for more details.	N

6	Protection of employment & labour rights	R	The Company might face reputational risk if there are reportable instances of unethical labour practices. This can also attract fine and penalty from statutory authorities	GNFC has developed comprehensive policies and procedures to support the well-being of its employees and workers. The Company has established an efficient grievance mechanism to provide a fair platform for addressing employee and worker concerns, ensuring timely resolution of any issues. Additionally, GNFC has introduced an online system for its Suggestion Scheme, enabling employees to identify areas for improvement within the organization. Furthermore, the industrial relations cell of GNFC serves as a dedicated forum for workers to voice their grievances through the Union. GNFC is complying to all the applicable statutory requirements relating to employment and labour rights.	N
7.	Human rights	R	Instances of human rights breaches can attract fines and penalties which can result in reputational damage to the Company.	GNFC has established and implemented robust mechanisms to avoid human rights breaches. The Company has developed corporate-level Policies such as Whistle-blower, POSH and Business Responsibility Policy which sets guidance to implement stringent vigilant mechanisms for the protection of human rights.	N
8	Compliance management	R	Non-compliance to statutory requirements can attract fines and penalties, it might lead to reputational risk as well.	GNFC has system in place to address regulatory compliances.	N

9	Business ethics	R	Unethical business practices might lead to reputational risk.	GNFC has formulated and implemented Whistle Blower Policy, POSH Policy, Code of Conduct, to ensure adherence to business ethics.	N
10	Talent attraction, training & development	O	To be competitive in the market and to ensure constant growth and productivity, GNFC must attract talent, develop the capabilities of employees and workers and ensure the highest level of employee engagement.	-	P
11	Customer retention	O	Effective customer retention helps GNFC in saving the cost of developing new customers, strengthening its relationship capital, and enabling word of mouth publicity.	-	P

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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	All Policies can be accessed at : https://www.gnfc.in/code-of-conducts-policies/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	GNFC is certified with ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO 50001:2018								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any	Kindly refer to the note 1								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	Kindly refer to the note 1								

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)**

Being promoted by the Government of Gujarat (GoG) and Gujarat State Fertilizers and Chemicals Ltd. (GSFC), in 1976 GNFC was established as a joint sector Company manufacturing fertilizers, commodity and speciality chemicals. In 1982 GNFC started manufacturing of fertilizers in its one of the world's largest single stream Ammonia-urea Fertilizer Plant.

As a fertilizer and chemical industry, the Company recognizes the importance of the environment and society to it. Hence, the Company always demonstrates its highest level of commitment to protect the resources around and associated with it. GNFC has considered ESG a vital pillar of its business.

The Company is committed towards robust corporate governance keeping transparency at its core. At GNFC learning and innovation is a continuous process and we encourage our people for the same by organizing regular training and awareness programs.

Protection of the environment and responsible use of resources are some of the key things which the Company undertake diligently. The Company has various initiatives towards protecting the environment and conservation of the resources around us. We have developed an oxygen park. Additionally, the Company is also diversifying its source of energy consumption from renewable source by adding renewable source of energy from 4MW installed capacity, which is likely to start by June 2024.

The Company realizes the importance of community development and upliftment. We believe in demonstrating a CSR model which is profitable to both society and corporate taking development as our moral obligation to earn social capital. In the reporting financial year, the Company has undertaken various developmental projects in the thematic areas of education, skill development, livelihood, health, and agriculture.

As envisioned GNFC is committed to being technologically driven and environmentally responsible in its business practices.

This Business Responsibility and Sustainability Report depicts the integration and consideration of ESG into its operation. It also signifies our short-term and long-term obligation towards the environment and society at large. GNFC has adopted an ESG framework that is consistent with the Company's vision, purpose, corporate principles, and global ESG ambitions. GNFC adheres to the principles of product stewardship along with fostering benefits to the communities, embracing diversity, equality, and inclusion in the workforce.

8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Managing Director under the guidance of the Board of Directors and its Committees.
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.	Yes. GNFC has the "Risk Management Committee" of Directors to provide guidance and direction to the Management to ensure that health, safety, and sustainability implications are duly addressed in all strategic initiatives.

Members of Rik Management Committee	Designation	DIN
Prof. Ranjan Kumar Ghosh, Chairman of the Committee	Independent Director	08551618
Smt. Gauri Kumar, IAS (Retd.)	Independent Director	01585999
Shri Bhadresh Mehta	Independent Director	02625115
Dr. N. Ravichandran	Independent Director	02065115
Prof. Piyushkumar Sinha	Independent Director	00484132
Shri Pankaj Joshi, IAS	Managing Director	01532892
Shri D. V. Parikh	ED & CFO	07653680
Shri A. C. Shah	CS & GM (Legal)	06745194

Note 1: GNFC has set the following commitments for the upcoming financial year under the ESG pillar of its business.

Principles	Commitments/Goals
Principle 1	• Improving awareness in quality, environment, safety & health, energy-related issues by conducting in-house/outside training programs
Principle 2	• To develop new vendors as a part of mutually beneficial supplier relationships
Principle 3	• Improving awareness in quality, environment, safety & health, energy related issues by conducting in-house/outside training programs
	• Improving safety and health performance by reducing number of accidents in Company premises
	• Improving safety and health performance by reducing number of fire incidents
	• Improving safety and health performance by reducing number of chemical leakage/ toxic gas release incidents
Principle 4	• The Company is committed to engaging with stakeholders on periodic basis to boost the confidence of all the stakeholders
Principle 5	• Ensure respect and promote human rights by creating a safe, secure and healthy working environment for employees
Principle 6	• To increase green belt area by planting trees in GNFC premises
	• To reduce lube oil consumption by 5% in the next financial year in comparison to the reporting financial year's consumption
	• To reduce water consumption by 1% against the total consumption of the reporting year (FY 2023-24) of the whole complex
	• To reduce specific power consumption by 1% in the process compared to 2023-24
	• To reduce total lighting energy consumption by 1% compared to the reporting financial year (FY 2023-24)
Principle 7	• Ensure participation more with public and regulatory policy, in a manner that is responsible and transparent
Principle 8	• Enhancing local procurement to enable development that drives sustainability and community empowerment

Note: The Company has formulated these goals for the FY 2023-24, performance for these goals will be reported in the upcoming FY.

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)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	The Business Responsibility Policies of GNFC are reviewed on a periodic or on-a-need basis by Senior Management Team. During the review, efficacy of the Policies is reviewed and necessary changes to the Policies and procedures are implemented																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	GNFC is in compliance with the existing Regulations. Statutory Compliance Certificate on applicable laws is provided by the Company Secretary to the Board of Directors																	

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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	GNFC conducts periodic review of the Charters and Policies internally by the Senior Management Team and Board Committees which then drives the Policies, Projects and performance of the 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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable. GNFC has formulated Policies in accordance with nine NGRBC Principles. Kindly refer to the explanation of Question 1, Section B of this report								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	Training on economy and environmental, social and governance parameters	100
Key Managerial Personnel	1	Training on Prevention of Sexual Harassment (POSH), Code of Conduct for the Executives in Senior Management, Code of Conduct for prevention of insider trading in securities of the Company, Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information	100
Employees other than BoD and KMPs	64	Environment, Safety, Energy Saving, Occupational Health, Management Development, POSH, Motivational, Skill development related Programs	65.11
Workers	67	Safety training for contract workers carried out across plant locations covers all relevant workplace safety and general safety topics	63.41

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 (`)	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	Amount (`)	Brief of the case	Has an appeal been preferred (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	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. GNFC has not received any form of fine/ penalties/ punishment/ award/ compounding fees against any of the NGRBC Principles for the reporting period.	

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. GNFC has established and implemented Business Responsibility Policy which imbibes anti-corruption and anti-bribery. The Policy applies to the business operations of GNFC. The Policy has been developed on the basis of the principles of conducting and governing the business with Ethics, Transparency and Accountability. GNFC is also committed to conducting its business in accordance with the applicable laws, rules, and regulations and with the highest standards of business ethics. GNFC has a zero-tolerance approach for the practices that are abusive, corrupt, or anti-competitive. GNFC has also established and implemented a Whistleblower Policy and Vigil Mechanism to provide a formal mechanism to the Stakeholders to report their concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct and the Policies.

The Business Responsibility policy can be accessed at -

https://www.gnfc.in/wp-content/uploads/2021/04/GNFC-BR-Policy2017.pdf

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 2023-24 (Current Financial Year)	**FY 2022-23 (Previous Financial Year)**
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:				
	FY 2023-24 (Current Financial Year)		**FY 2022-23 (Previous Financial Year)**	
	Number	**Remark**	**Number**	**Remark**
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	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. GNFC has not received any form of fine/ penalties / punishment / award/ compounding fees against any of the NGRBC Principles for this reporting period. Hence, no such corrective actions are being 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.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:		
	FY 2023-24 (Current Financial Year)	**FY 2022-23 (Previous Financial Year)**
Number of days of accounts payables	30.08	28.81

9. Open-ness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:			
Parameter	**Metrics**	**FY 2023-24 (Current Financial Year)**	**FY 2022-23 (Previous Financial Year)**
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	25%	33%
	b. Number of trading houses where purchases are made from	443	470
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	92%	95%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	54.86%	48.45%
	b. Number of dealers / distributors to whom sales are made*	33	33
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors**	61.55%	69.42%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.0015%	0.0018%
	b. Sales (Sales to related parties / Total Sales)	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments(Investments in related parties / Total Investments made)	Nil	Nil
*Number of dealers for Industrial Product Segment only **Sales to the top 10 dealers under the Industrial Product segment are only considered			

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 2023-24 (Current Financial Year)	**FY 2022-23 (Previous Financial Year)**	**Details of improvement in environmental & social impacts**
R&D	100	100	The Company has taken various initiatives to improve environmental and social impacts
Capex	Nil	Nil	Not Applicable

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
Yes. The Company has established and implemented the Supplier Code of Conduct. The Code applies to suppliers / Vendors / Service Providers / Traders / Agents / Contractors / Consultants, who have business relationships with and provide, sell, or seek to sell, any kinds of goods or services to GNFC. Suppliers are required to comply with all the applicable regulations. Suppliers are being selected based on the appropriate Environmental and Social criteria. Suppliers have to register themselves on the 'Vendor Registration Portal' of GNFC. The Supplier Code of Conduct and the link for Vendor registration are hosted on GNFC's Official Webpage at following path: www.gnfc.in --> Quick Links --> Supplier Code of Conduct. www.gnfc.in--> Quick Links --> Vendor Registration. Same can be accessed at: https://www.gnfc.in/information-technology/vendor-registration/

2. b. If yes, what percentage of inputs were sourced sustainably?
100%

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 Waste GNFC is committed to complying with the requirements of Extended Producer Responsibility (EPR) as mandated by the Central Pollution Control Board (CPCB). Rigid and flexible plastic waste generated from operations is being sent to CPCB/SPCB registered plastic waste recyclers. The Company has obtained EPR registration as Brand Owner under Plastic Waste Management Rule 2016 as amended from the Central Pollution Control Board (CPCB). **Hazardous Waste** Land fillable hazardous waste is disposed off through GPCB- authorized Common Treatment & Disposal Facility. Recyclable Hazardous Waste is being disposed off to the CPCB/SPCB registered recyclers. **Co-processable waste** TDI Tar which is generated from TDI Plant is sent to cement industries (in Gujarat and Rajasthan) for co-processing as an alternative fuel. This is replacing the equivalent quantity of coal consumption at cement industries. Other incinerable hazardous waste is being disposed to the GPCB approved common hazardous waste incineration facility.

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:
Yes, Extended Producer Responsibility (EPR) is applicable under the Plastic Waste (Management) Rules, 2016 as amended. EPR targets are being complied as per the Plastic Waste (Management) Rules, 2016 and EPR certificate is being procured from registered plastic waste recycler.

DIRECTORS' REPORT

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	% of employees 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 employees											
Male	2,081	2,081	100	,2081	100	0	0	0	0	0	0
Female	63	63	100	63	100	63	100	0	0	0	0
Total	2,144	2,144	100	2,144	100	63	2.94	0	0	0	0
Other than Permanent employees											
Male	259	259	100	259	100	0	0	0	0	0	0
Female	28	28	100	28	100	28	100	0	0	0	0
Total	287	287	100	287	100	28	9.76	0	0	0	0

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	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0
Other than Permanent Workers											
Male	1,834	1,834	100	1,834	100	0	0	0	0	0	0
Female	112	112	100	112	100	112	100	0	0	0	0
Total	1,946	1,946	100	1,946	100	112	5.76	0	0	0	0

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on well- being measures as a % of total revenue of thecompany	0.31%	0.53%

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

Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	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%	-	Y	100%	-	Y
Gratuity	100%	-	Y	100%	-	Y
ESI	-	-	-	-	-	-
Others – please specify	-	-	-	-	-	-

Note: The data for FY 2022-23 has been restated based on revised procedure adopted by the Company during FY 2023-24.

3. Accessibility of workplaces:
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

Yes, The Office and plant premises of are accessible to differently-abled employees and workers, 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. GNFC is committed to providing equal opportunity for all employees. The Company has a zero-tolerance approach towards any discriminatory cases based on race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability or any other category protected by the laws.

Equal opportunity is part of GNFC's Business Responsibility Policy and is hosted on its Website. The policy can be accessed at the given link:

https://www.gnfc.in/wp-content/uploads/2024/08/1-Business-Responsibility-and-Sustainability-Reporting-Policy.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave:				
	Permanent employees		**Permanent workers**	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	-	-	-	-
Female	100%	100%	-	-
Total	-	-	-	-

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. GNFC has established a comprehensive grievance redressal mechanism. Nominated HR Specified Point of Contact (SPOC) acts as a Grievance Redressal Officer. Grievances can be reported through Email, verbally and through letters to HR or to MD. The nominated HR SPOC is responsible to analyze the grievances and send it to the concerned department for further investigation, resolution and feedback. GNFC has established an Industrial Relations Committee. The Committee is responsible to investigate any grievances received from employees. The Committee comprises of fifteen (15) Members with representatives from Management and Staff Union. Other than permanent workers can raise their grievances through their respective Contractors. The Contractor in turn will forward the same to HR Dept. to address the same.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:						
Category	**FY 2023-24 (Current Financial Year)**			**FY 2022-23 (Previous Financial Year)**		
	Total employees / workers in respective category(A)	**No. of employees / workers inrespective category, who are part ofassociation(s) or Union(B)**	**% (B / A)**	**Totalemployees/ workers in respective category (C)**	**No. ofemployees /workers in respective category, who are part of association(s) or Union(D)**	**% (D / C)**
Total Permanent Employees	2,144	1,404	65.49	2,275	1,458	64.09
Male	2,081	1,366	65.64	2,211	1,420	64.22
Female	63	38	60.32	64	38	59.38
Total Permanent Workers	0	0	0	0	0	0
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0

8. Details of training given to employees and workers:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On Health and Safety Measures		On Skills upgradation		Total (D)	On Health and Safety Measures		On Skills upgradation	
		No. B	% (B/A)	No. C	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	2,340	813	34.74	831	35.51	2,402	695	28.93	834	34.72
Female	91	18	19.78	42	46.15	88	18	20.45	25	28.41
Total	2,431	831	34.18	873	35.91	2,490	713	28.63	859	34.50
Workers										
Male	1,834	1163	63.41	0	0	1,820	1,413	77.64	0	0
Female	112	0	0.00	0	0	112	0	0.00	0	0
Total	1,946	1163	59.76	0	0	1,932	1,413	73.14	0	0

9. Details of performance & career development reviews of employees & workers:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. (B)	%(B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	2,340	2,340	100	2,402	2,402	100
Female	91	91	100	88	88	100
Total	2,431	2,431	100	2,490	2,490	100
Workers						
Male	1,834	0	0	1,820	0	0
Female	112	0	0	112	0	0
Total	1,946	0	0	1,932	0	0

Note – There are no permanent workers in GNFC. Other than permanent workers are engaged through independent contractors

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 of such system?

Yes. GNFC has implemented an Occupational Health and Safety Management System across all Operations including Bharuch and TDI-II, Dahej Plant. The Company has established a well-structured Occupational Health and Safety Policy for effective implementation of Occupational Health & Safety Management System.

DIRECTORS' REPORT

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

GNFC has implemented Hazard Identification and Risk Assessment (HIRA) process to identify work related hazards which include routine and non-routine activities. The HIRA register is being maintained and reviewed on half-yearly basis. The Company conducts job safety analysis for routine and non-routine activities. HAZOP Study also being carried out as part of management change process. The following hierarchy of controls are taken to reduce the work-related hazards and risks:

- Well established work permit system.
- Electrical isolation system.
- Safety observations reporting system.
- Incident / Near-miss reporting, analysis and investigation system.
- Monitoring and execution of statutory compliance pertaining to legal requirement applicable to Processes, plants and equipment.
- Distribution and Maintenance of suitable Personal Protective equipment.
- Monitoring and maintenance of all fire-related equipment to mitigate any emergency situation in the plant.
- Conducting Fire turnout drills, mock-drills, and tabletop exercise to enhance the Emergency Management system by incorporating the recommendations thereof.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks (Yes/No)?

Yes. GNFC has a robust system to track, record and report work-related hazards. The Company has an online accident reporting system (ARS) to report & record near-miss, accidents and dangerous occurrences in the plant. Employees are encouraged to report near-miss in the workplace into online ARS. GNFC has established system to impart Occupational Health and Safety training to Employees / Workers. GNFC has also established system to record and review any safety-related observations, near miss, unsafe act and conditions. Safety committee & Safety sub-committee members also report unsafe act & condition prevailing in the plant and action plan is being sent to respective department for compliance.

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

Yes, GNFC has made available medical services to its employees/workers and their family members according to medical policy.

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

Safety Incident/Number	Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0.5
	Workers	0.17	0.43
Total recordable work-related injuries	Employees	0	3
	Workers	1	2
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy workplace:

Health and safety is considered as an important management activity that requires a culture of continual improvement. Site-level HSE team advise, suggests, and supports all operations and employees in integrating health and safety standards into their operational planning, business decisions, and daily process activities. GNFC has established and implemented Integrated Management System in line with ISO 45001:2018 and ISO: 14001:2015. Site health and safety personnel are trained to identify, alleviate, and control risks specific to their operations. Health and safety-related training, awareness sessions and inspections are carried out on a periodic basis. GNFC has formulated two safety sub-committees, namely, Apex Safety Sub-Committee and Plant wise Sub-Safety Committees to review, monitor and deliberate upon health & safety matters. Periodical internal and external safety audits are conducted, and compliance report is reviewed and monitored at the top level. Safety is given top priority since the design stage of the Plant with in-built safety criteria. Plant operation is being managed by trained and experienced manpower along with integration of effective instrumentation such as DCS/PLC for taking care of the processes. GNFC also has well established Permit to Work System for various jobs in the Plant along with an effective near miss reporting and investigation system in place.GNFC has also a strong focus to create awareness among its employees and other stakeholders on health & safety practices. As a part of this, GNFC organized annual health and safety quiz to create awareness among its employees and workers. Appropriate reward system is also in place to motivate employees and workers. Health & safety skits were organized to provide generate awareness. Safety training were conducted in schools, colleges, and old age homes on basic awareness on health and safety. Some of the initiatives implemented in 2023-2024 during National Safety Week Celebration are as follows:

- 1705 employees have participated in Online Safety quiz.
- 136 nos. of employees & 64 nos. of contract workers have participated in Breathing apparatus set rescue competition.
- 170 nos. of employees have participated in Group safety quiz competition.·
- Organized Safety training & Quiz competition with spot reward for contract workers.·
- Training on Safe transportation of hazardous chemicals imparted to Auto tanker drivers at regular frequency

Safety skit play was performed by three (3) different group of employees on various topics like "Suraksha ni Sabhanta - part-II", "Safety Baba" and "SAFETY BIG BOSS IN GNFC HOUSE"

F&S Department also observed National Fire Service Day on 14th April conducting various fire safety awareness program.

GNFC has a well-equipped firefighting system and qualified and trained fire crew in place, with the help of which it extends support to Bharuch Municipality and other nearby industrial areas in case of any community / industrial fire hazard.

As a part of fire & safety awareness among the nearby community, first aid training and evacuation drills were conducted as follows:

January 31, 2024 : Zadeshwar School , Bharuch,

February 06, 2024 at Shuklthirth Scool,

February 07, 2024 Bholav School,

February 08, 2024 Narmada Scool,

Febuary 24, 2024 Kukurwada School and

February 29, 2024 at Vadadala School

GNFC successfully attended to fifteen (15) fire calls from other industries / areas to control fire incidents.

DIRECTORS' REPORT

13. Number of Complaints on the following made by employees & workers:						
	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	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
Working Conditions	100

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 incidents of fatalities and reportable disability reported during the last reporting period -FY 2023-24. There were only first-aid-related incidents reported during the reporting period which have been investigated and appropriate corrective and preventive actions have been taken to avoid the recurrence. Toolbox talks are conducted on daily basis to reduce the potential work-related hazards and risks. Trainings on Standard Operating Procedure (SOPs) are imparted on a periodic basis.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employee (Yes/No), (B) Workers (Yes/No).
Yes, The Company has a Group Personal Accident policy for all Employees which is covered during 24 hours & 365 days on duty or off duty accidental death or permanent/partial disablement. Also, for Contract workers, there is a provision/coverage under the workman compensation policy.

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.
GNFC has identified its internal and external groups of Stakeholders and following are the Stakeholder groups which have immediate impact on the operations and working of GNFC.

Sr. No.	Stakeholder Group	Importance
1	Customers other than farmers	Customer plays a vital role in GNFC's positive market presence. Customer satisfaction is key to the growth of the Company.
2	Farmers	Farmers play a vital role in GNFC's positive market presence.
3	Employees & Workers	Employees and workers are the powerhouse of GNFC's business. They ensure the smooth functioning of our day-to-day operations.
4	Board of Directors & Senior Management	The Board of Directors and Senior Management of GNFC are the driving force for the decision-making process.
5	Regulatory authorities	Regulatory authorities such as Ministry of Environment, Forest & Climate Change, State Pollution Control Board, Central Pollution Control Board, other local authorities, and court of law guides GNFC on how to operate in environmentally sound manner.
6	Community	All the employees, workers and customers (farmers) of GNFC belong to the community at large. Engaging with the local community through CSR initiatives enables us to earn social licesnce to operate.
7	Logistic partners	Logistic partners play a vital role in the safe and responsible transportation of the raw materials and final products of GNFC.
8	Suppliers & Vendors	The suppliers and vendors provide critical raw materials for the GNFC's products.

2. List stakeholder groups identified as key for your entity & the method, frequency & purpose of engagement with each stakeholder group.

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagements
Employees & Workers	No	• Departmental meetings • HR Programs • Meetings, seminars and reviews • Circulars	Periodically	• Understanding the expectations of the employees and workers • Discussion on fair remuneration structure
Logistic Partner	No	• Logistic partner meets	Periodically	• Discussion on the safe and responsible transportation of raw material and final products

Farmers	No	• Farmers meet	Periodically	• Procuring feedback from the customers and areas of improvement. • Quality & reliability of the products.
Customers other than farmers	No	• Formal & informal feedback • Email • Monthly magazines	Periodically	• Procuring feedback from the customers and areas of improvement. • Quality & reliability of the products.
Government Regulatory / Authorities	No	• Scheduled meet-ings	Periodically	• On time compliance of environment & social regulations.
Community	No	• CSR meets • Stakeholder meets	Periodically	• Understanding the ex-pectations of communi-ties with respect to CSR initiatives.
Vendors and Suppliers	No	• Contract revision & negotiation meet-ings • Suppliers meet	Periodically	• Contract negotiation.

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:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. of / employees workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (B)	% (D / C)
Employees						
Permanent	2,144	1,840	85.82	2,275	2,004	88.09
Other permanent	287	283	98.61	215	193	89.77
Total Employees	2,431	2,123	87.33	2,490	2,197	88.23
Workers						
Permanent	0	Not Applicable	Not Applicable	0	Not Applicable	Not Applicable
Other permanent	1,946	-	-	1,932	-	-
Total Workers	1,946	-	-	1,932	-	-
Note – The Company has no permanent workers. Training for other than permanent workers has not been conducted.						

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

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. B	% (B/A)	No. C	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	2,144	0	0	2,144	100	2,275	0	0	2,275	100
Male	2,081	0	0	2,081	100	2,211	0	0	2,211	100
Female	63	0	0	63	100	64	0	0	64	100
Other than Permanent	287	0	0	287	100	215	0	0	215	100
Male	259	0	0	259	100	191	0	0	191	100
Female	28	0	0	28	100	24	0	0	24	100
Workers										
Permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent	1,946	0	0	1,946	100	1,932	0	0	1,932	100
Male	1,834	0	0	1,834	100	1,820	0	0	1,820	100
Female	112	0	0	112	100	112	0	0	112	100

Note – There are no permanent workers in the Company.

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

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (Executive Directors)	8	Kindly refer note	2	Kindly refer note
Key Managerial Personnel	2	1,05,64,361	0	Nil
Employees other than BoD and KMP*	2,271	24,04,699	90	15,10,863
Workers	-	Kindly refer note	-	Kindly refer note

Note – Remuneration of Non-Executive Directors (NEDs) is decided by the board. NEDs are paid remuneration by way of sitting fees only for attending the Board or committees meeting(s). They are paid sitting fees @ INR 17,500 per meeting attended by them. Workers are engaged through third party contractor.
*Employees continued for the entire reporting period have only been considered.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year
Gross wages paid to females as % of total wages	2.25%	2.27%

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. Nominated HR SPOC is responsible for addressing human rights related issues across GNFC's business operations.

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

Yes. GNFC has established a comprehensive grievance redressal mechanism. Nominated HR Specified Point of Contact (SPOC) acts as a Grievance Redressal Officer. Grievances can be reported through Email, verbally and through letters to HR or to MD. Nominated HR SPOC is responsible to analyze the grievances and send it to the concerned Department for further investigation, resolution and feedback.

GNFC has established an Industrial Relations Committee. The Committee is responsible to investigate any grievances received from employees. The Committee comprises of Fifteen (15) Members with representatives from Management and Staff Union.

Other than Permanent Workers can raise their grievances through their respective Contractors. The Contractor in turn will forward the same to HR Dept. to address the same.

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

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0	-	1	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:		
	FY 2023-24 (Current Financial Year)	**FY 2022-23 (Previous Financial Year)**
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	1
Complaints on POSH as a % of female employees / workers	0	0.50
Complaints on POSH upheld	0	1

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:
GNFC has "Vigil Mechanism-cum-Whistle Blower Policy" in place to provide a formal mechanism to the Directors and employees to report their genuine concerns about unethical behavior, actual or suspected fraud etc. The mechanism provides for adequate safeguards against victimization of employees, who use such mechanism. The Policy is displayed on the GNFC's Website and can be accessed at the following Link: https://www.gnfc.in/wp-content/uploads/2021/04/Vigill-Mechanism-Cum-Whistle%20Blower-Policy_21102014.pdf

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No):
Yes. GNFC has specific clauses included in the business Agreements and Contracts.

10. 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
Others – please specify	NA

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above:
Nil. There were no incidents related to human rights across the operations of GNFC in the reporting period.

DIRECTORS' REPORT

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

Essential Indicators

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
From renewable sources in GJ		
Total electricity consumption (A)	1,38,799.03	1,60,427.19
Total fuel consumption (B)	0.00	0.00
Energy consumption sources (C)	0.00	0.00
Total energy consumed from renewablesources (A+B+C)	1,38,799.03	1,60,427.19
From non-renewable sources in GJ		
Total electricity consumption (D)	5,87,781.16	6,25,863.33
Total fuel consumption (E)	4,30,95,867.36	4,30,20,812.25
Energy consumption sources (F)	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	4,36,83,648.52	4,36,46,675.57
Total energy consumed (A+B+C+D+E+F)	**4,38,22,447.56**	**4,38,07,102.76**
Energy intensity per rupee of turnover (Total energy consumed in GJ/ Revenue from operations in million)	552.63	428.35
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed / Revenue from operations adjusted for PPP)	0.011	0.009
Energy intensity in terms of physical Output (Total Energy consumed / Total Production in MT)	15.26	15.45
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for 2023 by the World Bank for India which is 20.22

(https://data.worldbank.org/indicator/PA.NUS.PPP?end=2022&start=2022&view=bar).

Note – The data for FY 2022-23 has been revised due to the addition of office premises and revised monitoring procedures adopted by the Company.

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:**

Yes, The Company has two production facilities identified as Designated Consumers (DC) under the PAT scheme:

- Urea plant: DC reg. no.: FTZ0006GJ (Sector: Fertilizer Sector)
- ANP plant: DC reg. no.: FTZ0032GJ (Sector: Fertilizer Sector, Sub Sector: Complex Fertilizer)

In PAT Cycle-I (FY: 2012-13 to 2014-15) only Urea plant was specified as DC. The Company was given with targeted specific energy consumption (SEC) for FY 2014-15 which was 0.49 MTOE/MT. GNFC had over-achieved the targeted SEC for PAT Cycle-I which is0.436 MTOE/MT. For this achievement, GNFC was awarded 33557 nos. of Energy Saving Certificates (ESCerts) which were later banked with the Registry.

In PAT Cycle-II (FY: 2016-17 to 2018-19), along with Urea, ANP was also notified as DC under the Complex Fertilizer sector.

The Specific Energy Consumption (SEC) Target for Urea and ANP given as follows:

- Urea: SEC Target of 0.3907 MTOE/MT to be achieved by FY 2018-19. However, GNFC could not achieve the same and BEE had notified to purchase 8668 nos. of ESCerts. However, GNFC already has surplus of 24889 nos. of ESCerts.
- ANP: SEC Target of 0.2817 MTOE/MT be achieved by FY 2018-19. However, GNFC could not achieve the same and BEE had notified to purchase 10464 nos. of ESCerts.

As a remedial action, GNFC has purchased ESCerts as per the BEE's directions.

In ESCert trading sessions for PAT-II cycle (from February 14, 2023 to October 31, 2023), the obligated purchase of 10,464 nos. of ESCerts for ANP DC has been completed by GNFC on the trading day of February 14, 2023, while total 8918 out of 24889 nos. of available ESCerts of Urea DC has been sold. GNFC is still having 15971 nos. of ESCerts balanced with perpetual validity which shall be sold in the PAT-III cycle trading sessions as per market scenario. PAT-III cycle trading sessions have been commenced from March 19, 2024.

For the next PAT cycles till FY 2024-25, BEE has excluded/exempted Urea plants and Complex Fertilizer plants of fertilizer sector from PAT scheme as per recommendations from DOF & FAI. These exclusions will be reviewed after FY 2024-25 based on then energy consumption norms as fixed by DoF/Niti Ayog as well as recommendations relevant to Nationally Determined Contribution (NDC) targets. Thus, no fresh Energy Saving Targets in Fertilizer Sector will be given to Urea as well as Complex Fertilizer plants in subsequent PAT Cycles till 2025. In case of any energy saving during the period, no ESCerts will be recommended by BEE.

3. Provide details of the following disclosures related to water in the following format:		
Parameter	**FY 2023-24 (Current Financial Year)**	**FY 2022-23 (Previous Financial Year)**
Water withdrawal by source (in kiloliters)		
(i) Surface water	1,37,48,143	1,38,76,424
(ii) Groundwater	Nil	Nil
(iii) Third party water	Nil	Nil
(iv) Seawater / desalinated water	Nil	Nil
(v) Others (GIDC Reservoir)	16,28,118	13,48,235
Total volume of water withdrawal(in kiloliters) (i + ii + iii + iv + v)	1,53,76,261	1,52,24,659
Total volume of water consumption(in kiloliters)	1,51,27,822	1,52,38,365
Water intensity per rupee of turnover (Total water consumption in KL / Revenue from operations in million)	190.77	149.00
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenuefrom operations adjusted for PPP)	0.04	0.03
Water intensity in terms of physical Output (Total water consumption in KL/Total production in MT)	5.27	5.38
Water intensity (optional) –the relevant metric may be selected by the entity	-	-

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. Provide the following details related to water discharged:		
Parameter	**FY 2023-24 (Current Financial Year)**	**FY 2022-23 (Previous Financial Year)**
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	Nil	Nil
- With treatment – primary and tertiary treatment	31,28,250	31,97,160
(ii) To Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) To Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	4,27,450	4,08,926
(iv) Sent to third-parties		
- No treatment	22,860	18,330
- With treatment – please specify level of treatment	Nil	Nil
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
Total water discharged (in kilolitres)	28,33,323	36,24,416

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

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation:
GNFC has not implemented a mechanism for zero liquid discharge.

6. Please provide details of air emissions (other than GHG emissions) by the entity in the following format:			
Parameter	**Please specify unit**	**FY 2023-24 (Current Financial Year)**	**FY 2022-23 (Previous Financial Year)**
NOx	MT/Year	2,264.00	1,669.17
SOx	MT/Year	2,046.00	1,779.18
Particulate matter(PM)	MT/Year	627.00	657.91
NH3	MT/Year	319.00	291.89
Total F	MT/Year	0.00	0.03
HC	MT/Year	1.00	1.11
CO	MT/Year	31.00	33.96
HCL	MT/Year	0.31	0.20
CL2	MT/Year	Nil	Nil
Persistent organic pollutants (POP)	MT/Year	Not applicable	Not Applicable
Volatile organic compounds (VOC)	MT/Year	Nil	Nil
Hazardous air pollutants (HAP)	MT/Year	Not applicable	Not Applicable
Others – please specify	MT/Year	Nil	Nil

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

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	Metric tonnes of CO2 equivalent	25,93,533.75	25,83,789.79
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1,16,903.14	1,24,305.24
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations in million)		34.53	26.79
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		0.001	0.001
Total Scope 1 and Scope 2 emission intensity in termsof physical output (Total Scope 1 and Scope 2 emissions/ Total Production in MT)		0.94	0.96
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity		-	-

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.

Note – The data for FY 2022-23 has been revised due to the addition of office premises and basis on the revised monitoring procedure adopted by the Company.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details:
The Company is installing 4 MW (installed capacity) solar plant to increase its renewable energy source. The Company is expecting completion of this project by June 2024. GNFC has also developed green belt in Bharuch Complex, comprising of different species of trees.

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	143.90	76.22
E-waste (B)	19.47	16.13
Bio-medical waste (C)	0.36	0.31
Construction and demolition waste (D)	2,940.00	1,300.00
Battery waste (E)	9.97	5.77
Radioactive waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)		
Type of waste		
Furnace debris	23.67	23.22
Process Waste (Tarry residue)	6,543.73	5,222.43
Organic residue from process.	0.50	0.40
Spent Catalyst & Molecular Sieve	28.35	40.90
Waste & residues containing oil.	25.33	8.15
Spent acid from batteries	0.00	0.00
Spent catalyst	124.10	11.76
Ethyl Acetate reacor residue	307.87	175.43
Process waste residue & Sludge of Paints, Inks, Pigments, Varnish & Lacquers.	0.20	0.50
Empty Barrels containers / liners contaminate with hazardous chemicals / wastes.	82.54	97.81
Spent Resin	38.00	70.00
ETP Sludge	7,635.00	7,600.00
Sludge from wet scrubber	192.00	468.00
Incinerator Ash	273.40	230.30
Gasifire Slag	17.34	23.92

Insulated Copper wire Scrap	15.57	11.37
Scrubbed liquid (Spent caustic) generated from TDI plant scrubbers	8,602.17	4,222.12
Other Non-hazardous waste generated **(H)**. Please specify, if any.		
(Break-up by composition i.e. by materials relevant to the sector)	142.78	96.31
Total (A+B+C+D+E+F+G+H)	27,166.24	19,701.03
Waste intensity per rupee of turnover (Total waste generated in MT /Revenue from operations in million)	0.34	0.19
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.00007	0.00004
Waste intensity in terms of physical output (Total Waste generated in MT/ Total Production in MT)	0.009	0.007
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
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	5,402.98	5,882.46
(ii) Re-used	8,912.70	4,763.27
(iii) Other recovery operations	0	0
Total	**14,315.68**	**10,645.73**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	208.049	130.44
(ii) Landfilling	3,649.30	3,152.64
(iii) Other disposal operations		
Co-processing	6,368.56	5,087.80
Utilization of C&D waste	2,067.44	1,711.45
Sent to common bio medical waste treatment facility	0.362	0.31
Total	**12,293.71**	**10,082.65**

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.

10. 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:
Hazardous waste generated at GNFC is being collected and stored at designated hazardous waste storage area. Management of hazardous waste is being carried out as per Consolidated Consent & Authorization (CC&A) granted by Gujarat Pollution Control Board (GPCB) and as per the Hazardous & Other waste (Management & Transboundary Movement) Rules-2016 as amended.

11. 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.
GNFC's Bharuch & Dahej operation is in notified Industrial area and notified PCPIR area respectively. GNFC's operations/offices does not fall in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.).			

12. 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
Expansion of Existing Ammonia, Urea, Ethyl Acetate & Ammonium Nitrate Melt Plants & installation of New Weak Nitric Acid and Ammonium Nitrate Prills Plants	SO 1533 as amended	14.09.2006	Yes	Yes	-

13. 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:

Sr. 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
GNFC is compliant with Water (Prevention & Control of Pollution) Act, Air (Prevention & Control of Pollution) Act and Environment Protection Act & rules thereunder. There were no fines or penalties received from the regulatory authority during the reporting period.				

Leadership Indicators

1. 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-with summary)	Outcome of the initiative
1	Amine wastewater treatment at GNFC-Dahej Unit in place of incineration at GNFC, Bharuch.	-	Reduction in emission & fuel consumption in TDI incinerators.
2	Recycling of yellow wastewater.	-	Reduction in emission, fuel consumption in TDI incinerators and reduction in hazardous waste generation.
3	Re-use of spent caustic at both Bharuch and Dahej unit.	-	Reduction in emission, fuel consumption in TDI incinerators and reduction in hazardous waste generation.
4	Recycling of treated ANP discontinuous effluent.	-	Resource recovery.
5	TDI Tar co-processing at cement industries.	-	Equivalent quantity of coal consumption is reduced at cement industries.
6	Recycling of NETP chemical & biological sludge at mix fertilizer units.	-	Resource recovery.

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:
There are ten affiliations with trade and industry chambers/associations

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:

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Fertilizer Association of India	National
2	Federation of Gujarat Industries	State
3	Dahej Industrial Association	State
4	Gujarat Safety Council	State
5	National Safety Council	National
6	Safety, Health and Environment Association	National
7	Gujarat Chamber of Commerce & Industry (h)Gujarat Chemical Association	State
8	All India Management Association	National
9	Indian Polyurethane Association	National
10	Indian Chemical Council	National

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

Name of authority	Brief of the case	Corrective action taken
Nil. There were no such issues reported on anti-competitive conduct from regulatory authorities.		

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
Not Applicable					
Note: GNFC has undertaken an assessment for its CSR Projects / Activities in FY 2023-24. The notification ID is NARDES/ADM/2024/1290 dated March 30, 2024.					

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 (`)
Not Applicable						

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

GNFC has established grievance redressal mechanism. The nominated HR SPOC acts as a Grievance Redressal Officer. Grievances can be reported through mail, verbally and through letters to HR or the MD. Nominated HR SPOC is responsible to analyze the grievances and send it to the concerned department for further investigation and resolution and feedback. GNFC has established an Industrial Relations Committee. The Committee is responsible to investigate the grievances received from employees. The Committee is comprised of fifteen members representing the Management and the Union.

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

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/small producers	6.14	4.11
Directly from within India	85.05	89.2

Note: The procurement value of natural gas is being excluded from the total material procured in the current and previous financial year.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY 2023-24	FY 2022-23
Rural	11.54	11.58
Semi-urban	83.81	83.55
Urban	0.57	0.52
Metropolitan	4.08	4.35

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. 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 (In INR)
The Company has no expenditure in aspirational districts under CSR projects in the reporting financial year.			

2. 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	Livelihood enhancement through Vocational Skills up-gradation through NITI -GCVT	120	100%
2	Revival of SHG's for entrepreneurial activities	30	100%
3	Mobile Medical Van Project	2,496	100%
4	Aashirwad Recreation centre for elderly people	35	60%
5	Improving education facilities in Narmada Motlabai Public School	120	95%
6	Support to Meritorious Students of Bharuch	10	100%
7	Upgradation & Development of education facilities in Narmada College (NEST)	2,346	66%
8	Narmada Vidyalaya	1,240	54%
9	Support to Mini Science Lab in 08 Govt. Schools of Dahej	1,540	85%
10	Upgradation of existing Anganwadi into Smart Anganwadi	1,295	82%
11	Support to TB Patients	231	100%
12	Support to Govardhan Hospital- Fire Hydrant System	1,500	100%
13	Support for Medical Equipment at SNCU, Netrang	1,896	100%
14	Support for providing Skill development to youths in Gujarat through FICCI	250	88%
15	Support to Smart Automated Public Toilets in Ahmedabad	4,500	58%
16	Food packets to Flood Victims through District Administration	1,700	100%
17	Agricultural Drones for SHG's	20	100%
18	Manpower Agri Clinic- PMKSK	3,000	100%
19	Distribution of Happiness Grocery Kit in 18 PAA's of Bharuch and Dahej	6,200	100%
20	Support for Rainwater Harvesting in 18 PAA's of Govt. schools of Bharuch & Dahej	4,320	90%

21	Pre & Post-surgical assistance to needy & unattended patients of Bharuch	200	100%
22	Support to Rural Students through Seva Rural, Jhagadia	36	100%
23	Support to GSRTC for new pick up bus stand Bharuch	10,000	65%
24	Five (05) slum lavatories with support to District Administration	725	100%
25	Support for developing Smart classroom in 10 PAA's of Primary Govt. School of Bharuch through DDO	2,230	71%
26	Indian Institute of Information Technology (IIIT), Surat	1,000	52%

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:
GNFC has established a procedure to address consumer complaints. The feedback form is being hosted on GNFC's webpage https://www.gnfc.in/contact-us/. Customers can also raise their concerns for any product-related issues through mail to the Head of the Department, customer care email id, verbally by phone on the customer care number printed on fertilizer bags, and direct contact at Narmada Khedut Sahay Kendra (NKSK - a retail shop) list of NKSK is given at website https://www.gnfc.in/narmada-khedut-sahay-kendra/ or in person at the GNFC Office https://www.gnfc.in/divisions/gnfc-area-offices/. Farmers also approach directly at regional offices, area offices, retail outlets or customer care where registers are being maintained for complaints and addressed accordingly. Additionally, the Company send feedback form to its major consumers and dealers and obtain feedback.The feedback mechanism also is in place to improve the system on a continuous basis.

2. Turnover of products &/ 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	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%
Note: The logo of recycling is kept on HDPE and PP Bags. These are being used for the packaging of fertilizers. Paraben free logo is printed on the label of Hair oil related products. The EPR registration number is also provided with each package.	

3. Number of consumer complaints in respect of the following:						
	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		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	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil			
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

4. Details of instances of product recalls on account of safety issues:		
	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

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. GNFC's approach to cyber security is included in its "Information Security Policy". The Policy has been implemented to ensure compliance with respect to regulatory environment, mitigate the significant risks and increase the customer expectations. The policy is hosted on GNFC's Website on the following Link: https://www.ncode.in/policy.html

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. There are no consumer complaints with regard 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.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches: Nil

a. Percentage of data breaches involving personally identifiable information of customers: Nil

b. Impact, if any, of the data breaches: Nil

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available):
Details on various products of GNFC can be accessed following websites. Website: www.gnfc.in & www.gnfcneem.in The Company has a customer care number (02642202243), specific Email id (customercare@gnfc.in) through which customers can reach out. Weblink: https://www.gnfc.in/services/chemicals/

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:
GNFC ensures to educate and inform consumers about the safe and responsible usage of products by meeting with farmers and demonstrating the process to them. Additionally, the Company educates consumers about products and their safe use through e-bulletins, fairs, and exhibitions. The Company also provides safety data sheet to customers for safe handling of products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:
In such instances GNFC communicates customers during their periodic customer meets.

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 with regard to 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):
All the products are approved as per the Fertilizers Control Order. The product information is specified as per regulations in its packaging. Customer survey with regard to satisfaction is taken on a yearly basis, which is an ISO requirement also.

ANNEXURE – C

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO FOR FY 2023-24

[Pursuant to Section 134 (3) (m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

(i) Steps taken or impact on Conservation of Energy

Company framed its energy policy in February 2005 in accordance with Energy Conservation Act (EC Act 2001) & the same is in force.

The Company also complies with the regulations formed by Bureau of Energy Efficiency (BEE), Ministry of Power under Perform Achieve Trade (PAT) mechanism.

The Company has acquired ISO-50001 (Energy Management System) certification for Bharuch unit in May 2021 and for Dahej unit in December 2019.

Details of various Energy Saving Measures / Schemes implemented during the FY 2023-24 are as given below:

a) Township Admin Office:

- In the FY 2023-24, total 994 nos. of old conventional light fixtures were replaced with energy efficient LED fixtures in specific areas of township. The total investment cost for the same is ` 6.74 lakhs. By this measure, estimated power saving of 16,578 KWH was achieved in the last FY 2023-24.

b) Electrical System, Bharuch:

- In plant areas, total 1917 nos. old conventional light fittings were replaced with energy efficient LED fixtures. Total investment cost as ` 48.87 lakhs. By this measure, total 2,62,970 KWH of energy saving is achieved in the last FY 2023-24.
- By improving power factor, the Company received power factor rebate of ` 105 lakhs in the last FY 2023-24.

c) Electrical System, Dahej:

- By improving Power Factor, the Company received power factor rebate of ` 106 lakhs in the last FY 2023-24.

d) Ammonia Plant:

- Installation of additional 5th battery in ammonia refrigeration compressor condensers. The scheme was put up in service in September 2023. This resulted in saving of 31 MT/day of HPSH steam in turbine along with rise in Ammonia production of 11 MT/day. Total investment cost for the scheme was around ` 431 lakhs.

e) Urea Plant:

- Distillation Tower reflux pumps discharge Pipe size increased from 2" to 3" to avoid two pumps operation at higher plant load resulting into power saving of around192 KWH/day.

f) ANI-TDI complex:

- Installation of Energy Conservation Turbine (ECT) on Aniline/ TDI plant HP let-down station. The scheme was commissioned on May 27, 2023. Actual power generation in the FY 2023-24 was 65,11,650 KWH against 75,24,000 KWH generation potential per year. The investment cost for the scheme is ` 1,024 lakhs.

g) HyCO and Utility plant, Dahej:

- Replacement of VAM machines with electrically driven Screw Compressor Chillers. Modification scheme is implemented in February 2024. The investment cost for the scheme is ` 216 lakhs. Modification scheme is implemented in February 2024. Estimated energy saving potential is 1,94,65,256 KWH.

Energy Saving measures under implementation or planned for implementation:

a) Electrical System, Bharuch:

- Total power saving of 5,20,115 kWh has been planned by Electrical department by replacing old conventional light fittings with energy efficient LED fittings (total 2610 nos.). The estimated cost would be ` 84 lakhs.

b) ASGP:

- Process condensate heat which being lost in cooling water is partially recovered by preheating NG. Energy saving potential is 0.5 Gcal/hr. Estimated cost of the scheme is ` 101 lakhs.

c) Urea Plant:

- Installation of condensate pump with optimized head and capacity. Estimated power saving is 480 KWH/ day.
- Conversion of Main Ammonia feed pump (P-1A/B/C) Torque Convertor to Variable Frequency Drive (VFD). Estimated power saving is 3600 KWH/Day. Estimated cost of the Scheme is ` 1037 lakhs.

d) Methanol-II Plant:

- Modification scheme for utilization of high pressure Natural Gas for reformer feed. The scheme is under implementation. Expected power saving is 26,13,600 KWH per year. Estimated cost of this scheme is ` 85 lakhs.

e) Utility Plant, Bharuch:

- Installation of new Service Air Compressor with lower head. Envisaged benefit is power saving of up to 11,88,000 KWH per year.

f) TDI-II Wet section, Dahej:

- Preheating of Dehydration Column Feed against waste heat in MTD plant. Estimated saving in steam is 0.385 MT/hr. Exchanger installation related work is under progress.
- Installation of new pump with lower head in MTD Hydrogenator Loop Water. Estimated saving in power is around 320 MWH per year.

g) TDI-II Dry Section, Dahej:

- Application of once through ODCB in vacuum pumps. By this measure, overall reliability of plant will improve and estimated steam saving of 0.955 MT/h will be achieved. The scheme is under implementation.

(ii) Steps taken by the Company for utilizing alternate sources of energy:

- Solar Photo Voltaic power generation systems have been installed at Corporate Building, School building and Guest house building having total capacity of 300 KW. Also 10 MW solar project at village Charanka was commissioned on November 17, 2020. In all 1,64,20,274 KWH of power was generated from solar plants during the year.
- Total installed capacity of Wind Power Turbo Generators (installed at Lathedi and Shikarpur sites in Kutch) is 21 MW. During the year, total 2,21,35,013 kWh of power was generated from Wind Mills.
- 4 MW Solar Project at village Charanka is under implementation.

(iii) Capital investment on Energy Conservation Equipments / Measures:

- The Company has made total capital investment of ` 1,726.40 lakhs on energy conservation measures.

(B) TECHNOLOGY ABSORPTION

(i) Efforts in brief, made towards technology absorption

- Implementation of various reliably, safety and energy saving schemes carried out in plants for safe and reliable operations, improving machine / equipment performance and energy saving.
- We interact with know how supplier/consultant for solving plant problems, and reliability to sustain productivity and improving plant performance.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution

Nil

(iii) In case of imported technology (Imported during the last three years reckoned from the beginning of the financial year)

Nil

RESEARCH & DEVELOPMENT:

1) Specific R&D Assignments and Benefits:

Research was carried out in areas of development of catalysts for in-house captive use, value added products from by-products, development of NPKS Fertilizers etc.

1) Large scale manufacturing of H_2S removal catalysts for India's Largest SRU. During the year ever highest production and supply of the proprietary catalysts was achieved.
2) Research experiments for development of Process Catalyst were carried out.
3) Experiments on Value added products and import substitutes development of NPKS were carried out, largely to match with FCO specifications.
4) Development of Biocides for SRU.

2) Benefits derived as a result of R&D:

1) Commercialization of R&D product on Large scale.
2) Import substitute catalysts development.
3) Recycling, Green Chemistry and Environment improvement benefits.

3) Future Plans of Action:

1) To scale up Process catalysts for captive use.

2) To take Value added products developed to next scale.

3) To provide technical services to Customers and Process Plants.

4) Expenditure on Research and Development:

(` in Crores)

Sr. No.	Nature of Expenditure	FY 2023-24	FY 2022-23
1.	Capital Expenditure	**0.00**	0.00
2.	Recurring Expenditure	**0.16**	0.06
3.	Salaries to R&D Personnel	**3.31**	1.47
4.	Power and Fuel	**0.07**	0.12
	Total	**3.54**	1.65
5.	Total R&D expenditure as percentage of Total Turnover	**0.0446%**	0.0161%
6.	Gross Turn-over	**7929.73**	10226.93

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(` in Crores)

Particulars	FY 2023-24	FY 2022-23
Foreign Exchange Used	**720.88**	458.40
Foreign Exchange Earned	**70.14**	68.45

DIRECTORS' REPORT

ANNEXURE - D

DISCLOSURE PURSUANT TO RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR FY 2023-24

<table>
<tr><th>Sr. No.</th><th>Requirement</th><th>Details</th></tr>
<tr><td>1.</td><td>Ratio of remuneration of each Director to the median remuneration of the employees of the Company.</td><td>Non-Executive Directors are paid remuneration by way of sitting fees only for attending the Meetings of the Board of Directors and various Committees of the Company.
Appointment of Managing Director (MD) (Executive Director) is made by the Board of Directors in consultation with Government of Gujarat (GoG) and he/she is usually a Senior IAS Officer. MD is paid remuneration as per the terms and conditions prescribed and notified by GoG and as determined by the Board of Directors in accordance with the Articles of Association of the Company, the Companies Act, 2013 and the relevant Rules framed thereunder (the Act), as amended from time to time, and subject to approval of the Shareholders.
Shri Pankaj Joshi, IAS, Additional Chief Secretary to Chief Minister - Gujarat, is holding the additional charge of the post of Managing Director of the Company and no remuneration is paid to him for holding the said charge.
The Company has received Order No. AIS-45-2021-340467-G dated August 26, 2022 of General Administration Department, Government of Gujarat, Gandhinagar, sanctioning Special Pay/Charge Allowance payable at 5% of Basic Pay as per Sixth Pay Commission to Shri Pankaj Joshi, IAS as Managing Director of the Company for the period from August 01, 2022 to July 31, 2023. Such payment of Special Pay/Charge Allowance will be subject to the ceiling not exceeding the limit specified in Schedule V of the Act.
In view of the above, ratio of remuneration of each Director to the median remuneration of the employees is not comparable and hence details are not furnished under this column.</td></tr>
<tr><td>2.</td><td>Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any.</td><td><table><tr><th>Sr. No.</th><th>Director / KMP</th><th>Title</th><th>% increase in remuneration</th></tr><tr><td>1</td><td>Shri Pankaj Joshi, IAS</td><td>MD</td><td>24.20%</td></tr><tr><td>2</td><td>Shri D.V. Parikh</td><td>CFO</td><td>58.05%</td></tr><tr><td>3</td><td>Shri A. C. Shah</td><td>CS</td><td>(0.38%)</td></tr></table>Non-Executive Directors are paid only sitting fees for attending the Board / Committee Meetings.</td></tr>
<tr><td>3.</td><td>Percentage increase in the median remuneration of employees.</td><td>58.41% considering full year present of Regular employees in employment for FY 2023-24 & FY 2022-23.</td></tr>
<tr><td>4.</td><td>Number of permanent employees on the rolls of Company at the end of the year.</td><td>2,134</td></tr>
<tr><td>5.</td><td>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.</td><td>There was 51% average percentile increase in the salary of employees other than Key Managerial Personnel (KMP); as against this there was increase of 34.81% in the remuneration of KMP for FY 2023-24 compared to FY 2022- 23</td></tr>
<tr><td>6.</td><td>Affirmation that the remuneration is as per the remuneration policy of the Company.</td><td>The Company has in place different Grades of remuneration for KMP other than MD, Senior Management Personnel and other Employees. The remuneration is paid to them as per the grade in which they are employed and as per the terms of their appointment. The remuneration is paid to MD as per the terms and conditions prescribed and notified by GoG with requisite approval of Board of Directors and Members of the Company under the law.</td></tr>
</table>

ANNEXURE - E

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Gujarat Narmada Valley Fertilizers & Chemicals Limited
CIN: L24110GJ1976PLC002903
P. O. Narmadanagar – 392 015.
Dist. Bharuch, Gujarat, India

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Gujarat Narmada Valley Fertilizers & Chemicals Limited (CIN L24110GJ1976PLC002903)** (hereinafter called "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, minutes 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 secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **March 31, 2024**, 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 **March 31, 2024**, according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB);
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
    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 during the Financial year under review.
    D. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not Applicable during the Financial year under review.
    E. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not Applicable during the Financial year under review.

DIRECTORS' REPORT

F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 – The Company has appointed Kfin Technologies Limited SEBI Registered Category I Registrar & Share Transfer Agent.

G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021. - Not Applicable during the Financial year under review.

H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

6. We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant records on test check basis, the Company has complied with the following specific laws to the extent applicable to the Company;

   1. The Environment (Protection) Act, 1986
   2. The Air (Prevention and Control of Pollution) Act, 1981
   3. The Water (Prevention and Control of Pollution) Act, 1974
   4. The Ammonium Nitrate Rules, 2012
   5. The Petroleum Act, 1934
   6. The Explosives Act, 1884 and Explosive Rules, 2008 and
   7. The Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016.

We have also examined compliance with the applicable clauses of the following;

(i) The Mandatory Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above except following;

There are certain loans which have been repaid in full by the Company in past. However, charges created in favour of Banks/ lending institutions have not been removed from the MCA charge Index.

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 year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast 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.

We further report that as per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried at meetings without any dissent.

Based on the Compliance mechanism established by the Company and on the basis of information provided by the officers of the Company and the compliance certificates placed before the Board and taken on record by the Board of Directors at their meetings, we are of the opinion 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 period under review;

a) The shareholders of the Company have approved at AGM by special resolution Payment of remuneration to Shri Vipul Mittra, IAS Chairman.

b) The shareholders of the Company have approved by special resolution through Postal Ballot Re-appointment of Smt. Gauri Kumar, IAS (Retd.) (DIN: 01585999) as an Independent Woman Director of the Company.

c) The Company has completed Buy-back of 84,78,100 equity shares of face value of ` 10/- each at a price of ` 770/- per equity share.

Place: Vadodara
Date: May 28, 2024

for J. J. Gandhi & Co.
Practising Company Secretaries

(J. J. Gandhi)
Proprietor
FCS No. 3519 and CP No. 2515
P R No. 1174/2021
UDIN Number : F003519F000450328

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

'Appendix A'

To,
The Members,
Gujarat Narmada Valley Fertilizers & Chemicals Limited
CIN: L24110GJ1976PLC002903
P.O. Narmadanagar,
Dist. Bharuch – 392015, Gujarat, India

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record 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 the 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. The Compliance of applicable financial laws like direct and indirect laws have not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and Other designated professionals.
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 corporate and other applicable laws, rules, regulations, standards is the responsibility of 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.

For J. J. Gandhi & Co.
Practising Company Secretaries

(J. J. Gandhi)
Proprietor
FCS No. 3519 and CP No. 2515
P R No. 1174/2021

Place: Vadodara
Date: May 28, 2024

Annexure - F

DIVIDEND DISTRIBUTION POLICY

INTRODUCTION

As per Regulation 43A of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), prescribed listed companies based on market capitalization, are required to formulate a 'Dividend Distribution Policy', which shall be disclosed on the website of the listed entity and a web-link to be provided in the Annual Report. This Policy will regulate the process of dividend declaration and its pay-out by Gujarat Narmada Valley Fertilizers & Chemicals Limited (hereinafter referred to as "the Company") in accordance with the provisions of Companies Act 2013, read with the applicable Rules framed thereunder, as may be in force for the time being and as per Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time or any reenactment thereof.

OBJECTIVE AND SCOPE

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

DEFINATIONS

In the Policy, unless the context otherwise requires:

"Act" shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.

"Applicable Laws" shall mean the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

"Board" or "Board of Directors" means the collective body of the Directors of the Company.

"Company" means Gujarat Narmada Valley Fertilizers & Chemicals Limited.

"Dividend" means dividend on Equity shares of the Company and includes interim dividend.

"Listing Regulations" means Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended from time to time or any reenactment thereof.

"Policy" means this Dividend Distribution Policy of the Company.

All the words and expression used in this Policy, unless defined in the Policy, shall have the same meaning respectively assigned to them under the Applicable Laws.

EFFECTIVE DATE AND APPLICABILITY

This Policy shall be effective from the date of its adoption by the Board.

The Policy shall not be applicable in the following circumstances:

- Determination and declaring dividend on preference shares, if any;
- Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable laws;
- Any distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

STATUTORY REQUIREMENTS

The Board of Directors shall recommend the dividend as per the Policy, in compliance with the provisions of the Companies Act, 2013, Rules made thereunder and other applicable laws, if any.

Further, the Board of Directors of the Company will consider the recommendation of dividend for any financial year after taking into account the Profits of the Company and after transfer of such percentage of its profits for that financial year as it may consider appropriate to the reserves of the Company.

The Board of Directors may declare interim dividend, subject to the provisions of the Companies Act, 2013 and the Rules made thereunder, during any financial year, out of the surplus in the profit and loss account and out of profits of the financial year, in which such interim dividend is sought to be declared.

FINANCIAL PARAMETERS / INTERNAL AND EXTERNAL FACTORS FOR DECLARATION OF DIVIDEND

The decision of dividend payout or retention of profits by the Board shall, inter-alia, depend, including but not limited to the following financial parameters / internal and external factors:

Financial Parameters:

i) Quantum of anticipated capital expenditure;

ii) Magnitude of realized profits;

iii) Operating cash flow and liquidity;

iv) Investment opportunities;

v) Capacity to service interest / principal (borrowings);

vi) Cost of borrowings vis-à-vis cost of capital;

vii) Sales volume;

viii) Anticipated expenses;

ix) Financial ratios (e.g. EPS-post dividend), etc.

Internal & External Factors:

i) Cash flow position of the Company;

ii) Stability of earnings;

iii) Cost of borrowings;

iv) Number of shareholders;

v) Future growth plans / strategies / capital expenditure, etc.;

vi) Past dividend trends;

vii) Over-all economic / regulatory environment including tax laws;

viii) Macro-economic conditions / Industry outlook and stage of business cycle for underlined business;

ix) Dividend payout ratios of companies in same industries;

x) Government Guidelines;

xi) As may be directed by the Promoter(s) of the Company from time to time;

xii) Any other contingency plans.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The shareholders of the Company may not expect dividend under the following circumstances:

(i) Inadequacy of profits or losses – If during any financial year, the Board determines that the profits of the Company are inadequate or the Company has incurred losses, the Board may decide not to declare dividends for that financial year.

(ii) Any other circumstances / factors which the Board may consider appropriate in the best interest of the Company and the shareholders.

MANNER OF UTILIZATION OF RETAINED EARNINGS

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

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

PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has presently issued only one class of 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, subject to the provisions of the Companies Act, 2013 and other applicable laws prevailing from time to time.

AMENDMENT

Any amendment / modification in the SEBI Listing Regulations and in the Companies Act, 2013 shall automatically apply to this Policy. Any amendment / modification in this Policy as may be deemed expedient will be carried out with the approval of Managing Director and as per the authorization granted by the Board.

CAUTIONARY STATEMENT

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall pursue this Policy to pay dividend, subject to the circumstances and factors enlisted here-in-above, which shall be consistent with the performance of the company over the years.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Good Governance is an integral part of the Company's business practices and it envisages attainment of the highest level of accountability, transparency and equity in all facets of its operations and aims at maximizing the Shareholders' value, protecting and pursuing interest of all the Stakeholders and meeting societal expectations. Your Company is committed to the principles of good governance in its letter and spirit.

Effective corporate governance practices constitute strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all the Stakeholders comprising regulators, employees, customers, vendors, investors and the society.

The Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationships between itself and its Stakeholders. It has set up a system which enables all its employees to voice their concerns openly and without any fear or inhibition.

Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of the Company.

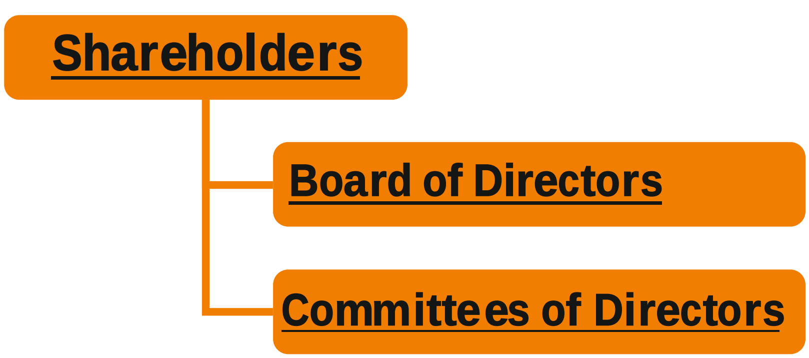
The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), as amended, with regard to Corporate Governance.

GOVERNANCE STRUCTURE

The Corporate Governance structure at GNFC Limited is as follows:

a. **Board of Directors**: The Board is entrusted with an ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

b. **Committees of the Board**: The Board of Directors constitute various Committees of Directors to deal with specific areas and activities which concern the Company's Operations and require a close review. The Committees function as per their respective terms of reference. These Committees play an important role in the overall management and governance of the Company. These Committees meet at regular intervals and take necessary steps to perform its functions entrusted by the Board. Minutes of Meetings of these Committee are recorded and placed before the Board in its subsequent Meeting for noting.



CORPORATE GOVERNANCE

BOARD OF DIRECTORS

PROCESS FOR APPOINTMENT OF THE BOARD MEMBERS AND SENIOR MANAGEMENT:

The Board, with the support of Nomination and Remuneration Committee (N&R Committee), keeps under constant review, the composition of the Board of Directors and its Committees, succession planning, diversity, inclusion and remuneration related matters.

It has sought to balance the composition of the Board of Directors and its Committees and to refresh them progressively over a period of time. In discharging its responsibilities, the N&R Committee regularly reviews the structure, size and composition of the Board and its Committees, including skills, knowledge, independence and diversity, to ensure they are aligned with the Company's strategy.

The N&R Committee strongly believes that diversity and providing an inclusive culture is a key driver of business success and is committed to having a diverse and inclusive leadership team which provides a range of perspectives, insights and challenges needed to support good decision-making, helping with risk management and strategic planning.

PROCESS FOR SELECTION AND APPOINTMENT OF DIRECTORS:

Identification and evaluation of Candidates	Recommendation by the NRC	Approval by the Board	Shareholders' Approval
Nomination & Remuneration Committee (NRC) is authorized for identification and selection for appointment of Directors.	Upon evaluation, the Committee makes recommendation to the Board for approval.	The Board after its approval; recommend the appointment to Shareholders for approval.	The proposal is placed before shareholders for approval.

MEETINGS OF THE BOARD AND COMMITTEES:

Schedule of Meetings and agenda matters

The Board meets at regular intervals to discuss and decide on the Company's business Policies and strategies, in addition to the statutory and other compliances. The Board and Committee Meetings are pre-scheduled and Agenda Notes / Papers circulated to all Directors well in advance to facilitate planning of their schedule and to ensure meaningful participation in the Meetings.

However, in case of business exigenciey, resolutions are passed through circulation.

Circulation of Agenda

All the Agenda papers are disseminated electronically on a real-time basis. The papers are uploaded on a secured online platform specifically designed for this purpose.

The Agenda papers other than Unpublished Price Sensative Information (UPSI) are circulated well in advance as per applicable statutory provisions and those in nature of UPSI are circulated at least 24 hours in advance with Password protection.

Business conducted at Meetings

The business of the Board generally include consideration of important corporate actions and events including but not limited to the followings:

a) Quarterly and Annual Financial Results announcements;
b) Oversight of performance of business;
c) Development and approval of overall business strategy;
d) Board succession planning;
e) Review functioning of Committees in line with the defined Terms of Reference (ToR);
f) Review of internal controls and risk management; and
g) Other strategic, transactional and governance matters as required under the Companies Act, 2013 ('the Act) SEBI Listing Regulations and other applicable laws.

Post-Meeting summary/ Follow Up	Post conclusion of each Meeting of the Board/Committee, Company Secretary circulates summary of the proceedings of all Meetings along with the action points, if any. Various decisions taken at the Board/Committee Meetings are promptly communicated to the concerned Department. In terms of applicable provisions of SS-1, Company Secretary drafts the Minutes and circulate to Directors/Members for suggestion for changes, if any. The draft Minutes, after incorporating changes, if any, is put up to Chairperson for approval. Approved Minutes is signed by Chairperson. Signed Minutes is circulated to Board/Committee Members within prescribed timeline. The matters arising from the business transacted in previous Meetings are reviewed in the subsequent Meetings.

COMPOSITION OF THE BOARD OF DIRECTORS DURING FY 2023-24:

The Company has an active, experienced, diverse and a well-informed Board of Directors. The Board, along with its Committees, undertakes its fiduciary duties keeping in mind the interests of all the Stakeholders and the Company's Corporate Governance philosophy. The Company has an optimum combination of Executive and Non-Executive Directors which is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 and 152 of the Act. The Board periodically evaluates the need for change in its composition and size.

Your Company is managed by a professional Board comprising of ten Directors out of which nine are Non-Executive Directors. Managing Director is the only Executive Director on the Board. Five are Independent Directors, constituting fifty percent of the total strength of the Board.

Profile of Directors is available on the Company's website at https://www.gnfc.in/board-of-directors/

NUMBER OF BOARD MEETINGS HELD

The Board met four (4) times during the FY 2023-24 on the following dates:

1. May 18, 2023
2. August 7, 2023
3. November 8, 2023
4. February 7, 2024

The gap between two Meetings did not exceed 120 days and the Meetings were conducted in compliance with all the applicable provisions of the laws. The required quorum was present for all the Meetings.

None of the Directors on the Board hold Directorships in more than ten public limited companies. None of the Independent Directors serve as an Independent Director on the Board of Directors of more than seven listed entities. Necessary disclosures regarding Committee positions in other public limited companies as on March 31, 2024 have been made by the Directors. None of the Directors is related to each other. None of the Directors has any material pecuniary relationship or transaction with the Company during the year. Further, none of the Director has received any loans or advances from the Company during the year.

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a Director and the number of Directorships and Committee Chairpersonships / Memberships held by them in other public limited companies as on March 31, 2024 are given herein below. Other Directorships and Committee Chairpersonships / Memberships do not include directorships and Committee Chairpersonships / Memberships of private limited companies, foreign companies, high value debt listed entities and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten Committees or Chairperson of more than five Committees across all the public companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

CONFIRMATION OF BOARD ON INDEPENDENCE

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act and the Rules made thereunder. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board has confirmed that they meet the criteria of independence as stated under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act and that they are independent of the management.

CATEGORY AND ATTENDANCE OF DIRECTORS

The category of Directors, attendance at Board Meetings held during the financial year under review, the number of Directorships and Committee Chairpersonships/Memberships held by them in other public limited companies and Directorships held by them in other listed entities as on March 31, 2024 are as follows:

Name of the Director	Category	Number of Board Meetings attended during FY 2023-24	Attendance at last AGM	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies		Directorship in other Listed Companies (Category of Directorship)
				Chairperson	Member	Chairperson	Member	
Shri Vipul Mittra, IAS[1] Chairman DIN: 03108280	Non-Executive - Nominee Director	1 of 1	NA	-	-	-	-	-
Shri Raj Kumar, IAS[2] Chairman DIN: 00294527	Non-Executive, Nominee Director	3 of 3	No	6	1	2	-	1. Gujarat State Fertilizers & Chemicals Ltd. - Non Executive - Nominee Director Chairperson. 2. Gujarat State Petronet Limited - Chairperson & Managing Director 3. Gujarat Gas Limited - Non Executive - Chairperson.
Smt. Mamta Verma, IAS DIN: 01854315	Non-Executive, Non-Independent Director	1 of 4	Yes	5	4	-	2	1. Gujarat State Fertilizers & Chemicals Limited. - Non-Executive - Non Independent Director 2. Torrent Power Limited. 3. Gujarat Gas Limited.-Non-Executive- Non Independent Director 4. Gujarat State Petronet Limited. Non Executive - Nominee Director
Shri Mukesh Puri, IAS DIN: 03582870	Non-Executive, Non-Independent Director	3 of 3	Yes	-	1	-	-	-
Shri Kamal Dayani, IAS[4] DIN: 05351774	Non-Executive, Non-Independent Director	0 of 0	NA	-	3	-	1	1. Gujarat State Fertilizers & Chemicals Limited.- Executive - Nominee Director
Shri J. P. Gupta, IAS DIN: 01952821	Non-Executive, Non-Independent Director	3 of 4	No	1	8	2	5	1. Gujarat Alkalies & Chemicals Limited Non - Executive - Non Independent Director. 2. Gujarat State Fertilizers & Chemicals Limited - Non - Executive - Non Independent Director. 3. Gujarat Gas Limited - Non - Executive - Non Independent Director.
Smt. Gauri Kumar, IAS (Retd.) DIN: 01585999	Non-Executive, Independent - Woman Director	4 of 4	Yes	-	3	1	1	1. Gujarat State Fertilizers & Chemicals Limited - Non Executive - Independent Director. 2. Gujarat Mineral Development Corporation Limited - Non Executive - Independent Director. 3. TVS Supply Chain Solutions Limited - Non Executive - Independent Director
Prof. Ranjan Kumar Ghosh DIN: 08551618	Non-Executive, Independent Director	4 of 4	Yes	-	-	-	-	-
Shri Bhadresh Mehta DIN: 02625115	Non-Executive, Independent Director	4 of 4	Yes	-	4	1	4	1. Gujarat State Petronet Limited - Non-Executive - Independent Director 2. Gujarat Gas Limited - Non-Executive - Independent Director
Dr. N. Ravichandran DIN: 02065298	Non-Executive, Independent Director	4 of 4	Yes	-	1	1	-	-
Prof. Piyushkumar Sinha DIN: 00484132	Non-Executive, Independent Director	4 of 4	Yes	-	4	-	2	1. Infibeam Avenues Limited - Non-Executive - Independent Director 2. Silvertouch technologies Limited - Non-Executive - Independent Director
Shri Pankaj Joshi, IAS Managing Director DIN: 01532892	Executive Director	4 of 4	Yes	1	-	-	-	-

1. Shri Vipul Mittra, IAS ceased to be Director and Chairman of the Company consequent upon superannuation from Service of Government of Gujarat w.e.f. July 31, 2023.
2. Shri Raj Kumar, IAS was nominated and appointed as a Director and Chairman of the Company w.e.f. August 01, 2023 by the Government of Gujarat (GoG) vide its Notification No. EPCD/GNF/e-file/20/2023/1412/E Section dated July 31, 2023. Further, members approval was obtained for his appointment as a Director at the 47th Annual General Meeting.
3. Shri Mukesh Puri, IAS ceased to be Director of the Company consequent upon superannuation from Service of Government of Gujarat w.e.f February 01, 2024.(He has tendered his resignation letter dated February 01, 2024).
4. Shri Kamal Dayani, IAS appointed as an additional Director of the Company w.e.f February 09,2024. Further, members approval was obtained for his apppointment as a Director through Postal ballot on April 11, 2024.

CORPORATE GOVERNANCE

CORE SKILLS / EXPERTISE / COMPETENCIES AVAILABLE WITH THE BOARD

The Board of Directors of the Company is highly structured to ensure a high degree of diversity by age, education/qualifications, professional background, sector expertise and special skills. Based on the recommendations of Nomination & Remuneration Committee, the Board of Directors has identified the following core skills/expertise/competencies as required in the context of businesses and sectors of the Company for its effective functioning and the same is mapped against the name of each of the Directors:

Following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:

Core Skills / Competencies / Expertise

Name of the Director	Knowledge	Behavioral Skills	Strategic thinking and decision making	Financial Skills	Technical / Professional skills	Specialized knowledge to assist the ongoing aspects of the business
Shri Raj Kumar, IAS	✓	✓	✓	✓	✓	✓
Shri Mukesh Puri, IAS	✓	✓	✓	✓	✓	✓
Smt. Mamta Verma, IAS	✓	✓	✓	✓	✓	✓
Shri J. P. Gupta, IAS	✓	✓	✓	✓	✓	✓
Smt. Gauri Kumar, IAS (Retd.)	✓	✓	✓	✓	✓	✓
Prof. Ranjan Kumar Ghosh	✓	✓	✓	✓	✓	✓
Shri Bhadresh Mehta	✓	✓	✓	✓	✓	✓
Dr. N. Ravichandran	✓	✓	✓	✓	✓	✓
Prof. Piyushkumar Sinha	✓	✓	✓	✓	✓	✓
Shri Pankaj Joshi, IAS	✓	✓	✓	✓	✓	✓

Eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

INFORMATION PROVIDED TO THE BOARD

Requisite information as specified in Part - A of Schedule II of Regulation 17 of the SEBI Listing Regulations are made available to the Board of Directors, whenever applicable, for discussions and consideration at the Meeting. Agenda Papers are circulated to Directors in advance, to have focused and meaningful discussions at the Meeting. At every Board Meeting, a presentation is made on the matters covering finance, marketing, operations and any other material / significant developments. In case of business urgency of matters, resolutions are passed by circulation and the same are put-up to the Board / Committee in the next Meeting for ratification. Action Taken Report on the decisions taken at the previous Board / Committee Meeting is placed at immediately succeeding Meeting for deliberations and noting.

As required under the Act and the SEBI Listing Regulations, the Board has constituted mandatory Committees. Meetings of the Committees are held as per Statutory Requirements and whenever need arises. Minutes of all Committee Meetings are placed before the Board for taking note thereof.

The Board periodically reviews the compliance reports of the applicable laws as also the steps taken, by the Company, to rectify non-compliance, if any.

DISCLOSURE REGARDING APPOINTMENT / REAPPOINTMENT OF DIRECTOR(S)

Information as required under Regulation 36(3) of the SEBI Listing Regulations is annexed to the Notice of AGM.

CODE OF CONDUCT

The Board has laid down a Code of Conduct for the Board Members, inter alia, incorporating the duties of Independent Directors as laid down in the Act and the Rules. The Board has also laid down the Code of Conduct for Senior Management Personnel of the Company. These Codes set ethical standards for Directors and Senior Management Personnel. Both the Codes are available on the Company's website viz. www.gnfc.in. All the Board Members and Senior Management Personnel have affirmed their compliance with the said Code of Conduct. A declaration to this effect signed by the Managing Director for the FY 2023-24 is annexed to this Report.

COMMITTEES OF THE BOARD

The Committees constituted by the Board play an important role on governance structure of the Company. The Committees are constituted and function in line with the applicable provisions of the Act, Rules and the SEBI Listing Regulations, as amended. The minutes of the Committee Meetings are tabled at the next Board Meeting.

CORPORATE GOVERNANCE

COMPOSITION OF STATUTORY COMMITTEES AS ON MARCH 31, 2024

All the Committees have optimum composition pursuant to the SEBI Listing Regulations. Composition of Committees as on March 31, 2024:

Name of Director	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	*Risk Management Committee
Shri Raj Kumar, IAS	Chairperson	-	-	-	-	-
Shri Kamal Daynai, IAS	Member	-	-	-	-	-
Smt. Mamta Verma, IAS	Member	-	Member	Member	-	-
Shri J. P. Gupta, IAS	Member	Member	-	-	-	-
Smt. Gauri Kumar, IAS (Retd.)	Member	Member	Chairperson	-	Chairperson	Member
Prof. Ranjan Kumar Ghosh	Member	Member	Member	Chairperson	Member	Chairperson
Shri Bhadresh Mehta	Member	Chairperson	Member	-	Member	Member
Dr. N. Ravichandran	Member	Member	Member	-	Member	Member
Prof. Piyushkumar Sinha	Member	Member	Member	-	Member	Member
Shri Pankaj Joshi, IAS-Managing Director	Member	Member	-	Member	Member	Member

Chairperson	Member

*Shri D. V. Parikh, ED & CFO and Shri A. C. Shah, CS&GM are also Members of the Risk Management Committee.

Your Company has following Committees of Directors:

A. Audit Committee.

B. Nomination and Remmuneration Committee.

C. Stakeholders' Relationship Committee.

D. Corporate Social Responsibility Committee.

E. Risk Mangement Committee.

F. Buyback Committee

G. Project Committee.

H. Human Resource Development Committee

Committees of Directors have been appointed by the Board for making informed decisions in the best interest of the Company. These Committees monitor the activites falling within their respective terms of reference. The details of such Committees are as follows:

A. AUDIT COMMITTEE

CONSTITUTION & COMPOSITION

Audit Committee seeks to ensure better Corporate Governance and provides assistance to the Board of Directors in fulfilling its overall responsibilities. Audit Committee is constituted in accordance with Regulation 18 of the SEBI Listing Regulations read with Section 177 of the Act.

Audit Committee presently comprises of Seven (7) Directors viz.

Name	Role in the Committee	Category
Shri Bhadresh Mehta	Chairman	Non-Executive Independent Director.
Smt. Gauri Kumar, IAS (Retd.)	Member	Non-Executive Independent Director
Prof. Ranjan Kumar Ghosh	Member	Non-Executive Independent Director
Shri J. P. Gupta, IAS	Member	Non-Executive Non-Independent Director
Dr. N. Ravichandran	Member	Non-Executive Independent Director
Prof. Piyushkumar Sinha	Member	Non-Executive Independent Director
Shri Pankaj Joshi, IAS	Member	Managing Director

All Members possess good knowledge of finance and accounts.

- The Company Secretary acts as Secretary to the Committee.

TERMS OF REFERENCE

The terms of reference of Audit committee are in line with the Regulation 18 of the SEBI Listing Regulations, read with Section 177 of the Act, which, inter-alia, include the followings:

i. Review of Quarterly and Annual Financial Statements with the Management before submission to the Board for approval;

ii. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;

iii. Review of adequacy of Internal Control Systems and procedures;

iv. Evaluation of internal financial controls and Risk Management Systems;

v. Review of reports furnished by the Internal Auditors; and

vi. Reviewing the utilization of loans and / or advances from/investment by the holding company in the subsidiary exceeding ` 100.00 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

NUMBER OF MEETINGS

During FY 2023-24, four (4) meetings of the Audit Committee were held with a time-gap of not more than 120 days between any two meetings. The details of said meetings is as follows:

Sr. No.	Date of Meeting	Day on which the Meeting was held	Demmed Venue
1	May 18, 2023	Thursday	Board Room at GIFT City Office of the Company, 14th Floor, GIFT One Tower, Road 5-C, Zone-5, Gandhinagar-382010 Through Video Conferencing / Other Audio Video Mode.
2	August 05, 2023	Saturday	
3	November 07, 2023	Tuesday	
4	February 06, 2024	Tuesday	

Requisite Quorum was present for all the Meetings.

CORPORATE GOVERNANCE

ATTENDANCE AT THE MEETINGS

Attendance of members at the Committee Meeting(s) held during FY 2023-24:

Sr. No.	Member	No. of Meetings held during the tenure of Membership	No. of Meetings Attended
1	Shri Bhadresh Mehta	4	4
2	Smt. Gauri Kumar, IAS (Retd.)	4	4
3	Prof. Ranjan Kumar Ghosh	4	4
4	Shri J. P. Gupta, IAS	4	3
5	Dr. N. Ravichandran	4	4
6	Prof. Piyushkumar Sinha	4	4
7	Shri Pankaj Joshi, IAS	4	4

Shri Bhadresh Mehta, Chairman of Audit Committee remained present at the 47th AGM of the Company held on September 26, 2023.

Statutory Auditors, Internal Auditors and Senior Management Personnel also attends the meetings by invitation. Cost Auditor attends the meeting by invitation, where the Cost Audit Report is discussed.

The recommendations of the Audit Committee are placed before the Board for its consideration and approval.

B. NOMINATION AND REMUNERATION COMMITTEE

CONSTITUTION & COMPOSITION

The Board has constituted "Nomination and Remuneration Committee" in compliance with Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. This Committee presently comprises of six (6) Directors viz.,

Name	Role in the Committee	Category
Smt. Gauri Kumar, IAS (Retd.)	Chaiperson	Non-Executive Independent Director
Prof. Ranjan Kumar Ghosh	Member	Non-Executive Independent Director
Smt. Mamta Verma, IAS	Member	Non-Executive Non-Independent Director
Shri Bhadresh Mehta	Member	Non-Executive Independent Director
Dr. N. Ravichandran	Member	Non-Executive Independent Director
Prof. Piyushkumar Sinha	Member	Non-Executive Independent Director

- The Company Secretary acts as Secretary to the Committee.

TERMS OF REFERENCE

The terms of reference of Nomination and Remuneration Committee are in line with the Regulation 19 of the SEBI Listing Regulations, read with Section 178 of the Companies Act, 2013 which, *inter-alia,* includes the following:

(i) 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 for their appointment and removal;

(ii) Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees;

(iia) For every appointment of an Independent Director, the Nomination and Remuneration Committee evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

(a) use the services of an external agencies, if required;

(b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

(c) consider the time commitments of the candidates.

(iii) Recommend to the board, all remuneration, in whatever form, payable to senior management. "Senior Management" shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

NUMBER OF MEETINGS

During FY 2023-24, one (1) meeting of the Committee was held and the details for the same are as follows:

Sr. No.	Date of Meeting	Day on which the Meeting was held	Demmed Venue
1	March 07, 2024	Thursday	Board Room at GIFT City office of the Company, 14th Floor,GIFT One Tower, Road 5-C, Zone-5, Gandhinagar-382010 Through Video Conferencing / Other Audio Video Mode.

Requisite Quorum was present for the Meeting.

ATTENDANCE AT THE MEETINGS

Attendance of members at the Nomination & Remuneration Committee Meeting(s) held during FY 2023-24:

Sr. No.	Member	No. of Meetings held during the tenure of Membership	No. of Meetings Attended
1	Smt. Gauri Kumar, IAS (Retd.)	1	1
2	Prof. Ranjan Kumar Ghosh	1	1
3	Smt. Mamta Verma, IAS	1	1
4	Shri Bhadresh Mehta	1	1
5	Dr. N. Ravichandran	1	1
6	Prof. Piyushkumar Sinha	1	1

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The entire Board carried out evaluation of Independent Director in the same way as it is done for other Directors of the Company keeping in view the role and responsibility of Independent Directors as mentioned in Schedule – IV to the Act. The interested Director have not participated in the evaluation/s.

Independent Directors were also be evaluated on the following parameters:

(i) Exercise of objective independent judgment in the best interest of the Company.

(ii) Ability to contribute to and monitor Corporate Governance practices.

(iii) Adherence to the Code of Conduct for Independent Directors.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

CONSTITUTION & COMPOSITION

The Stakeholders Relationship Committee was constitued in compliance with Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations. This Committee presently comprises of Three (3) Directors viz.

Name	Role in the Committee	Category
Prof. Ranjan Kumar Ghosh	Chairman	Non-Executive Independent Director.
Smt. Mamta Verma, IAS	Member	Non-Executive Non-Independent Director.
Shri Pankaj Joshi, IAS	Member	Managing Director.

- The Company Secretary acts as Secretary to the Committee.

TERMS OF REFERENCE

The terms of reference of the Committee, *inter alia,* include –

(i) Resolving the grievances of the security holders of the Company 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;

(ii) Review of measures taken for effective exercise of voting rights by shareholders;

(iii) Review of adherence to the service standards adopted by the Company in respect of various services being rendered as Registrar & Share Transfer Agent;

(iv) Review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders.

NUMBER OF MEETINGS

During FY 2023-24, Nine (9) meetings of the Committee were held. Dates on which the said Meetings were held are as follows:

Sr. No.	Date of Meeting	Day on which the Meeting was held	Venue
1	April 13, 2023	Thursday	Board Room at GNFC Info. Tower, 3rd Floor, S.G. Road, Bodakdev, Ahmedabad.
2	July 10, 2023	Monday	
3	August 03, 2023	Thursday	
4	October 04, 2023	Wednesday	
5	October 16, 2023	Monday	
6	December 06, 2023	Wednesday	
7	January 03, 2024	Wednesday	
8	February 05, 2024	Monday	
9	March 27, 2024	Wednesday	

Requisite Quorum was present for all the Meetings.

ATTENDANCE AT THE MEETINGS

Attendance of Members at the Stakeholders' Relationship Committee Meeting(s) held during FY 2023-24.

Sr. No.	Name of Member	No. of Meetings held during the tenure of Membership	No. of Meetings Attended
1	Prof. Ranjan Kumar Ghosh	9	9
2	Smt. Mamta Verma, IAS	9	9
3	Shri Pankaj Joshi, IAS	9	9

COMPLIANCE OFFICER

Shri A. C. Shah, Company Secretary is the Compliance Officer of the Company for complying with the requirements of the SEBI Listing Regulations, 2015 as also of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

INVESTORS' GRIEVANCE REDRESSAL

Shri A. C. Shah, Company Secretary is the Compliance Officer for resolution of Shareholders' / Investors' complaints. During the financial year ended March 31, 2024, seventy four (74) complaints were received from the Shareholders.

Status of Investor Complaints as on March 31, 2024 as reported under Regulation 13(3) of the SEBI Listing Regulations is as follows:

Complaints pending as on April 01, 2023	0
Received during the year	74
Resolved during the year	74
Pending as on March 31, 2024	0

The complaints have been resolved to the satisfaction of the shareholders. The correspondence identified as investor complaints are letters received through statutory/regulatory bodies.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

CONSTITUTION & COMPOSITION

The Corporate Social Responsibility Committee (CSR Committee) was constituted in compliance with Section 135 and Schedule-VII to the Act. This Committee presently comprises of Six (6) Directors viz. –

Name	Role in the Committee	Category
Smt. Gauri Kumar, IAS (Retd.)	Chairperson	Non-Executive Independent Director
Prof. Ranjan Kumar Ghosh	Member	Non-Executive Independent Director
Shri Bhadresh Mehta	Member	Non-Executive Independent Director
Dr. N. Ravichandran	Member	Non-Executive Independent Director
Prof. Piyushkumar Sinha	Member	Non-Executive Independent Director
Shri Pankaj Joshi, IAS	Member	Managing Director

- The Company Secretary acts as Secretary to the Committee.

TERMS OF REFERENCE

The terms of reference of the Committee as per section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy), Rules, 2014 *inter alia,* include –

(i) Formulation and recommendation to the Board a CSR Policy indicating CSR projects / programs / activities to be undertaken falling within the purview of Schedule-VII to the Act;

(ii) Developing the process of monitoring CSR projects / programs / activities stated in CSR Policy from time to time; and

(iii) Ensuring that the Company spends on CSR Activities, in every financial year, at least 2% of the average Net Profits made during the three immediately preceding financial years in pursuance of its CSR Policy.

NUMBERS OF MEETINGS & ATTENDANCE

During FY 2023-24, Four (4) Meetings of the Committee were held. Dates on which the said Meetings were held are as follows:

Sr. No.	Date of Meeting	Day on which the Meeting was held	Demmed Venue
1	May 04, 2023	Thursday	Board Room at GIFT City office of the Company, 14th Floor,GIFT One Tower, Road 5-C, Zone-5, Gandhinagar-382010 Through Video Conferencing / Other Audio Video Mode.
2	July 29, 2023	Saturday	
3	February 08, 2024	Thursday	
4	March 13, 2024	Wednesday	

Requisite quorum was present for all the meetings.

ATTENDANCE AT THE MEETINGS

Attendance of Members at the Corporate Social Responsibility Committee Meeting(s) held during FY 2023-24.

Sr. No.	Name of Member	No. of Meetings held during the tenure of Membership	No. of Meetings Attended
1	Shri Vipul Mittra, IAS[1]	2	2
2	Smt. Gauri Kumar, IAS (Retd.)[2]	4	4
3	Prof. Ranjan Kumar Ghosh	4	4
4	Shri Bhadresh Mehta	4	4
5	Dr. N. Ravichandran	4	3
6	Prof. Piyushkumar Sinha	4	4
7	Shri Pankaj Joshi, IAS	4	4

[1] Shri Vipul Mittra, IAS ceased to be Chairman of the Committee w.e.f. July 31, 2023.

[2] The Committee was reconstituted on August 7, 2023 and Smt. Gaurikumar, IAS (Retd.) became the Chairperson of the Committee.

E. RISK MANAGEMENT COMMITTEE

CONSTITUTION & COMPOSITION

Risk Managment Committee was constitued in compliance with the amended Regulation 21 of the SEBI Listing Regulations. This Committee presently comprises of following Eight (8) Members viz.

Name	Role in the Committee	Category
Prof. Ranjan Kumar Ghosh	Chairman	Non-Executive Independent Director
Smt. Gauri Kumar, IAS (Retd.)	Member	Non-Executive Independent Director
Shri Bhadresh Mehta	Member	Non-Executive Independent Director
Dr. N. Ravichandran	Member	Non-Executive Independent Director
Prof. Piyushkumar Sinha	Member	Non-Executive Independent Director
Shri Pankaj Joshi, IAS	Member	Managing Director
Shri D. V. Parikh	Member	ED & CFO
Shri A. C. Shah	Member	CS & GM

- The Company Secretary also acts as Secretary to the Committee.

TERMS OF REFERENCE

The terms of reference of Risk Managment Committee are in line with the Regulation 21 of the SEBI Listing Regulations, which, *inter-alia,* include the following

(i) To formulate a detailed risk management policy;

(ii) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(iii) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(iv) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(v) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(vi) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

NUMBER OF MEETINGS AND ATTENDANCE

During FY 2023-24, Two (2) Meetings of the Committee were held. Dates on which the said Meetings were held are as follows:

Sr. No.	Date of Meeting	Day on which the Meeting was held	Demmed Venue
1	September 11, 2023	Monday	Board Room at GIFT City office of the company, 14th Floor,GIFT One Tower, Road 5-C, Zone-5, Gandhinagar-382010 Through Video Conferencing / Other Audio Video Mode.
2	March 07, 2024	Thursday	

Requisite Quorum was present for all the meetings.

CORPORATE GOVERNANCE

ATTENDANCE AT THE MEETINGS

Attendance of Members at the Risk Management Committee Meeting(s) held during FY 2023-24

Sr. No.	Name of Member	No. of Meetings held during the tenure of Membership	No. of Meetings Attended
1	Prof. Ranjan Kumar Ghosh	2	2
2	Smt. Gauri Kumar, IAS (Retd.)	2	2
3	Shri Bhadresh Mehta	2	2
4	Dr. N. Ravichandran	2	2
5	Prof. Piyushkumar Sinha	2	2
6	Shri Pankaj Joshi, IAS	2	2
7	Shri D. V. Parikh	2	2
8	Shri A. C. Shah	2	2

F. BUY-BACK COMMITTEE

CONSTITUTION & COMPOSITION

The Company has completed Buy-back of 84,78,100 Equity Shares of face value of ` 10/- each at a price of ` 770/- per Equity Share.

After Buyback, the Paid-up capital of the Company has now been reduced to ` 1,46,94,06,830 from ` 1,55,41,87,830.

Buyback Committee was constituted by the Board of Directors on November 8, 2024 to give effect to the Buyback. This Committee presently comprises of following Four (4) Members viz.

Name of Director	Role in the Committee	Category
Prof Ranjan Kumar Ghosh	Chairman	Non-Executive Independent Director
Smt Gaurikumar, IAS (Retd.)	Member	Non-Executive Independent Director
Dr. N. Ravichandran	Member	Non-Executive Independent Director
Shri Pankaj Joshi, IAS	Member	Managing Director

During FY 2023-24, Four (4) Meetings of the Committee were held. Dates on which the said Meetings were held are as follows:

Sr. No.	Date of Meeting	Day on which the Meeting was held	Venue/Deemed Venue
1	November 08, 2023	Wednesday	Meeting Room, 5th Floor, Block No. 1, New Sachivalaya, Gandhinagar – 382 010.
2	November 24, 2023	Friday	Board Room at GIFT City Office of the Company, 14th Floor, GIFT One Tower, Road 5-C, Zone-5, Gandhinagar-382010 Through Video Conferencing / Other Audio Video Mode
3	December 13, 2023	Wednesday	
4	December 20, 2023	Wednesday	

ATTENDANCE AT THE MEETINGS

Attendance of Members at the Buyback Committee Meeting(s) held during FY 2023-24.

Sr. No.	Name of Member	No. of Meetings held during the tenure of Membership	No. of Meetings Attended
1	Prof Ranjan Kumar Ghosh	4	4
2	Smt Gaurikumar, IAS (Retd.)	4	3
3	Dr. N. Ravichandran	4	3
4	Shri Pankaj Joshi, IAS	4	4

SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate Meeting of Independent Directors (IDs), without attendance of Non-Independent Directors and Members of Management as required under Schedule IV to the Act read with Regulation 25(3) of the SEBI Listing Regulations was held on March 07, 2024.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

A system is in place to familiarize the Independent Directors about the Company by providing a Director's pact covering the details about the Company as follows:

Sr. No.	Particulars
1	Operational and financial highlights
2	Various Plants with installed capacity and products manufactured by the Company
3	CSR Projects / Activities
4	Their role, rights and responsibilities as per the Act, Rules and the SEBI Listing Regulations
5	Nature of industry in which the Company operates
6	Business model of the Company

While considering quarterly and Annual Financial Results, a presentation is made to the Audit Committee and to the Board of Directors, inter-alia, covering Operational and Financial performance of the Company.

The familiarization program is disclosed on the Company's Website and can be accessed at web link – https://www.gnfc.in/wp-content/uploads/2024/02/Familarisation-of-IDs_GNFC_v.pdf

Particulars of the Senior Management and changes thereof:

Name of Senior Management Personnel	Designation	Department	Changes/ Remarks
Prashant Anilkumar Shah	Executive Director	Services - Inspection, Laboratory, Civil, R&D, Township Administration Office, Secrity, Fire &Safety.	Retired on May 31, 2023 and re-engaged after retirement w.e.f. June 07, 2023 & Completion of Contract on March 31, 2024
Dilipkumar Vinodchandra Parikh	Executive Director And Chief Financial Officer	Finance and n(Code) Division	No change during the year
Yogesh Nagajibhai Patel	HOD (O&M)	Operations & Maintenance, Business Strategy Development, Projects and Medical Services	No change during the year. On extension after retirement during the entire period.

Hemendra Rameshchandra Kikani	General Manager	Business And Strategy Development	Promoted as GM w.e.f. April 01, 2023
Jagdish Hiralal Thakkar	General Manager	Project Group	Promoted as GM w.e.f. April 01, 2023
Piyush Kishorkant Mankad	General Manager	Business And Strategy Development, Administration, Training Centre	Promoted as GM w.e.f. April 01, 2023
Pradip Madhavlal Patel	General Manager	Ammonia Production, Electrical & Instrument	Retired on June 30, 2023
Rajesh Natwarlal Desai	General Manager	Comp.Maint.Group, Central Workshop, Spare Planning Group	Retired on June 30, 2023
Kaushikkumar Chandrakant Patva	General Manager	Instrument And Electrical	Retired on July 31, 2023
Murtaza Ismail Shamsi	General Manager	Nitrophosphate, ECU, ISO	No change during the year
Nitin Nanjibhai Patel	General Manager	Technical Services, Ammonia	No change during the year
Pankaj Kanaiyalal Purohit	General Manager	Steam & Power Generation	No change during the year
Shardul Narendra Vora	General Manager	Mechanical Maintenance, Cmg, Central Mechanical Workshop	No change during the year
Ashwin Chimanlal Shah	Company Secretary & General Manager (Legal)	Secretarial & Legal	No change during the year
Jiten Ishverlal Desai	General Manager	MKTG (Industrial Product)	Completion of contract w.e.f. July 31, 2023
Kaushikkumar Harishbhai Patel	General Manager	TDI-II Process	Promoted as GM w.e.f. April 01, 2023, Retired on September 30, 2023 and re-engaged after retirement w.e.f. October 06, 2023
Devangkumar Rameshchandra Purani	General Manager	O&M	Resigned w.e.f. September 25, 2023
Pankaj Kanaiyalal Sanadhya	General Manager	Human Resources, Public Relations & Advertising, CSR	Retired on September 30, 2023 and re-engaged after retirement w.e.f. October 04, 2023
Manish Chandra Prakash Billore	Additional General Manager	Fertilizers Marketing, Delhi Guest House	No change during the year
Bhavesh Chhaganbhai Merja	Additional General Manager	Materials Management, Mumbai Office	Retired on October 31, 2023 and re-engaged after retirement w.e.f. November 04, 2023
Manish Mulshanker Upadhyay	Additional General Manager	Marketing (Industrial Product)	No change during the year. Reengaged after retirement during the entire period.

GNFC

REMUNERATION OF DIRECTORS / KEY MANAGERIAL PERSONNEL / SR. MANAGEMENT PERSONNEL AND PERFORMANCE EVALUATION OF DIRECTORS

The Board has approved "Nomination, Remuneration & Evaluation Policy" based on the recommendations of the Nomination & Remuneration Committee. The said Policy, inter alia, deals with composition and functioning of Nomination & Remuneration Committee, procedure for selection and appointment of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP), remuneration to Directors, KMP and SMP, performance evaluation of Directors, Board Diversity and criteria for performance evalution of Directors.

The Company has in place various grades for the purpose of remuneration to its employees including Senior Executives. KMP and SMP draw the remuneration of their respective grade and as per the terms and conditions of their appointment.

DETAILS OF REMUNERATION PAID TO DIRECTORS

MANAGING DIRECTOR

In exercise of the powers vested under Article 136 of the Articles of Association of the Company (AoA), Shri Pankaj Joshi, IAS Additional Chief Secretary to the Chief Minister - Gujarat, has been appointed as Mananging Director on the Board of Directors of the Company effective from July 16, 2020. Shri Pankaj Joshi, IAS is holding the additional charge as Managing Director of the Company and drawing remuneration from the Govt. of Gujarat (GoG).

AS per the terms as to remuneration, received from the General Administration Department (GAD), GoG, the Company pays Special Pay/Charge Allowance @ 5% of Basic Pay as per Sixth Pay Commission to Shri Pankaj Joshi, IAS as Managing Director of the Company. Such payment of Special Pay/Charge Allowance is subject to the ceiling limit specified in Schedule V to the Act.

The remuneration payable to the Managing Director is decided by the GoG. Such remuneration is fixed as per the Government Rules / Norms and is not linked with the performance criteria of the Company.

NON-EXECUTIVE DIRECTORS

Sitting Fees @ ` 17,500/- is paid to the Non-Executive Independent Directors as well as Non-Executive Non-Independent Directors for attending each Meeting of the Board or Committee thereof plus incidental expenses of ` 4000/- per day for attending such Meetings.

Details of Sitting Fees paid to Non-Executive Directors during FY 2023-24

Director	Sitting Fees Paid (Amount `)
Shri Vipul Mittra, IAS*	52,500
Shri Raj Kumar, IAS*	52,500
Smt. Mamta Verma, IAS*	1,75,000
Smt. Gauri Kumar, IAS (Retd.)	3,67,500
Shri Mukesh Puri, IAS*	87,500
Prof. Ranjan Kumar Ghosh	4,90,000
Shri J. P. Gupta, IAS*	1,22,500
Shri Bhadresh Mehta	3,15,000
Dr. N. Ravichandran	3,85,000
Prof. Piyushkumar Sinha	2,80,000

** Amount deposited in Government Treasury.*

CORPORATE GOVERNANCE

EQUITY SHARES HELD IN THE COMPANY BY NON-EXECUTIVE DIRECTORS

Shri Bhadresh Mehta, Independent Director, holds 75 equity shares in the Company as a joint holder with Dr. Jaina Bhadresh Mehta (wife) as on March 31, 2024. None of the other Non-Executive Directors held the Company's equity shares as on March 31, 2024. The Company has not issued any convertible instruments. The Company has not granted any Stock Option to its Directors.

GENERAL BODY MEETINGS

(a) ANNUAL GENERAL MEETING (AGM)

The date and time of AGMs held during last three years and the Special Resolutions passed thereat are as follows:

Year	Date of AGM	Time	Venue	Special Resolution Passed
2022-23	September 26, 2023	03:00 PM	Through Video Conferencing / Other Audio Video Mode	1. Payment of remuneration as per the terms and conditions of appointment, Shri Vipul Mittra, IAS Chairman.
2021-22	September 27, 2022	03:30 PM		1. Appointment of Shri Bhadresh Mehta (DIN: 02625115) as an Independent Director of the Company. 2. Appointment of Dr. N. Ravichandran (DIN: 02065298) as an Independent Director of the Company.
2020-21	September 23, 2021	03:00 PM		———None——-

All the resolutions moved at the last Annual General Meeting were passed with requisite majority.

(b) EXTRA-ORDINARY GENERAL MEETING

No Extra-ordinary General Meeting of Members was held during FY 2023-24.

POSTAL BALLOT

During October 2023, the Company had sent a Notice to the Members proposing to pass a Special Resolution through Postal Ballot:

SPECIAL RESOLUTION:

Sr. No.	Particulars of Resolution
1	Re-appointment of Smt. Gauri Kumar, IAS (Retd.) (DIN: 01585999) as an Independent Woman Director of the Company

RESULT OF VOTING THROUGH POSTAL BALLOT BY REMOTE E-VOTING:

Votes Cast	Number of Members	Number of Votes	% of total No. of valid votes cast
In favor	754	9,44,76,854	97.16
Against	78	27,62,522	2.84
Abstained	10	16,367	-

During March 2024, the Company had sent a Notice to the Members proposing to pass a Ordinary Resolution through Postal Ballot:

ORDINARY RESOLUTION:

Sr. No.	Particulars of Resolution
1	Appointment of Shri Kamal Dayani, IAS (DIN: 05351774) as Director of the Company

RESULT OF VOTING THROUGH POSTAL BALLOT BY REMOTE E-VOTING:

Votes Cast	Number of Members	Number of Votes	% of total No. of valid votes cast
In favor	854	9,57,18,063	99.12
Against	73	8,45,324	0.88
Abstained	15	2,159	-

PROCEDURE FOR POSTAL BALLOT:

A. Special Resolution passed for Re-appointment of Smt. Gauri Kumar, IAS (Retd.) as an Independent Woman Director of the Company

Pursuant to the provisions of Section 110 of the Act read with Rule 22 of Companies (Management and Administration) Rules, 2014 (M&A Rules), as amended, the Company had issued Postal Ballot Notice dated September 30, 2023 to the Members, seeking their consent with respect to re-appointment of Smt. Gauri Kumar, IAS (Retd.) (DIN: 01585999) as an Independent Director of the Company. In compliance with the provisions of Sections 108, 110 and all other applicable provisions of the Act read with the M&A Rules, the Company had provided remote e-voting facility to all the Members of the Company.

The Company engaged the services of KFin Technologies Limited, Registrar and Share Transfer Agents of the Company for facilitating e-voting to enable the Members to cast their votes electronically.

The Board of Directors had appointed CS J. J. Gandhi, Proprietor of M/s. J. J. Gandhi & Co.,Practicing Company Secretaries, as the Scrutinizer for conducting the Postal Ballot through e-voting process in a fair and transparent manner.

The e-voting period commenced on Monday, the October 9, 2023 at 9:00 A.M. (IST) and ended on Tuesday, November 7, 2023 at 5:00 P.M. (IST). The cut-off date, for the purpose of determining the number of Members was Thursday, October 5, 2023. A newspaper advertisement, as required under the Act was published in Ahmedabad edition of "Financial Express" (English Newspaper) and Vadodara edition of "Loksatta Jansatta" (Gujarati Newspaper) on October 8, 2023.

The Scrutiniser, after the completion of scrutiny, submitted his report to Shri A. C. Shah, Company Secretary, who was duly authorised by the Chairperson to accept, acknowledge and countersign the Scrutiniser's Report as well as declare the voting results in accordance with the provisions of the Act, the Rules framed thereunder and Secretarial Standard – 2, issued by the Institute of Company Secretaries of India.

The consolidated results of the voting by Postal Ballot and e-voting were announced on November 8, 2023. The results were also displayed on the Website of the Company at www.gnfc.in and on the Website of KFin Technologies Limited and can be access by clicking on https://www.kfintech.com/ and also communicated to BSE Limited (BSE), National Stock Exchange of India Limited (NSE).

B. Ordinary Resolution passed for Appointment of Shri Kamal Dayani, IAS as Director of the Company

Pursuant to the provisions of Section 110 of the Act read with Rule 20 and 22 of Companies (Management and Administration) Rules, 2014 (M&A Rules), as amended, the Company had issued Postal Ballot Notice dated March 1, 2024 to the Members, seeking their consent with respect to Appointment of Shri Kamal Dayani, IAS (DIN: 05351774) as Director of the Company. In compliance with the provisions of Sections 108, 110 and all other applicable provisions of the Act read with the M&A Rules, the Company had provided remote e-voting facility to all the Members of the Company.

The Company engaged the services of KFin Technologies Limited, Registrar and Share Transfer Agents of the Company for facilitating e-voting to enable the Members to cast their votes electronically. The Board of Directors had appointed CS J.

J. Gandhi, Proprietor of M/s. J. J. Gandhi & Co., Practicing Company Secretaries, as the Scrutinizer for conducting the Postal Ballot through e-voting process in a fair and transparent manner.

The e-voting period commenced on Wednesday, March 13, 2024 at 9:00 A.M. (IST) and ended on Thursday, April 11, 2024 at 5:00 P.M. (IST). The cut-off date, for the purpose of determining the number of Members was Friday, March 8, 2024. A newspaper advertisement, as required under the Act was published in Ahmedabad Edition of "The Indian Express" (English Newspaper) and Vadodara Edition of " Loksatta Jansatta" (Gujarati Newspaper) on March 12, 2024.

The Scrutiniser, after the completion of scrutiny, submitted his report to Shri A C Shah, Company Secretary, who was duly authorised by the Chairperson to accept, acknowledge and countersign the Scrutiniser's Report as well as declare the voting results in accordance with the provisions of the Act, the Rules framed thereunder and Secretarial Standard – 2, issued by the Institute of Company Secretaries of India.

The consolidated results of the voting by Postal Ballot and e-voting were announced on April 12, 2024. The results were also displayed on the Website of the Company at www.gnfc.in and on the Website of KFin Technologies Limited at https://evoting.kfintech.com/ and also communicated to BSE Limited (BSE), National Stock Exchange of India Limited (NSE).

DISCLOSURES

RELATED PARTY TRANSACTIONS

The Company has formulated a Policy on Related Party Transactions (RPT Policy) which is available on the Company's Website and can be accessed at the Link – chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/
https://www.gnfc.in/wp-content/uploads/2021/04/Related-Party-Transactions-Policy.pdf

During FY 2023-24, the Company has not entered into any contract / arrangement / transaction with Related Parties, which could be considered material in accordance with the Policy on RPTs. In terms of the omnibus approval accorded by the Audit Committee, a Statement in the summary form of transactions with Related Parties, which are routine and repetitive in nature, in the ordinary course of business and on arm's length basis is periodically placed before the Audit Committee for review and approval. None of the transactions with Related Parties were in conflict with the Company's interest.

SUBSIDIARY COMPANY

The Company has no Subsidiary Company for the reporting period.

ACCOUNTING TREATMENT

The Company has followed Indian Accounting Standards (Ind AS) in preparation of the Financial Statements for the FY 2023-24 as per the road map announced by the Ministry of Corporate Affairs (MCA), GoI. The Significant Accounting Policies which are consistently applied are set out in the Notes to the Financial Statements.

DETAILS OF NON-COMPLIANCE

The Company has complied with all the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, as amended.

There has been no fine / penalty / stricture imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India or any other Statutory Authority on any matter related to capital markets during last three financial years.

RISK MANAGEMENT

The Company has laid down procedures to inform the Board Members about the risk assessment and risk mitigation mechanism. Risk Management Report is periodically reviewed by the Risk Management Committee / Audit Committee / Board of Directors.

RECONCILIATION OF SHARE CAPITAL AUDIT

Mrs. Savita Jyoti, from Savita Jyoti Associates, qualified Practicing Company Secretary carried out Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical mode and the total number of dematerialized shares held with NSDL and CDSL. Such Quarterly Reports are submitted to BSE and NSE within thirty (30) days from the end of each quarter and also placed before the Board Meetings for noting.

CODE OF PREVENTION OF INSIDER TRADING PRACTICES

The Company has in place a Code of Conduct for Prevention of Insider Trading under SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. With a view to regulate trading in securities by the designated persons, the Code lays down the guidelines, which advises the designated persons, on the procedures to be followed and disclosures to be made by them, while dealing in the Company's shares and cautioning them of the consequences of violations, if any.

The Company has adopted the "Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information", as required under the said Regulations.

There was no instance during the FY 2023-24 when the Board had not accepted any recommendation of any Committee of the Board.

VIGIL MECHANISM CUM WHISTLE BLOWER POLICY

The Company has in place "Vigil Mechanism-cum-Whistle Blower Policy" to provide a formal mechanism to the directors and employees to report their genuine concerns about the unethical behaviour, actual or suspected fraud, etc. The mechanism provides for adequate safeguards against victimization of employees, who use such mechanism. During the year, no employee was denied access to the Audit Committee. The Policy is displayed on the Company's Website and can be accessed at link - https://www.gnfc.in/wp-content/uploads/2021/04/Vigill-Mechanism-Cum-Whistle%20Blower-Policy_21102014.pdf

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

The Company is committed to ensuring that all employees work in an environment that not only promote diversity and equality but also mutual trust, equal opportunity and respect for human rights. The Company is also committed to provide a work environment that ensures every woman employee is treated with dignity, respect and afforded equal treatment.

The Company has formulated a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is aimed at providing every woman at the workplace a safe, secure and dignified work environment.

The Company has constituted Internal Committee to redress the complaint(s).

Details of the complaints:

No. of Complaints filed during the financial year	0
No. of Complaints disposed of during the financial year	0
No. of Complaints pending as on end of the financial year	0

LIST OF CREDIT RATINGS OBTAINED BY THE COMPANY DURING THE FY 2023-24:

Nature of Instrument	Present Rating
Fund Based facilities	ACUITE AA+ / Stable Assignment.
Non-Fund Based facilities	ACUITE A1+ / Assignment.

CEO / CFO CERTIFICATION

In terms of Regulation 17(8) of the SEBI Listing Regulations, the Managing Director (CEO) and Chief Financial Officer (CFO) have furnished Annual Certification on financial reporting and internal controls to the Board of Directors. They have also furnished quarterly certification on unaudited financial results to the Board under Regulation 33(2) of the SEBI Listing Regulations.

CORPORATE GOVERNANCE

FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

During FY 2023-24, the Company managed the foreign exchange risks and hedged to the extent considered necessary. The Company enters into forward contracts for hedging (including natural hedging) foreign exchange exposures against imports and exports.

COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN SEBI LISTING REGULATIONS

The Company has complied with the requirements of sub-paras (2) to (10) of Part-C to Schedule-V to the SEBI Listing Regulations.

The Company has also complied with Corporate Governance requirements specifed in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations and necessary disclosures have been made in this Corporate Governance Report. No funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of SEBI Listing Regulations.

A Certificate as to the compliance of conditions of Corporate Governance issued by Practising Company Secretary is appended with this Report.

MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion & Analysis Report forms part of this Annual Report and include discussions on various matters specified under Regulation 34(3) and Schedule-V to the SEBI Listing Regulations.

CORPORATE POLICIES

- Code of Conduct for prevention of insider trading in securities of the Company
- Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information
- Nomination, Remuneration and Evaluation Policy
- Business Responsibility Policy
- Dividend Distribution Policy
- Policy for Determination of Materiality of Events / Information
- Vigil Mechanism cum Whistle Blower Policy
- Related Party Transactions Policy

COMMUNICATION TO SHAREHOLDERS

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as:

Results Announcements	The Quarterly, Half yearly and Annual Results of the Company's performance are published in leading newspapers such as Business Standard, Indian Express, Sandesh and Gujarat Samachar.
Annual Report and AGM	Annual Report containing Audited Standalone and Consolidated Financial Statements together with Report of Board of Directors, Management Discussion and Analysis Report, Corporate Governance Report, Auditors Report and other important information are circulated to the Members. In the AGM, the shareholders also interact with the Board and the Management.
Media Releases	All our news releases and presentations made at investor conferences and to analysts are hosted on the website of the Company.

Company's Website	The Company's website contains a dedicated section for Investors where Annual Reports, Quarterly and Annual Results, Stock Exchange filings, Press Releases, Quarterly Reports, and all Statutory Policies are available, apart from the details about the Company, Board of Directors and Management. The website also displays vital information relating to the Company and its performance, official press releases and presentation to analysts.
Designated Email Ids	For Investor: investor@gnfc.in
Stock Exchanges	All price sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS), NSE Digital Exchange platform and BSE Listing Centre, for dissemination on their respective websites. The stock exchange filings are also made available on the website of the Company at www.gnfc.in.
SCORES (SEBI Investor Grievance Redressal System)	SCORES platform of SEBI facilitates online filing of investor grievance and online view of the status. The Company endeavours to redress the grievance of the Investors as soon as it receives it from the SCORES platform.
Smart ODR (Online Dispute Resolution) Portal	Securities and Exchange Board of India ("SEBI"), vide its circular dated July 31, 2023, as amended, has introduced a common Online Dispute Resolution Portal ("ODR Portal") to facilitate online conciliation and arbitration for resolution of disputes arising in the Indian securities market.

INVESTOR SERVICES

WEB-BASED QUERY REDRESSAL SYSTEM

Members may utilise the facility extended by the Registrar and Share Transfer Agent for redressal of queries, by visiting www.kfintech.com and clicking on 'INVESTORS SERVICES' option for query registration through an identity registration process. Investors can submit their query in the 'QUERIES' option provided on the said website, that would generate the query registration number. For accessing the status/response to the query submitted, the query registration number can be used at the option 'VIEW REPLY' after 24 hours. Investors can continue to put an additional query, if any, relating to the grievance till they get a satisfactory reply.

CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

Certificate as required under Part C of Schedule V to the SEBI Listing Regulations, received from Shri Suresh Kumar Kabra, (CP No. 9927) partner of Samdani Shah & Kabra, Practicing Company Secretaries, Vadodara, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. The Certificate is enclosed as Annexure 1 to this Report.

TOTAL FEES FOR ALL THE SERVICES RENDERED BY THE STATUTORY AUDITORS AND ALL ENTITIES IN THE NETWORK ENTITY IN WHICH THE STATUTORY AUDITOR IS A PART

The Members of the Company had, in the 45th AGM held in the year 2021, approved the appointment of M/s. Suresh Surana & Associates LLP as Statutory Auditors for a period of five (5) consecutive years from the conclusion of 45th AGM till the conclusion of 50th AGM of the Company, vice M/s. SRBC & Co. LLP.

CORPORATE GOVERNANCE

Total Fees paid to the Statutory Auditors is:

Name of the Staturory Auditor (M/s. Suresh Surana & Associates LLP)	(` in Crores)
Statutory Audit Fee	0.14
Other Services including reimbursement of expenses	0.34

COMPLIANCE

MANDATORY REQUIREMENTS

The Company is fully compliant with the applicable mandatory requirements of the SEBI Listing Regulations for the FY 2023-24.

ADOPTION OF REGULATION REQUIREMENTS

The following non-mandatory requirements under Part E of Schedule II to the Listing Regulations to the extent they have been adopted are:

i. **The Board:** Shri Raj Kumar, IAS, Non-Executive Chairman, is entitled to maintain a Chairman Office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

ii. **Non-Executive Chairman's Office:** Chairman's Office is separate from that of the Managing Director. The Chairman is a Non-Executive Director and not related to the Managing Director.

iii. **Shareholders' Rights:** The quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's Website.

iv. **Modified Opinion in Auditors Report:** The Company's Financial Statements for the Financial Year ended March 31, 2024 do not contain any modified Audit Opinion.

v. **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee. They regularly attend Meetings of the Audit Committee wherein they present their Audit Observations to the Audit Committee.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Day	:	Friday
Date	:	September 20, 2024
Time	:	03:00 P.M.
Venue	:	The AGM of the Company is being held through VC/OAVM. The deemed venue for the 48th AGM will be the Registered Office of the Company at the Board Room, P.O. Narmadanagar - 392 015, District: Bharuch
Financial Year	:	April 1, 2023 to March 31, 2024

Financial Calendar : (Tentative)

Results for the Quarter ending on		Announced / will be announced by
June 30, 2024	:	August 13, 2024
September 30, 2024	:	November 14, 2024*

December 31, 2024	:	February 14, 2025*
March 31, 2025	:	May 30, 2025*

*** These are indicative dates subject to change as per the MCA Circular(s) that may be issued from time to time.**

Books Closure

Closure of Register of Members and Share Transfer Books	:	Friday, September 13, 2024 to Friday, September 20, 2024 (both days inclusive)
Dividend Payment Date	:	On or after September 23, 2024

LISTING:

Equity shares of the Company are presently listed with the following two Stock Exchanges:

1) **National Stock Exchange of India Limited (NSE)**

   Exchange Plaza, 5th Floor, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051; and

2) **BSE Limited (BSE)**

   PJ Towers, Dalal Street, Mumbai - 400 001.

LISTING FEES TO STOCK EXCHANGES

The Company has already paid Annual Listing Fees to NSE and BSE for the FY 2024-25.

CUSTODIAL FEES TO DEPOSITORIES

The Company has already paid Custodial Fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the FY 2024-25.

OTHER DETAILS

DETAILS OF SECURITY

ISIN for the Company's equity shares is: **INE113A01013**. The Stock Code of Company's equity shares at BSE Limited, Mumbai is **"500670"** and at National Stock Exchange of India Limited, Mumbai, is **"GNFC EQ"**.

CORPORATE GOVERNANCE

STOCK MARKET PRICE DATA

Monthly High & Low of Company's share price on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), during FY 2023-24

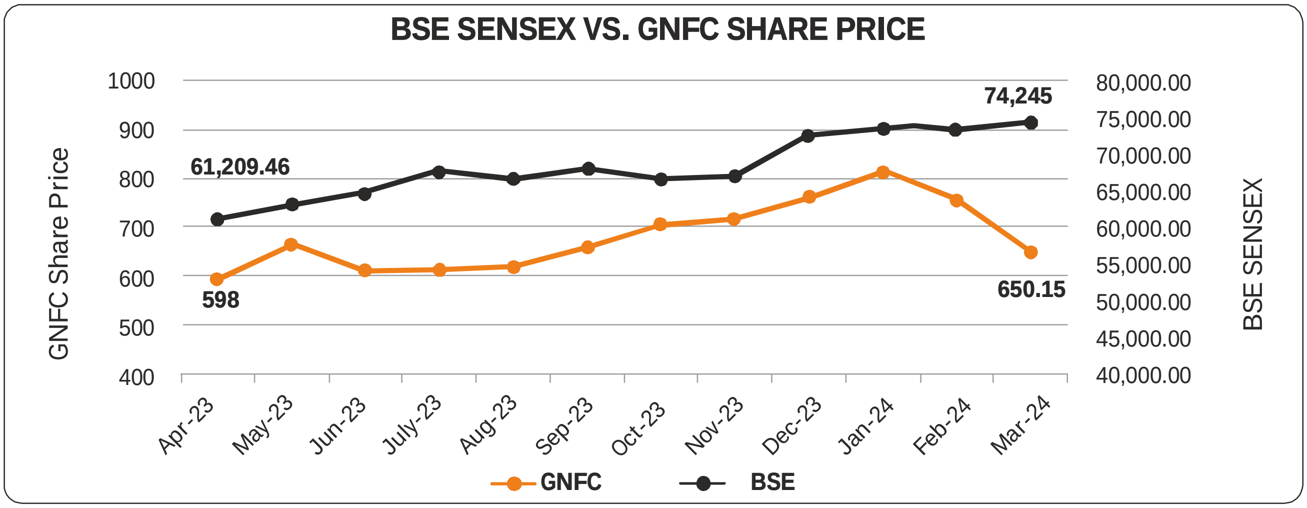
(Amount in `)

MONTH	BSE		NSE	
	High	Low	High	Low
April - 2023	598.00	510.55	598.00	510.80
May	666.35	581.30	666.60	580.00
June	613.60	562.65	613.50	562.70
July	615.35	580.05	615.50	580.00
August	620.95	532.00	621.00	532.00
September	662.00	595.25	661.90	595.15
October	706.90	600.05	707.00	601.00
November	720.20	660.45	720.50	660.50
December	762.90	681.25	763.00	686.65
January - 2024	814.85	703.45	814.90	702.70
February	757.85	627.80	755.00	627.70
March	650.15	590.00	650.15	590.25

STOCK PERFORMANCE FY 2023-24

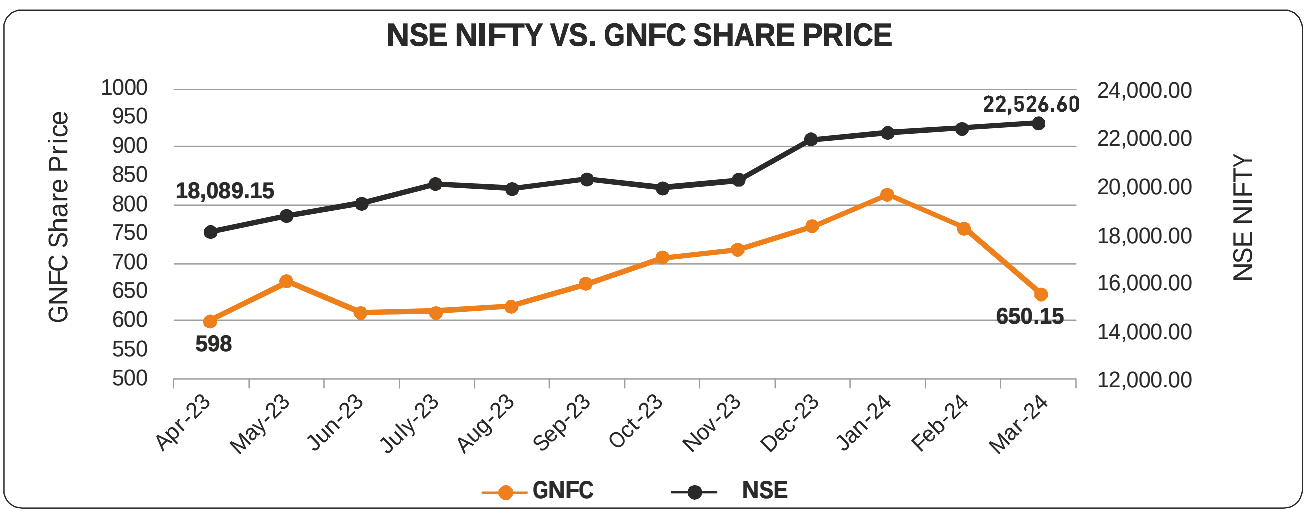
STOCK PERFORMANCE VS. BSE INDEX

Months	GNFC HIGHEST (`)	BSE SENSEX HIGHEST
April - 2023	598.00	61,209.46
May	666.35	63,036.12
June	613.60	64,768.58
July	615.35	67,619.17
August	620.95	66,658.12
September	662.00	67,927.23
October	706.90	66,592.16
November	720.20	67,069.89
December	762.90	72,484.34
January - 2024	814.85	73,427.59
February	757.85	73,413.93
March	650.15	74,245.17



STOCK PERFORMANCE VS NIFTY 50

MONTH	GNFC HIGHEST (`)	NIFTY HIGHEST
April - 2023	598.00	18,089.15
May	666.60	18,662.45
June	613.50	19,201.70
July	615.50	19,991.85
August	621.00	19,795.60
September	661.90	20,222.45
October	707.00	19,849.75
November	720.50	20,158.70
December	763.00	21,801.45
January - 2024	814.90	22,124.15
February	755.00	22,297.50
March	650.15	22,526.60



Unpaid / Unclaimed Dividends:

In accordance with the provisions of Sections 124 and 125 of Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) dividends not encashed / claimed up to seven (07) consecutive years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The IEPF Rules mandate Companies to transfer Shares of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the Demat account of the IEPF Authority. The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority. In accordance with the said IEPF Rules as amended, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published notice in newspapers also.

In terms of the provisions of IEPF Authority (Act., Audit, Transfer & Refund) Rules, 2014, ` **99,87,147** of upaid/unclaimed dividends and **4,13,493** shares were transferred during the FY 2023-24 to the IEPF Authority.

Shri A. C. Shah, Company Secretary & GM (Legal) of the Company acts as a Nodal Officer for the purpose of co-ordination with IEPF Authority as to ensure processing and verification of claims by the sharheodlers in time bound manner.

Investors' Services:

The Company has appointed "M/s. KFin Technologies Limited", Hyderabad (SEBI Registration No. INR000000221) as its Registrar and Share Transfer Agent (RTA) for both the forms of Registry viz. Physical as well as Electronic Connectivity.

Share Transfer System:

All communications regarding share certificates, change of address, dividends, etc. should be addressed to the RTA.

According to the amended SEBI Listing Regulations, no shares can be transferred unless they are held in dematerialised mode. Members holding shares in physical form are therefore requested to convert their holdings into dematerialized mode to avoid loss of shares and fraudulent transactions and avail better investor servicing. Accordingly, only valid transmission or transposition cases may be processed by the RTA of the Company, subject to compliance with the guidelines prescribed by SEBI.

KFin Technologies Limited is the common Share transfer agent for both physical and dematerialised mode. Transfer of shares in electronic form were processed and approved by NSDL and CDSL through their Depository Participant without the involvement of the Company.

The Company obtains an annual certificate from Practising Company Secretaries as per the requirement of Regulation 40(9) of SEBI Listing Regulations and the same is filed with the Stock Exchanges.

The SEBI vide its Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, has mandated that effective from April 01, 2019, transfer of securities would be carried out only in dematerialised form. Further, With effect from January 24, 2022, the SEBI has made it mandatory for listed companies to issue securities in Demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/ sub-division/ splitting/consolidation of securities, transmission/ transposition of securities. Vide its Circular dated January 25, 2022, SEBI has clarified that listed entities/ RTAs shall now issue a Letter of Confirmation in lieu of the physical share certificate(s), to the securities holder/claimant within 30 days of its receipt aforesaid investor service request.

Further, the 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

Additionally, the RTA / Issuer Companies shall issue a reminder after the end of 45 days and 90 days from the date of issuance of Letter of Confirmation, informing the securities holder/claimant to submit the demat request as above, in case no such request has been received by the RTA / Issuer Company.

Upon failiure to submit the demat request by the securities holder/claimant within the aforesaid period, the RTA / Issuer Companies shall credit the securities to the Suspense Escrow Demat Account of the Company.

Simplified Norms for processing Investor Service Request:

SEBI, vide its Circular dated November 3, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023), mandated that the holders of physical securities whose folio(s) are not updated with the KYC details (any of the details viz., PAN; Choice of Nomination; Contact Details; Mobile Number and Bank Account Details and signature, if any) shall be eligible to

- lodge grievance or avail any investor service only after furnishing complete documents / details required for KYC and
- for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024 only after furnishing the above mentioned KYC details.

The concerned Members are therefore urged to furnish PAN, KYC and Nomination/ Opt out of Nomination forms duly filled and signed by sending a physical copy to the M/s. KFin Technologies Limited at Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad-500 032.

DISTRIBUTION OF SHARE HOLDING AS ON MARCH 31, 2024

Category of Equity Shares	No. of Share holders	% of total Share holders	No. of Shares	% of Total Equity Capital
0 to 250	2,30,062	90.93	1,33,83,279	9.11
251 to 500	12,682	5.01	47,00,656	3.20
501 to 1000	5,565	2.20	42,35,565	2.88
1001 to 2000	2,529	1.00	37,19,221	2.53
2001 to 3000	741	0.29	18,75,708	1.28
3001 to 4000	335	0.13	11,91,476	0.81
4001 to 5000	226	0.09	10,50,490	0.71
5001 to 10000	421	0.17	30,46,268	2.07
10001 and above	442	0.17	11,37,38,020	77.40
Total	**2,53,003**	**100.00**	**14,69,40,683**	**100.00**

Shareholding Pattern of the Company as on March 31, 2024

Category of Shareholders	Total No. of Shares	% of Total Equity Capital
Promoters & Promoters Group	6,06,93,667	41.30
Alternative Investment Fund	7,14,550	0.49
Banks	7,579	0.01
Bodies Corporates	29,52,200	2.01
Clearing Members	14,048	0.01
Foreign Institutional Investors	600	0.00
Foreign Nationals	3,814	0.00
Foreign Portfolio - Corp	2,85,08,501	19.40
HUF	13,55,682	0.92

CORPORATE GOVERNANCE

IEPF	29,30,743	1.99
Insurance Companies	75	0.00
Mutual Funds	1,11,95,342	7.62
NBFC	2,469	0.00
Non-Resident Indian Non Repatriable	6,31,997	0.43
Non-Resident Indians	22,24,550	1.51
Overseas Corporate Bodies	700	0.00
Qualified Institutional Buyer	17,39,986	1.18
Resident Individuals	3,38,84,389	23.06
Trusts	79,791	0.05
Total	**14,69,40,683**	**100.00**

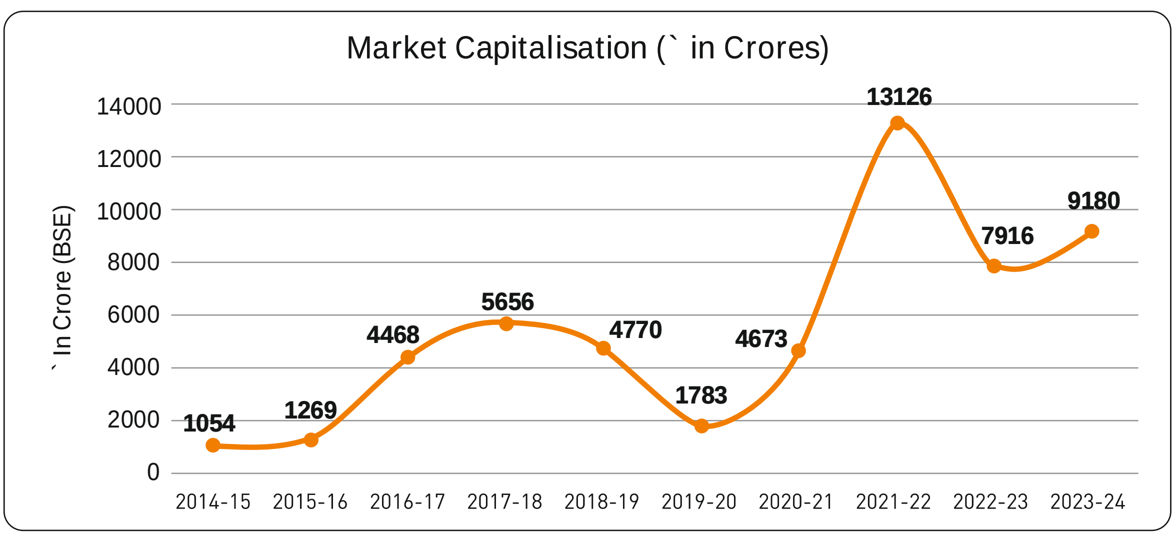
Dematerialization of Shares:

As on March 31, 2024, 96.61% of the shares were held in dematerialized mode and remaining shares in physical mode. As notified by the SEBI, the equity shares of the Company are permitted to be traded only in dematerialized mode.

Particulars	No. of Holders	No. of Shares	%
Physical Segment	60,858	49,77,935	3.39
Demat Segment			
NSDL (A)	87,354	9,37,54,637	63.80
CDSL (B)	1,07,173	4,82,08,111	32.81
Total (A+B)	1,94,527	14,19,62,748	96.61
TOTAL	**2,55,385**	**14,69,40,683**	**100.00**

Market Capitalization:

The Market Capitalization of the Company based on year-end closing prices quoted in the BSE Limited:



Non-resident Shareholders:

The non-resident Shareholders are requested to notify the followings to the Company/ Company's RTA - Kfin Tech in respect of shares held in physical mode and to their Depository Participants (DPs) in respect of shares held in dematerialized mode:

- Indian address for sending all communications, if not provided so far;
- Change in their residential status on return to India for permanent settlement;
- Particulars of Bank Account maintained with a Bank in India, if not furnished earlier;
- RBI permission reference number with date to facilitate credit of dividend in their bank account.

Shares held in "Unclaimed Suspense Account":

Statement showing the details of delivery of unclaimed shares given to Shareholders during the period from April 1, 2023 to March 31, 2024 as per Clause 39(4) of the SEBI Listing Regulations and also aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on March 31, 2024:

Particulars		No. of Shareholders	No. of Shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	**393**	**15979**
(ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	3	509
(iii)	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	3	509
(iv)	No. of Shares transferred to IEPF Authority Demat A/C as per IEPF Authority Rules and hence transferred on March 6, 2024	91	3284
(v)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	**299**	**12186**

Notes:

1. All corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc. shall also be credited to such Unclaimed Suspense Account.
2. The voting rights on such shares shall remain frozen till the rightful owner claims the shares.
3. This Account is being held by the Company purely on behalf of the shareholders entitled for their unclaimed shares.

Outstanding GDRs:

The Company has delisted Global Depository Receipts (GDRs) from Luxembourg Stock Exchange, Luxembourg and terminated the Depository Agreement with the BNY Mellon. As on March 31, 2024, No GDRs were outstanding.

Plant Locations:

All the manufacturing Plants of the Company are located at the Registered Office situated at P.O.: Narmadanagar - 392 015, Dist.: Bharuch. The Company has set up a 50,000 MTPA, TDI-II Plant at P.O.: Dahej – 392 130, Taluka - Vagra, Dist.: Bharuch.

Activities in the area of Information Technology (IT) are being carried out at the Registered Office as also at GNFC Infotower, 3rd Floor, Bodakdev, Gandhinagar-Sarkhej Highway, Ahmedabad - 380 054 and at GIFT City, 14th Floor, GIFT One Road, 5-C Zone-5, Gandhinagar – 382 355.

CORPORATE GOVERNANCE

Address for Correspondence:

All correspondence relating to the Company's Shares should be forwarded to:

Registrar & Share Transfer Agent (RTA) of the Company:

KFin Technologies Limited
Unit: Gujarat Narmada Valley Fertilizers & Chemicals Limited
Selenium Tower B, Plot 31-32, Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500 032.

Investor Service Centre:
Secretarial & Legal Department
Gujarat Narmada Valley Fertilizers & Chemicals Limited
CIN: L24110GJ1976PLC002903
'Narmada House', Corporate Office,
P.O.: Narmadanagar - 392 015, Dist.: Bharuch.
Phone: 02642 - 202208 / 202227 / 202250
Email id: investor@gnfc.in
Website: www.gnfc.in

Exclusive E mail id for redressal of Investors' Complaints

The Company has designated Email id "investor@gnfc.in" exclusively for the purpose of registering complaints by the Investors.

DECLARATION REGARDING COMPLIANCE OF COMPANY'S CODE OF CONDUCT BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

In accordance with the SEBI Listing Regulations, I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with their respective Code of Conduct as adopted by the Board of Directors of the Company, for the Financial Year ended March 31, 2024.

Place: Gandhinagar
Date: May 28, 2024

Shri Pankaj Joshi, IAS
Managing Director
DIN: 01532892

Corporate Governance Compliance Certificate

For the Financial Year ended March 31, 2024

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

The Members
Gujarat Narmada Valley Fertilizers & Chemicals Limited

We have examined the compliance of the conditions of Corporate Governance by **Gujarat Narmada Valley Fertilizers & Chemicals Limited** ("Company") for the financial year ended March 31, 2024 ("review period"), as per the relevant provisions of SEBI 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 statements 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 review period, 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.

Suresh Kumar Kabra
Partner

Samdani Shah & Kabra
Company Secretaries
ACS No. 9711; CP No. 9927
UDIN: A009711F000469203
Peer Review Certificate No. 1079/2021

Place: Vadodara
Date: May 28, 2024

Annexure-1

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members of
Gujarat Narmada Valley Fertilizers & Chemicals Limited

We have examined the Registers, Papers, Books, Records, Forms, Returns, Declarations, Disclosures and other related documents of **Gujarat Narmada Valley Fertilizers & Chemicals Limited** ("Company"), having CIN: L24110GJ1976PLC002903, having registered office situated at P.O.: Narmadanagar Dist.: Bharuch- 392015, Gujarat, India as produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V – Para - C Clause 10(i) of SEBI Listing Regulations, as amended.

In our opinion and to the best of our 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 us by the Company, its officers and representatives, we hereby certify that none of the Directors on the Board of the Company, as stated below for the Financial Year ended as on March 31, 2024, have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	Category	DIN	Initial Date of Appointment	Date of Reappointment/ Regularization
1.	Shri Vipul Mittra, IAS[1] Chairman	Non-Executive - Non-Independent	03108280	31-01-2023	15-04-2023
2.	Shri Raj Kumar,IAS Chairman[2]	Non-Executive – Nominee Director	00294527	01-08-2023	26-09-2023
3.	Shri Mukesh Puri, IAS[3]	Non-Executive – Non-Independent	03582870	07-01-2021	26-09-2023
4.	Shri Kamal Dayani, IAS[4]	Non-Executive, Non-Independent	05351774	09-02-2024	11-04-2024
5.	Smt. Mamta Verma, IAS	Non-Executive – Non-Independent	01854315	05-10-2015	27-09-2022
6.	Shri J. P. Gupta, IAS	Non-Executive – Non-Independent	01952821	20-12-2021	27-09-2022
7.	Smt. Gauri Kumar, IAS (Retd.)	Non-Executive, Independent	01585999	30-03-2020	01-10-2023
8.	Prof. Ranjan Kumar Ghosh	Non-Executive - Independent	08551618	29-10-2020	23-09-2021
9.	Shri Bhadresh Mehta	Non-Executive - Independent	02625115	29-12-2021	27-09-2022
10.	Dr. N. Ravichandran	Non-Executive - Independent	02065298	29-12-2021	27-09-2022
11.	Prof. Piyushkumar Sinha	Non-Executive - Independent	00484132	08-03-2022	21-05-2022
12.	Shri Pankaj Joshi, IAS Managing Director	Promoter, Executive, Non- Independent	01532892	16-07-2020	29-09-2020

Notes:

1. Shri Vipul Mittra, IAS ceased to be Director and Chairman of the Company w.e.f. July 31, 2023.
2. Shri Raj Kumar, IAS appointed as Director and Chairman of the Company w.e.f. August 1, 2023.
3. Shri Mukesh Puri, IAS ceased to be a Director of the Company w.e.f. February 1, 2024.
4. Shri Kamal Dayani, IAS appointed as a Director of the Company w.e.f. February 9, 2024.

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

Suresh Kumar Kabra
Partner

Samdani Shah & Kabra
Company Secretary
ACS No.9711 CP No. 9927
UDIN: A009711F000469071
Peer Review Certificate No. 1079/2021

Place: Vadodara
Date: May 28, 2024

STANDALONE

INDEPENDENT AUDITORS' REPORT

To
The Members of
Gujarat Narmada Valley Fertilizers & Chemicals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Gujarat Narmada Valley Fertilizers & Chemicals Limited** (the "Company"), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss, including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the 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, as amended (the "Act") in the manner so required and give a true and fair view in conformity with 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 Company as at 31 March 2024, the profit and other 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), as 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 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 standalone financial statements.

Emphasis of Matter

We draw attention to note 43(B) to the standalone financial statements regarding a matter relating to demand of ` 21,370 crores (including interest and penalty computed till November 30, 2021) on the Company by Department of Telecommunications (DoT) towards Very Small Aperture Terminal ('VSAT') and Internet Service Provider ('ISP') Licenses fee relating to earlier years. Based on the legal assessment in consultation with Senior Advocates of the said demand, the Company is of the view that no provision is required to be made at this point of time in respect of above matter.

Our opinion is not modified in respect of the above matter.

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 for the financial year ended 31 March 2024. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Recognition and measurement of Urea Subsidy Income	
The Urea Subsidy Income is recognized and measured by the Company in accordance with notification / circular/ policies issued by the Department of Fertilizers, Government of India. During the year ended March 31, 2024, the Company has recognized Urea Subsidy Income of ` 1,895.09 crores and has outstanding Urea subsidy receivables of ` 322.83 crores. The measurement of Urea Subsidy Income involves application of relevant regulatory pronouncements and notifications, understanding of applicable energy norms, and management estimates / judgements including in respect of escalation / de-escalation in the price of the inputs, etc. for the year. The recognised subsidy income may deviate on account of revision / changes in such interpretation, estimates and judgements, arising from notification by the Department of Fertilizers. Accordingly, recognition and measurement of subsidy income is determined to be a key audit matter for our audit of standalone financial statements.	Our audit procedures included the following: • Assessed the Company's revenue recognition policy for Urea Subsidy Income. • Understood, evaluated and tested, on a sample basis, the design and operating effectiveness of key internal controls over recognition and measurement of Urea Subsidy Income. • Reviewed the relevant regulatory pronouncement in respect of Urea Subsidy Income and verified, on a sample basis, the claims filed by the Company along-with underlying accounting evidence in respect of such income. • Tested calculations for Urea Subsidy Income and reviewed estimates for escalation / de-escalation by comparing with actual production cost relevant for measurement of subsidy amount including final adjustment related to earlier years. • Reviewed follow-ups made by the Company with the Department of Fertilizers, Government of India and management assessment of recoverability of aged balances. • Tested the collections made during the year as well as subsequent period against such subsidy income recognized by the Company. • Assessed the appropriateness of disclosures in the Standalone financial statements in respect of Urea Subsidy Income.
Valuation of Inventories, including Stores and Spares	
The Company has total inventory of ` 1,119.39 crores which comprises of raw materials inventory ` 365.98 crores, work-in-progress inventory ` 60.98 crores, finished goods inventory ` 175.97 crores, trading inventory ` 2.05 crores and stores and spares inventory ` 514.41 crores (including coal inventory of ` 34.63 crores and net of provision for excess inventory of ` 44.80 crores) as at March 31, 2024. The Company has created the above mentioned provision of ` 44.80 crores for excess inventory of stores and spares based on physical verification and on evaluation of its usability including for aged items. Accordingly, appropriateness of the estimates used to identify the valuation of inventories, including stores and spares is determined to be a key audit matter for our audit of standalone financial statements.	Our audit procedures included the following: • Reviewed the management policy for physical verification and the documents related to management's physical count procedure actually followed during the year. • Understood the management process for assessment of value in use/ net realisable value of various class of inventories and making provision for excess inventory. • Reviewed the management's judgement applied in estimating the value of excess inventory for stores & spares, taking into consideration management assessment of the present and future condition of the inventory. • Performed substantive audit procedures that included review of working prepared by the management for valuation of inventories and observed that appropriate allocation of fixed cost and variable cost is done in respect of Finished Goods and Work in Progress which is in lines with prevailing accounting standards.

STANDALONE

	• Performed Physical verification of inventories as at March 31, 2024 and our procedures did not identify any material exceptions.
Evaluation of uncertain tax demand positions and other legal litigations	
The Company has material uncertain tax demand positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes and significant open legal proceedings under arbitration and courts for various matters with its contractors / vendors and in Government departments, continuing from earlier years which are part of Contingent Liability. Due to complexity involved in these litigation matters, management's judgement regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined.	Our audit procedures included the following: • Obtained details of completed tax assessments and demands as at 31 March 2024 from the management. • Inquired with the management, including in- house legal experts. • Reviewed the minutes of the meetings and those charged with governance, and correspondence between the Company and the external legal experts and other evidence to corroborate management assessment in respect of disputed tax matters. • Assessed the management's position through discussions with the in-house legal expert and external legal opinions obtained by the Company (where considered necessary) on both, the probability of success in the aforesaid cases, and the magnitude of any potential loss. • Discussed with the management on the development in the litigations during the year ended 31 March 2024 and required provision for contingencies have been made during the FY 2023-24.

Information Other than the Standalone 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 (i.e. Directors' Report, Corporate Governance, Management Discussion and Analysis and Shareholder's information), but does not include the standalone financial statements and our auditor's report thereon. The above referred information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone 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'.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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 including other 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended including the Companies (Indian Accounting Standards) Amendment Rules, 2020. 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 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 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 standalone 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 with reference to these standalone 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 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.

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

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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 for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 1" 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 except for the matters stated in the paragraph i(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;

   (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including the Statement of Other Comprehensive Income, Standalone Statement of Changes in Equity and the Standalone Statement of Cash flows dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph i (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (h) 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 remuneration paid / provided by the Company to its directors including sitting fees paid to directors, during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act;

   (i) 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 36(A) to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts – Refer Note 21 to the standalone financial statements;

iii. There has been no delay in transferring the amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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 its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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 misstatement.

v. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Company have 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. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31 March 2024 which has feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. The audit trail was operated at application level throughout the year, however, no audit trail has been enabled at the data base level for the primary software used for maintaining its books of account, to log any direct data changes. Further, during the course of our audit, except for the matter stated above, we did not come across any instance of the audit trail features being tempered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules,2014 is applicable from 01 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules,2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Reg. No. 121750W/W100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 24102306BKCGBH8309

Place: Mumbai
Dated: 28 May 2024

STANDALONE

ANNEXURE '1' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

(a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment and relevant details of Right of Use Assets.

(B) The Company has maintained proper records showing full particulars of its Intangible assets.

(b) The Company has a regular program of physical verification of Property, Plant and Equipment in a phased manner so as to cover all the assets once every three years which, in our opinion, is reasonable having regard to size of the Company and nature of its assets. Pursuant to the program, a portion of the Property, Plant and Equipment have been physically verified by the management during the year. The discrepancies noticed on physical verification of Property, Plant and Equipment were not material and the same have been properly dealt with in the books of account.

(c) According to the information and explanations given to us by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company. In respect of immovable properties of land that have been taken on lease and disclosed as Right of Use Asset (Note 39) in the standalone financial statements, the lease agreement for two parcels of the leasehold land are yet to be entered in the name of the Company, although the Company is the lessee as per the arrangement as mentioned below: **(` in crores)**

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company*
Land leasehold	43.05	GIDC, Bharuch	No	September 4, 2012	The lease deed for plots allotted are not executed in favour of Company because some of the portion of the lands are Gaucher and Government Land are falling in the plot allotted to the Company and lease will be executed after allotment of Gaucher and Government Land to GNFC. *not in dispute

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use Assets) and Intangible assets during the year.

(e) According to information and explanations given to us, no proceedings have been initiated or are pending against the Company as of March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) In respect of the Inventories, according to the information and explanations given to us and on the basis of our examination of the records of the Company:

(a) Physical verification of inventory (i.e stores and spares including capital stores) has been conducted by the management at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records have been properly dealt with in the books of account.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from a bank on the basis of security of current assets. According to information and explanations given to us and the records examined by us, the quarterly returns, filed by the Company during the year with such bank are in agreement with books of account, except as under:

(` Crores)

Quarter ended	Nature of current Assets / Liabilities where differences were observed	Amount disclosed as per quarterly return / statement	Amount as per books of accounts	Amount of Difference	Reasons for material difference
Q1	Advances to suppliers Trade payables	71.79 401.71	70.15 455.91	1.64 (54.20)	Note - 2 Note - 3
Q2	Advances to suppliers Trade payables	77.45 427.07	75.45 469.53	2.00 (42.46)	Note - 2&4 Note - 3
Q3	Trade receivables Advances to suppliers Trade payables	487.13 64.26 551.32	485.08 62.62 591.10	2.05 1.64 (39.78)	Note - 1 Note - 2 Note - 5
Q4	Inventories - Stores & spares Advances to suppliers Trade payable	529.89 37.84 469.81	514.41 33.15 522.40	15.48 4.69 (52.59)	Note - 6 Note - 2&4 Note - 7

Notes:

1) Accounting of penalty charged by customer after submission of stock statement to bank not considered in returns / statements submitted to bank.
2) Amount disclosed as per quarterly returns / statements reconciles with gross book balance without adjustment of provision.
3) Accrued expenses / reclassification adjustments after submission of stock statement not considered in returns / statements submitted to bank.
4) Reclassification adjustments after submission of stock statement not considered in returns / statements submitted to bank.
5) Accrued expenses and vendor penalty booking after submission of stock statement not considered in returns / statements submitted to bank.
6) Inventory shortage provision created after submission of stock statement not considered in returns / statements submitted to bank.
7) Accrued expenses / reclassification adjustments and change estimated accrued liability after submission of stock statement not considered in returns / statements submitted to bank.

(iii) 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 provided guarantees, security or granted advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments, granted loans to companies and other parties in respect of which the requisite information is provided in clause (a) to (f) below, to the extent applicable. The Company has not made any investments in or provided any guarantee or security to firms or limited liability partnership.

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(a) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has provided loans as below:

(` Crores)

Particulars	Loans
Aggregate amount of loan given during the year	
- Other than related parties	
Employees	50.89
Company	800.00
Balance outstanding as at balance sheet date	
- Other than related parties	
Employees	190.89
Company	350.00

(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 any guarantee 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 except in the case of three employees where principal and interest payment are overdue. Further, the Company has not given any advances in the nature 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 except in respect of three employees as mentioned above amounting to ` 0.27 crore (Including interest of ` 0.14 crore). As per the information and explanations provided to us, the Company has filed the Civil Suit against these employees for violating the service rules and final settlement are pending. Further, the Company has not given any advances in 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 fresh loans 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.

(iv) According to information and explanations given to us, the Company has not granted any loan, or made investment in or provided any guarantee or security to the parties covered under Section 185 and 186 of the Act during the year. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder. Accordingly, reporting under clause 3(v) of the Order are not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of fertilizer and industrial products and for the services provided by the Company. In our opinion prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) In respect of statutory dues:

(a) According to the information and explanations given to us, the Company has been regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, duty of customs, cess and any other statutory dues as applicable to the appropriate authorities. There are no undisputed amounts payable in respect of aforesaid statutory dues, which were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the dues of income-tax, sales-tax, duty of excise, value added tax and cess as at 31 March, 2024 which have not been deposited on account of any dispute are as follows:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount related	Amount involved/ Unpaid (` Crores)
Central Excise Act, 1944	Excise Duty	Principal Commissioner, Custom House, Kandla	FY 2015-16	0.05
		High Court, Gujarat	FY 2009-13	142.86
Central Sales Tax Act, 1994/Gujarat Value Added Tax Act, 2004	Value Added Tax/Central Sales tax	Commercial Tax Department, Government of Madhya Pradesh	FY 2015-16	0.01
Customs Act,1962	Custom Duty	High Court, Gujarat	FY 2017-18 to 2020-21	64.12
The Income Tax Act, 1961	Income Tax	National Faceless Appeals Centre	AY 2017-18	6.76
			AY 2018-19	3.96
			AY 2020-21	0.68
		High Court	AY 2009-10	2.28
		Supreme Court	AY 2010-11	3.96
			AY 2011-12	4.15

(viii) According to the information and explanations given to us, there were no unrecorded transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) According to information and explanations given to us, the Company has not defaulted in repayment of dues to any lender. Accordingly, reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or other lender. Accordingly, reporting under clause 3(ix)(b) of the Order is not applicable to the Company.

STANDALONE

(c) According to information and explanations given to us, the Company has not obtained any term loan. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to information and explanations given to us, and on the basis of our examination of the records of the Company, funds raised on short term basis have, prima facie, not been utilised for long term purposes by the Company. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to information and explanations given to us, the Company did not have any subsidiary or joint venture during the year. Further, the Company has not taken any funds to meet the obligations of its associate Company. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) According to information and explanations given to us, the Company did not have any subsidiary or joint venture during the year. Further, the Company has not raised any loans on the pledge of securities held in its associate Company. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given to us, the Company has not raised moneys by way of public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud by the Company or on the Company has 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 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government, during the year and up to the date of this report.

(c) The Company is having whistle blower mechanism and as per the information provided to us, no whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us, in our opinion, transactions with related parties are in compliance with Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) According to the information and explanations given to us, in our opinion and based on our examination, the Company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports for the year under audit and covering the period up to March 31, 2024.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, reporting under clause 3(xv) of the Order is not applicable to the Company.

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

(a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) According to the information and explanations given to us, the Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization 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 the 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) According to the information and explanation given to us and on the basis of examination of the records, there are no amounts unspent in respect of corporate social responsibilities towards other than ongoing projects. In respect of ongoing projects, the Company has transferred the unspent amount to special account in compliance with provision of sub-section (6) of Section 135 of the said Act.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Reg. No. 121750W/W100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 24102306BKCGBH8309

Place: Mumbai
Dated: 28 May 2024

STANDALONE

ANNEXURE '2' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(g) under the heading 'Report on Other Legal and Regulatory Requirements' 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 over financial reporting of **Gujarat Narmada Valley Fertilizers & Chemicals Limited** (the "Company") as of March 31, 2024 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 control over financial reporting 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 ('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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone 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, as specified under section 143(10) of the Companies Act, 2013, as amended, to the extent applicable to an audit of internal financial controls and 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 over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone 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 internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial controls over financial reporting 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 controls over financial reporting 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 Over Financial Reporting with Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone 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, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal financial control criteria with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Reg. No. 121750W/W100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 24102306BKCGBH8309

Place: Mumbai
Dated: 28 May 2024

STANDALONE

STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

(` Crores)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	4	**2,969.92**	3,108.53
(b) Capital work-in-progress	5	**288.52**	187.01
(c) Investment property	6	**36.97**	37.78
(d) Right of use asset	39	**214.16**	216.51
(e) Intangible assets	7	**16.55**	18.53
(f) Financial assets			
(i) Investments	8	**2,254.39**	2,785.42
(ii) Loans and advances	9	**138.03**	115.15
(iii) Other financial assets	10	**18.70**	97.55
(g) Income tax assets (net)	26	**70.17**	61.35
(h) Other non-current assets	12	**71.66**	98.23
		6,079.07	6,726.06
II. Current assets			
(a) Inventories	13	**1,119.39**	1,123.21
(b) Financial assets			
(i) Investments	8	**664.72**	321.02
(ii) Trade receivables	11	**626.39**	367.44
(iii) Cash and cash equivalents	14	**42.56**	56.20
(iv) Other bank balances	15	**1,486.34**	1,937.71
(v) Loans and advances	9	**369.56**	815.93
(vi) Other financial assets	10	**93.27**	133.13
(c) Other current assets	16	**79.55**	116.08
		4,481.78	4,870.72
Total Assets		**10,560.85**	11,596.78
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	**146.94**	155.42
(b) Other equity	18	**8,050.80**	8,850.94
		8,197.74	9,006.36
Liabilities			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	39	**1.19**	1.15
(ii) Other financial liabilities	21	**5.11**	5.00
(b) Provisions	22	**489.76**	371.61
(c) Deferred tax liabilities (net)	26	**269.53**	343.90
(d) Government grants (deferred income)	23	**516.05**	576.86
		1,281.64	1,298.52
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	**0.56**	0.01
(ii) Lease liabilities	39	**0.98**	0.82
(iii) Trade payables:	20		
(A) total outstanding dues of micro and small enterprises		**33.28**	45.86
(B) total outstanding dues of creditors other than micro and small enterprises		**489.12**	531.85
(iv) Other financial liabilities	21	**343.75**	336.88
(b) Other current liabilities	24	**92.08**	110.43
(c) Provisions	25	**52.17**	199.86
(d) Government grants (deferred income)	23	**69.49**	66.15
(e) Current tax liabilities (net)	26	**0.04**	0.04
		1,081.47	1,291.90
Total Equity and Liabilities		**10,560.85**	11,596.78
Summary of Material Accounting Policies	2		

The accompanying notes are an integral part of the standalone financial statements.

For and on behalf of the Board of Directors,

D. V. Parikh
Executive Director & CFO

A. C. Shah
Company Secretary

Pankaj Joshi, IAS
Managing Director
DIN-01532892

Raj Kumar, IAS
Chairman
DIN-00294527

Place : Gandhinagar
Date : 28 May 2024

As per our report of even date
For **Suresh Surana & Associates LLP**
Chartered Accountants
(Firm Registration No.: 121750W/W100010)

Ramesh Gupta
Partner
Membership No. 102306

Place : Mumbai
Date : 28 May 2024

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(` Crores)

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	27	**7,929.73**	10,226.93
Other income	28	**469.20**	361.23
Total		**8,398.93**	10,588.16
Expenses			
Cost of raw materials consumed	29	**4,383.48**	4,994.18
Purchase of traded goods and goods & services of IT division		**140.85**	79.96
Changes in inventories of finished goods, work-in-progress and traded goods	30	**(20.14)**	(85.42)
Power, fuel and other utilities		**1,506.72**	1,994.45
Employee benefits expense	31	**625.44**	605.62
Finance costs	32	**12.52**	5.26
Depreciation and amortisation	33	**307.54**	302.94
Other expenses	34	**791.41**	759.62
Total		**7,747.82**	8,656.61
Profit before tax		**651.11**	1,931.55
Tax expense / (credit)			
Current tax		**168.20**	541.29
Earlier year tax adjustments -short / (excess)		**36.66**	(21.00)
Deferred tax (credit)		**(38.54)**	(52.72)
Total tax expense / (credit)	26	**166.32**	467.57
Profit for the year	**(A)**	**484.79**	1,463.98
Other comprehensive income / (expense)			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement (losses) / gain on defined benefit plans		**(5.53)**	(91.92)
Income tax effect credit / (charge)	26	**1.39**	23.13
Net (loss) / gain on FVTOCI equity investments		**(50.94)**	(157.88)
Income tax effect credit / (charge)	26	**35.83**	25.63
Net other comprehensive income / (expense) not to be reclassified to profit or loss in subsequent periods		**(19.25)**	(201.04)
Total other comprehensive income / (expense) for the year, net of tax	**(B)**	**(19.25)**	(201.04)
Total comprehensive income for the year, net of tax	**(A)+(B)**	**465.54**	1,262.94
Earnings per Share - (Face value of ` 10 each) Basic and Diluted (in `)	35	**31.67**	94.20
Summary of Material Accounting Policies	2		

The accompanying notes are an integral part of the standalone financial statements.

For and on behalf of the Board of Directors,

D. V. Parikh
Executive Director & CFO

A. C. Shah
Company Secretary

Pankaj Joshi, IAS
Managing Director
DIN-01532892

Raj Kumar, IAS
Chairman
DIN-00294527

Place : Gandhinagar
Date : 28 May 2024

As per our report of even date
For **Suresh Surana & Associates LLP**
Chartered Accountants
(Firm Registration No.: 121750W/W100010)

Ramesh Gupta
Partner
Membership No. 102306

Place : Mumbai
Date : 28 May 2024

STANDALONE

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(A) Equity share capital (` Crores)

Particulars	Note	Amount
Balance as at April 01, 2022		**155.42**
Changes in Equity Share Capital due to prior period errors	17	-
Restated balance at the April 01, 2022		**155.42**
Changes in equity share capital during the year	17	-
Balance as at March 31, 2023		**155.42**
Changes in Equity Share Capital due to prior period errors	17	-
Restated balance at the March 31, 2023		**155.42**
Changes in equity share capital during the year (Refer Note 17.1)	17	(8.48)
Balance as at March 31, 2024		**146.94**

(B) Other equity (` Crores)

Particulars	Reserve and surplus					Equity instruments at fair value through other comprehensive income	Total
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Retained earnings		
	Note 18.1	Note 18.1	Note 18.1	Note 18.1	Note 18.1	Note 18.2	
Balance as at April 01, 2022	**0.64**	**-**	**313.31**	**2,479.76**	**4,075.39**	**874.32**	**7,743.42**
Profit for the year	-	-	-	-	1,463.98	-	1,463.98
Other comprehensive income for the year					(68.79)	(132.25)	(201.04)
Total comprehensive income for the year	-	-	-	-	1,395.19	(132.25)	1,262.94
Dividend paid during the year (refer Note 18.3)	-	-	-	-	(155.42)	-	(155.42)
Transfer from retained earnings	-	-	-	200.00	(200.00)	-	-
Balance as at March 31, 2023	**0.64**	**-**	**313.31**	**2,679.76**	**5,115.16**	**742.07**	**8,850.94**
Profit for the year	-	-	-	-	484.79	-	484.79
Other comprehensive income for the year	-	-	-	-	(4.14)	(15.11)	(19.25)
Total comprehensive income for the year	-	-	-	-	480.65	(15.11)	465.54
Dividend paid during the year (refer Note 18.3)	-	-	-	-	(466.26)	-	(466.26)
Expenses for buy-back of equity shares	-	-	-	-	(4.98)	-	(4.98)
Tax on buy-back of equity shares	-	-	-	-	(150.10)	-	(150.10)
Transfer to capital redemption reserve	-	8.48	-	-	(8.48)	-	-
Buy-back of equity shares	-	-	(313.31)	-	(331.03)	-	(644.34)
Transfer from retained earnings	-	-	-	500.00	(500.00)	-	-
Balance as at March 31, 2024	**0.64**	**8.48**	**-**	**3,179.76**	**4,134.96**	**726.96**	**8,050.80**

Summary of Material Accounting Policies **2**

The accompanying notes are an integral part of the standalone financial statements.

For and on behalf of the Board of Directors,

D. V. Parikh
Executive Director & CFO

A. C. Shah
Company Secretary

Pankaj Joshi, IAS
Managing Director
DIN-01532892

Raj Kumar, IAS
Chairman
DIN-00294527

Place : Gandhinagar
Date : 28 May 2024

As per our report of even date
For **Suresh Surana & Associates LLP**
Chartered Accountants
(Firm Registration No.: 121750W/W100010)

Ramesh Gupta
Partner
Membership No. 102306

Place : Mumbai
Date : 28 May 2024

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash flow from operating activities		
Profit before tax as per statement of profit and loss	**651.11**	1,931.55
Adjustments for:		
Loss on sale / discard / write off of property, plant and equipment (net)	**6.12**	0.03
(Gain) on Lease modification/ termination	**(0.01)**	(0.01)
Loss / (gain) on sale of investments (net)	**(0.15)**	0.66
Interim distribution towards investments	**(2.50)**	(7.37)
Depreciation and amortization	**307.54**	302.94
Interest expense on employee loan fair valuation	**19.43**	2.10
Interest income	**(336.32)**	(233.47)
Dividend income	**(29.20)**	(10.11)
Amortization of grant income	**(57.47)**	(61.68)
Fair valuation loss on investments measured at FVTPL (net)	**7.53**	0.82
Unclaimed liabilities / excess provision for doubtful debt written back	**(18.29)**	(22.08)
Unrealised foreign exchange fluctuation Loss / (gain)	**(1.08)**	(0.96)
Finance costs	**10.04**	3.24
Premium on forward contracts	**2.47**	4.69
Provision / Write off for excess Inventory	**20.95**	5.28
Provision for Unspent CSR obligation	**11.53**	-
Provision for contingencies	**51.04**	53.27
Advances / bad debts / other receivables written off	**0.42**	0.34
Provision for doubtful debts / advances (net)	**4.08**	5.36
Operating profit before working capital changes	**647.24**	1,974.60
Movements in working capital :		
(Increase) / decrease in trade receivables, including Subsidy	**(254.62)**	261.10
(Increase) in inventories	**(17.13)**	(151.52)
Decrease / (increase) in financial assets	**31.52**	(13.18)
Decrease / (increase) in loans and advances and other assets	**10.57**	(14.36)
(Decrease) / increase in provisions	**(86.11)**	78.01
(Decrease) in trade payables and other liabilities	**(63.38)**	(106.41)
(Decrease) in financial liabilities	**(24.53)**	(69.94)
Cash generated from operations	**243.56**	1,958.30
Income taxes paid (net)	**(212.28)**	(585.22)
Net cash flow generated from operating activities (A)	**31.28**	1,373.08
Cash flows from investing activities		
Payment for purchase of property, plant & equipment (Including capital work In progress and capital advances)	**(251.18)**	(172.74)
Proceeds from sale / concession received of property, plant and equipment	**2.39**	1.97
Purchase of investments (refer Note 8)	**(161.30)**	(2,080.67)
Proceeds from sale / maturity of investments / other advances	**276.81**	44.02
Decrease in deposits with corporates (net)	**450.00**	1,600.00
Decrease / (Increase) in deposits / balances with banks (net)	**531.37**	(808.48)
Interest received	**358.20**	176.36
Dividend received	**29.20**	10.11
Net cash flow generated from / (used in) investing activities (B)	**1,235.49**	(1,229.43)

STANDALONE

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from financing activities		
Proceeds from short term borrowings	**0.27**	13.19
Repayment of short term borrowings	**(0.27)**	(13.19)
Interest paid	**(10.04)**	(2.86)
Dividend paid	**(460.56)**	(152.55)
Transfer of funds to buy-back escrow account	**(16.32)**	-
Transfer of funds from buy-back escrow account	**16.32**	-
Expenses for buy-back of equity shares	**(4.98)**	-
Tax on buy-back of equity shares	**(150.10)**	-
Buy-back of equity shares	**(652.81)**	-
Premium on forward contracts	**(2.47)**	(4.69)
Net cash flow (used in) / generated from financing activities (C)	**(1,280.96)**	(160.10)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**(14.19)**	(16.45)
Cash and cash equivalents at the beginning of the year	**56.19**	72.64
Cash and cash equivalents at the end of the year	**42.00**	56.19
Notes:		
Component of Cash and Cash equivalents		
- Cash on hand	**0.05**	0.06
- Debit balance in cash credit and overdraft accounts	**32.42**	21.47
- Balances with bank in current accounts	**10.09**	9.17
- Deposit with original maturity of Less than three months	**-**	25.50
Total (refer Note 14)	**42.56**	56.20
Less: Cash credit and overdraft accounts (refer Note 19)	**0.56**	0.01
Total cash and cash equivalents	**42.00**	56.19

Summary of Material Accounting Policies 2

The accompanying notes are an integral part of the standalone financial statements.

(1) The Cash flow statement has been prepared under the indirect method as set out in the "Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows" issued by the Institute of Chartered Accountants of India.

(2) Disclosure with regards to changes in liabilities arising from Financing activities as set out in Ind AS 7 – Statement of Cash flows is presented under Note-21(a).

For and on behalf of the Board of Directors,

D. V. Parikh	A. C. Shah	Pankaj Joshi, IAS	Raj Kumar, IAS
Executive Director & CFO	Company Secretary	Managing Director	Chairman
		DIN-01532892	DIN-00294527

Place : Gandhinagar
Date : 28 May 2024

As per our report of even date
For **Suresh Surana & Associates LLP**
Chartered Accountants
(Firm Registration No.: 121750W/W100010)

Ramesh Gupta
Partner
Membership No. 102306

Place : Mumbai
Date : 28 May 2024

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1 Corporate information

The financial statements comprise financial statements of Gujarat Narmada Valley Fertilizers & Chemicals Limited (‘the Company’) for the year ended March 31, 2024. The Company is a public company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India (i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE)). The registered office of the Company is located at P.O: Narmadanagar-392 015, Dist.: Bharuch, Gujarat.

The Company is one of India’s leading entities engaged in the manufacturing and selling of fertilizers, industrial chemical products and providing IT services.

The financial statements were approved for issue in accordance with a resolution of the Board of Directors on May 28, 2024.

2 Material accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The financial statements have been prepared on going concern basis using historical cost, except for the following assets and liabilities which have been measured at fair value amount:

- Derivative financial instruments,
- Defined benefit plans – plan assets measured at fair value; and
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition, or the amount of proceeds received in exchange for the obligation, or at the amount of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Financial statements are presented in Indian Rupees (`) which is the functional currency, and all values are rounded off to the nearest crores as per the requirement of Schedule III to the Companies Act, 2013, except where otherwise indicated.

2.2 Summary of material accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realized within twelve months after the reporting period; or
- 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 current when it is:

- It is expected to be settled in normal operating cycle; or

STANDALONE

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- 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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Foreign currency transactions

The Company's financial statements are presented in Indian Rupees (`), which is also the functional currency of the Company.

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 translated at the exchange rate prevailing on the balance sheet date and the resultant exchange gains or losses are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions.

c) 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, 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 the market participants would use when pricing the asset or liability, assuming that the market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investments properties, unquoted investments and loan to employees.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (refer Note 50)
- Quantitative disclosures of fair value measurement hierarchy (refer Note 50.2)
- Investment in unquoted equity shares (refer Note 8)
- Investment properties (refer Note 6)
- Financial instruments (including those carried at amortized cost) (refer Note 50.1)

d) Revenue from contracts with customers

Revenue from contracts with customers is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company derives its revenues from sale of goods such as fertilizers, industrial chemicals, government subsidies on sale of fertilizers and information technology related hardware / software services. The Company is generally the principal in its revenue arrangements because it controls goods or services before transferring them to the customer, except for the agency services where revenue is recognised on net basis.

The disclosure of significant accounting judgements, estimates and assumptions relating to revenue from contract with customers are provided in Note 3.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods except in certain cases where goods are sold under bill and hold arrangement.

The Company considers whether there are other promises in the contract (supply of information technology goods) that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. installation, warranties etc.) based on materiality of such obligation. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration and consideration payable to the customer (if any).

Amount disclosed as revenue are net of trade discounts, rebates, incentives and goods & service tax (GST). The Company collects GST on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, these are excluded from the revenue. The Company recognizes changes in the estimated amount of liability for discounts, rebates and incentives in the period in which the change occurs.

Installation, as applicable, is integral part of delivery of goods. The Company typically provides warranties for general repairs of defect that existed at the time of sale, as required by law. These assurance type warranties are accounted for under Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets unless it is fully realisable from the supplier.

STANDALONE

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Bill-and-hold arrangement

A bill-and-hold arrangement is a contract under which an entity bills a customer for a product but the entity retains physical possession of the product until it is transferred to the customer at a point in time in the future. The Company does not control the product. Instead, it provides custodial services to the customer over the customer's asset.

The Company recognizes the revenue under Bill-and-hold arrangements only when it satisfies all of the below criteria along with the other criteria as specified under Ind AS 115 – revenue from contract with customers:

- There is a substantive reason for the bill-and-hold arrangement.
- The product is identified separately as belonging to the customer;
- The product currently is ready for physical transfer to the customer; and
- The Company do not have the ability to use the product or to direct it to another customer.

Urea product subsidy

Urea Subsidy under (i) New Pricing Scheme (NPS) – Stage-III and Modified NPS-III and (ii) New Urea Policy (NUP) 2015 is recognised as per concession rates notified by the Government of India (GoI) at the point in time when the quantity is transferred/delivered to customers. Urea Subsidy is further adjusted for input price escalation/de-escalation as estimated by the Management based on the prescribed norms. The Company recognizes the subsidy based on quantity sold.

ANP product subsidy

ANP Subsidy under Nutrient Based Subsidy [NBS] w.e.f. 01.04.2010 and amendments thereto is recognized as per the concession rates notified by the Government of India [GoI] at the point in time when quantity is transferred / delivered to customers. ANP Subsidy is further adjusted for expected downward change, if any, in NBS rates based on functional forecast. In case the GoI has notified the rates after the completion of financial year but before audited / reviewed accounts are approved then impact of such rates is factored based on the quantity remaining unsold to end customer. The Company recognises the subsidy based on quantity of first point sales.

Urea and ANP freight subsidy

Freight subsidy recognised under Uniform Freight Policy for the quantity transferred / delivered to customers based on the notified rates approved by the GoI. In the case of ANP for primary freight (i.e. Direct dispatch from plant by road), subsidy income is recognized based on the lower of the normative notified rates approved by the GoI or the actual freight incurred.

Rendering of services (including contracted services)

Income from services rendered by the Information Technology division (including operation and maintenance) is recognized as and when the services are transferred to the customer at an amount that reflect the consideration to which the Company expects to be entitled in exchange for those services.

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

Dividends

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend except for interim dividend which is recognised based on approval of the Board of Directors of investee company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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.

Government grants and export incentives

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset except to the extent adjustments are recognised on account of change in estimate as per para 37 of Ind AS 8 to the carrying amount of the related assets.

Export incentive

Export incentives under various schemes notified by government are accounted for in the year of exports based on the eligibility, reasonable accuracy and conditions precedent to claim are fulfilled.

e) Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables (including subsidy receivables)

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Q "Financial instruments – initial recognition and subsequent measurement".

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

f) Taxes

Tax expense comprises of current income tax and 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. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Current income tax relating to items recognized outside the statement of profit and loss is recognized 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.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Current tax assets and current tax liabilities are offset where the entity has a legally enforceable right to offset the recognized amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the liability approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset if and only if there is a legally enforceable right to offset corresponding current tax assets against current tax liabilities and when the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

g) Property, plant and equipment (PPE)

Measurement at recognition

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses, if any.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non- refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of PPE is capitalised only when it is probable that future economic benefits associated with these 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 if the recognition criteria are met. 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. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

The Company had adjusted exchange differences arising on translation difference/settlement of long term foreign currency monetary items outstanding in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial statements i.e. March 31, 2016 and pertaining to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset.

Capital Work in progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

Depreciation

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method based on the useful life of the asset as prescribed under Part C of Schedule II of the Companies Act, 2013 or based on technical assessment by the Company taking into account the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, past history of replacements, manufacturers warranties and maintenance support, etc.

The useful lives for certain categories of property, plant and equipments are different from those prescribed under Part C of Schedule II of the Companies Act, 2013 based on management estimates. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be use. Category wise details are as under:

Sr No	Category	Useful life in years
1	Plant and equipment (including capital spares)	Ranging from 1 to 40 years
2	Furniture and Fixtures	Ranging from 2 to 20 years
3	Office equipments	Ranging from 1 to 13 years
4	Roads, culverts and compound wall	Ranging from 3 to 30 years
5	Water supply and drainage system	Ranging from 5 to 15 years
6	Building	Ranging from 3 to 60 years

The identified components of Property, Plant and equipments are depreciated over their useful lives and the remaining components are depreciated over the life of principal assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Freehold land is not depreciated. Lease hold land is amortized over the lease term of 99 years.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate and adjusted prospectively, if appropriate.

De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the De-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the statement of profit and loss when the item is derecognized.

h) Investment Properties

Investment properties are measured initially at original cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Company depreciates building component of investment property over 60 years from the date of original purchase.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed off or do not meet the criteria of investment property i.e. when investment property is permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Cost incurred on internally generated intangible assets are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with infinite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a infinite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

A summary of the policies applied to the Company's intangible assets is as follows:

Sr No	Intangible Assets	Method of Amortization	Estimated Useful life
1	Computer software	on straight line basis	Three years or validity period whichever is lower
2	Licenses		Over its useful life of 20 years

j) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets, as follows:

Sr No	Category	Life
1	Lease hold land	8 to 99 years
2	Building (includes Godown / warehouses & office premises)	3 to 5 years
3	Vehicle	3 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (l) Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of building, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

k) Inventories

Inventories of Raw materials, Work-in-progress, Finished goods and Stock-in-trade are valued at the lower of cost and net realisable value. However, Raw materials 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 on Moving 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, but excluding borrowing costs. Cost is determined on Moving 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 Moving Weighted Average Cost basis.

All other inventories of stores and consumables (including coal) are valued at Moving Weighted Average Cost basis after providing for obsolescence and other losses considering the ageing of inventory and usability, where considered necessary on an item-by-item basis. Stores and Spares includes equipment spare parts, catalyst and others which are held as inventory by the Company.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

l) 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. The 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.

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.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss as an exceptional item.

Under Ind AS 116 para 33 right-of-use assets are subject to the impairment requirements of Ind AS 36 - Impairment of assets.

m) Provisions and contingencies

Provisions are recognized 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. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

n) Retirement and other employee benefits

Retirement benefit in the form of Provident Fund is a defined benefit contribution scheme. The Company has no obligation other than the contribution payable to the Provident Fund. The Company recognizes contribution payable to the Provident Fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability.

The employee's gratuity fund scheme and post-retirement medical benefit schemes are Company's defined benefit plans. The contributions under the plans are made to separately administered funds. The cost of providing benefits under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The Company measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months as long term compensated absences which are provided for based on actuarial valuation as at the end of the period. The actuarial valuation is done as per Projected Unit Credit Method and all gains / losses due to actuarial valuation are immediately recognised in profit or loss in the period in which they arise.

o) 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 assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in case of financial asset not recorded at fair value through profit and loss, transaction cost that are attributable to the acquisition of the financial assets.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (e) for Revenue from contracts with customers.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date. i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

(i) Financial assets measured at amortized cost (debt instrument)

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(ii) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

(iii) Financial assets measured at fair value through profit or loss (FVTPL)

(i) Financial assets measured at amortized cost (debt instrument)

A 'financial asset' is measured at amortized cost if both the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category generally applies to cash and bank balances, trade receivables, investments in unquoted equity shares of subsidiary entity and associate entity, investment in G-sec, loans & advances and other financial assets of the Company (Refer note 50 for further details).

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in interest income in the profit or loss.

(ii) Financial assets designated at fair value through OCI (equity instruments)

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. 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 / de- recognition of investment on restructuring by investee. However, the Company may transfer the cumulative gain or loss into retained earnings within equity. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

(iii) Financial assets at fair value through profit or loss (FVTPL)

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 recognised in the statement of profit and loss.

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated Loans to employees, investments in Government Securities, Debentures and State Development Loans and other advances. (Refer note 50 for further details).

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when :

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- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On Derecognition of a financial asset, (except as mentioned in (ii) above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the statement of profit and loss.

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 amortized cost e.g. loans, debt securities, deposits and bank balances.

b) Financial assets that are equity instruments and are measured at fair value through other comprehensive income (FVTOCI)

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default over the expected life of a financial instrument.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. 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. This amount is reflected under the head "Other Expense / Other Income" in the P&L.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

Loans, borrowings and payables are subsequently measured at amortised cost whereas derivatives are measured at fair value through profit and loss.

All financial liabilities are recognized 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 and derivative financial instruments.

Subsequent measurement

For the purpose of subsequent measurement, financial liabilities are classified into two categories:

(i) Financial liabilities measured at fair value through profit or loss

(ii) Financial liabilities measured at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risk are recognized in OCI. These gains / losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

Financial liabilities measured at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Derecognition

A financial liability is derecognized 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value through profit or loss (FVTPL) on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivative financial instrument or on settlement of such derivative financial instruments are recognized in statement of profit and loss and are classified as Foreign Exchange (Gain) / Loss except those relating to borrowings, which are separately classified under Finance Cost.

q) 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, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the Company's cash management.

r) Cash dividend to equity holders of the Company

The Company recognizes a liability to pay dividend to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

s) Earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

t) 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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, if any, are recognised at sales price. Profit or loss on inter segment transfer are eliminated at the Company level. 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 identified reportable segments are Fertilizers, Chemicals and Others in terms of the requirements of Ind AS 108 "Operating Segments" as notified under section 133 of the Companies Act, 2013.

2.3 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

3 Significant accounting judgement, estimates and assumptions

The preparation of the Company's Ind AS Financial Statements requires management to make judgments, 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 Companies accounting policies, management has made the following judgements which have the most significant effects on the amounts recognised in the financial statements.

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 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.

Taxes

Deferred tax assets are recognized for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in Note 26.

Defined benefit plans (gratuity benefits and other post-employment medical benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of these obligations 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, medical cost escalations and mortality rates etc. 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 / securities in currencies consistent with the currencies of the post- employment benefit obligation.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The mortality rate is based on publicly available mortality tables for the specific countries. 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 rates and Company's obligation under Long Term Wage Settlement which is evaluated in block of four years. Medical cost escalations are based on expected future medical expenditure.

Further details about gratuity and post-employment medical benefits obligations are given in Note 41.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 50 for further disclosures.

The Company has invested in the equity instruments of various companies. The valuation exercise of unquoted equity instruments carried out by the Company with the help of an independent valuer, etc. has estimated fair value at each reporting period based on available historical annual reports and other information in the public domain.

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 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 (DCF) model. The cash flows are derived from the budget for the future years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance being tested. The cash flow projections, beyond period covered by the most recent budget / forecast, the Company extrapolates cash flow projections taking base of budget working using a steady or declining growth rate for subsequent years unless an increasing trend can be justified. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Evaluation of uncertain tax demand positions and other legal litigation

The Company has material uncertain tax demand positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes and significant open legal proceedings under arbitration and courts for various matters with its contractors / vendors and in Government departments, continuing from earlier years which are part of Contingent Liability. The Company has made estimates to recognize the provisions mainly for probable claims arising out of litigations / disputes pending with authorities under various statutes and with other parties. The probability and the timing of the outflow with regard to these matters depend on the outcome of the litigations/disputes. Hence, the Company is not able to reasonably ascertain the timing of the outflow.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 4 : Property, plant and equipment

(` Crores)

	Land freehold	Land lease hold	Leasehold Land Development	Buildings	Plant and equipment	Furniture and fixture	Vehicles	Office equipment	Roads, culverts and compund wall	Water supply and drainage system	Railway sidings	Total
Cost												
As at April 01, 2022	**111.03**	**240.54**	**9.62**	**449.08**	**6,956.16**	**32.53**	**7.10**	**11.67**	**72.70**	**128.31**	**3.77**	**8,022.51**
Additions	-	-	-	4.06	87.65	5.02	0.90	0.59	2.66	0.26	3.28	104.42
Disposals	-	-	-	-	(23.56)	(0.36)	(0.73)	(0.27)	-	(1.98)	(0.08)	(26.98)
Reclassification	-	(240.54)	-	(24.49)	-	-	-	-	-	-	-	(265.03)
As at March 31, 2023	**111.03**	**-**	**9.62**	**428.65**	**7,020.25**	**37.19**	**7.27**	**11.99**	**75.36**	**126.59**	**6.97**	**7,834.92**
Additions	-	-	-	5.32	125.78	2.92	1.73	1.00	7.68	-	24.82	169.25
Disposals	-	-	-	(0.32)	(37.55)	(5.41)	(0.50)	(0.97)	(0.07)	-	(0.98)	(45.80)
As at March 31, 2024	**111.03**	**-**	**9.62**	**433.65**	**7,108.48**	**34.70**	**8.50**	**12.02**	**82.97**	**126.59**	**30.81**	**7,958.37**
Depreciation / Amortisation												
As at April 01, 2022	**-**	**23.39**	**0.46**	**143.51**	**4,141.70**	**24.27**	**4.37**	**9.60**	**49.92**	**82.34**	**3.58**	**4,483.14**
Depreciation for the year	-	-	0.34	12.55	267.57	2.49	0.58	0.63	4.41	6.06	0.18	294.81
Reclassification	-	(23.39)	-	(3.18)	-	-	-	-	-	-	-	(26.57)
Disposals	-	-	-	-	(22.01)	(0.34)	(0.51)	(0.25)	-	(1.81)	(0.07)	(24.99)
As at March 31, 2023	**-**	**-**	**0.80**	**152.88**	**4,387.26**	**26.42**	**4.44**	**9.98**	**54.33**	**86.59**	**3.69**	**4,726.39**
Depreciation for the year	-	-	0.34	12.84	270.76	3.17	0.68	0.57	4.71	5.64	0.65	299.36
Disposals	-	-	-	(0.19)	(29.84)	(5.17)	(0.20)	(0.91)	(0.06)	-	(0.93)	(37.30)
As at March 31, 2024	**-**	**-**	**1.14**	**165.53**	**4,628.18**	**24.42**	**4.92**	**9.64**	**58.98**	**92.23**	**3.41**	**4,988.45**
Net Block												
As at March 31, 2024	**111.03**	**-**	**8.48**	**268.12**	**2,480.30**	**10.28**	**3.58**	**2.38**	**23.99**	**34.36**	**27.40**	**2,969.92**
As at March 31, 2023	111.03	-	8.82	275.77	2,632.99	10.77	2.83	2.01	21.03	40.00	3.28	3,108.53

Notes :

a. Leasehold Land pertains to the costs incurred for leasehold land in possession of the Company as a Licensee, pending completion formalities of the lease agreement for a term of 99 years in respect of certain land areas situated at Dahej and Atali.

b. Feed Stock Conversion Projects from 'LSHS/FO' to 'Gas' acquired under Government of India policy for reimbursement of project cost over a period of five years from the date of commercial production, was capitalized on 01.10.2013. Accordingly, plant and equipment include assets amounting to ` 1,215.64 crores (net of decapitalisation) represented by capital grant of ` 1,213.06 crores.

c. Assets given on lease included in plant and equipment :

- Cost as at March 31, 2024 is ` 9.28 crores (March 31, 2023 ` 9.39 crores)
- Depreciation as at March 31, 2024 is ` 8.82 crores (March 31, 2023 ` 8.92 crores)
- Net block as at March 31, 2024 is ` 0.46 crore (March 31, 2023 ` 0.47 crore)

d. Additions to property, plant & equipment during the year include ` Nil (previous year: ` Nil) used for research and development activities.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

e. Disclosure with respect to the Title deeds of Immovable Property not held in the name of the Company is as below:

A) List of Immovable Properties as at 31.03.2024

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value (₹ Crores)	Title deeds held in the name of	Whether title deed holder is a promoter *, director or relative** of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company	Is there any Dispute
Land leasehold	Land leasehold	43.05	Gujarat Industrial Development Corporation, Bharuch	NO	04.09.2012	The lease deed for plots allotted are not executed in favour of GNFC because of the some of the portion of the lands are Gaucher and Government Land are falling in the plot allotted to the Company and lease will be executed after allotment of Gaucher and Government Land to GNFC.	NO

*Promoter here means promoter as defined in Section 2(69) of the Companies Act, 2013

**Relative here means relative as defined in Section 2(77) of the Companies Act, 2013

B) List of Immovable Properties as at 31.03.2023

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value (₹ Crores)	Title deeds held in the name of	Whether title deed holder is a promoter *, director or relative** of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company	Is there any Dispute
Land leasehold	Land leasehold	43.05	Gujarat Industrial Development Corporation, Bharuch	NO	04.09.2012	The lease deed for plots allotted are not executed in favour of GNFC because of the some of the portion of the lands are Gaucher and Government Land are falling in the plot allotted to the Company and lease will be executed after allotment of Gaucher and Government Land to GNFC.	NO

*Promoter here means promotor as defined in Section 2(69) of the Companies Act, 2013

**Relative here means relative as defined in Section 2(77) of the Companies Act, 2013

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 5 : Capital Work in Progress

5.1 : Capital work in progress is as under:

- **Gross block** as at March 31, 2024 is ` **288.52** crores (March 31, 2023 ` 187.01 crores)
- **Impairment provision** as at March 31, 2024 is **Nil** (March 31, 2023 ` Nil crore)
- **Net block** as at March 31, 2024 is ` **288.52** crores (March 31, 2023 ` 187.01 crores)

It mainly includes cost incurred on Coal based captive power plant at dahej (` 142.59 crores), Solar 4 MW Plant (` 19.80 crores), AMUGL Project (` 6.74 crores), TDI II Dahej Plant (` 13.12 crores), Ammonia Plant (` 30.72 crores), Urea Plant (` 36.63 crores) and Capital Inventory (` 15.23 crores).

5.2 : CWIP Ageing Schedule **(` Crores)**

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 to 2 year	2 to 3 year	more than 3 years	Grand Total
As on 31.03.2024					
Projects in progress	208.55	73.16	4.24	2.57	288.52
Total as on 31.03.2024	**208.55**	**73.16**	**4.24**	**2.57**	**288.52**
As on 31.03.2023					
Projects in progress	122.14	44.00	18.35	2.52	187.01
Total as on 31.03.2023	**122.14**	**44.00**	**18.35**	**2.52**	**187.01**

5.3 : CWIP completion schedule for capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan. **(` Crores)**

Particulars	To be completed in			
	Less than 1 year	1 to 2 year	2 to 3 year	more than 3 years
As on 31.03.2024				
Projects and Schemes in Progress				
- Urea Reactor replacement	-	21.55	-	-
- Ammonia Storage tank D-1003A with double wall	21.99	-	-	-
- 4 MW Solar Power Plant	6.48	-	-	-
- Replace 3 VAM with Screw Chillers	4.67	-	-	-
- Additional MTD storage tanks - S501002	1.86	-	-	-
- Fire fighting system for GNFC Township	1.79	-	-	-
- Installation of Buffer tank EA plant	1.17	-	-	-
- Corporate Building 3rd Floor renovation	1.22	-	-	-
- Fire water pump house upgradation S-500869	-	1.05	-	-
- Replacement of Existing CSL tanks	0.56	-	-	-
- Other Various Modification / Upgradation schemes	3.20	1.05	-	-
Total as on 31.03.2024	**42.94**	**23.65**	**-**	**-**

None of the projects has exceeded it's cost compared to its original plan.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(` Crores)

Particulars	To be completed in			
	Less than 1 year	1 to 2 year	2 to 3 year	more than 3 years
As on 31.03.2023				
Projects and Schemes in Progress				
- CNA - IV Project	48.05	-	-	-
- 4 MW Solar Power Plant	20.45	-	-	-
- Energy Conservation Turbine at ANI-TDI	6.15	-	-	-
- Additional MTD storage tanks	3.42	-	-	-
- Corporate Building 3rd Floor renovation	1.72	-	-	-
- New fire station building - TDI-II Dahej	1.42	-	-	-
- Secondary Combustion Chamber at ANI-TDI	1.43	-	-	-
- Fire water pump house upgradation	1.26	-	-	-
- Boundary wall around Township	1.22	-	-	-
- Installation of Buffer tank EA plant	1.17	-	-	-
- Height Increase of Rock Phosphate Silo	1.08	-	-	-
- Additional storage facility of Toluene - TDI-II Dahej	0.69	-	-	-
- CNA Storage Buffer Tank	0.63	-	-	-
- Other Various Modification / Upgradation schemes	2.39	-	-	-
Total as on 31.03.2023	**91.08**	**-**	**-**	**-**

None of the projects has exceeded it's cost compared to its original plan Except -CNA - IV Project which is exceeded by ` 23.04 crores.

Note 6 : Investment property

(` Crores)

Particulars	Building	Total
Cost		
As at April 01, 2022	**25.93**	**25.93**
Additions (subsequent expenditure)	-	-
Reclassification	24.49	24.49
As at March 31, 2023	**50.42**	**50.42**
Additions (subsequent expenditure)	-	-
As at March 31, 2024	**50.42**	**50.42**
Depreciation		
As at April 01, 2022	**8.65**	**8.65**
Depreciation for the year	0.81	0.81
Reclassification	3.18	3.18
As at March 31, 2023	**12.64**	**12.64**
Depreciation for the year	0.81	0.81
Reclassification	-	-
As at March 31, 2024	**13.45**	**13.45**
Net Block		
As at March 31, 2024	**36.97**	**36.97**
As at March 31, 2023	**37.78**	**37.78**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Information regarding income and expenditure of Investment property (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rental income derived from Investment properties	**7.15**	7.77
Direct operating expenses (including repairs and maintenance) generating rental income	**(2.83)**	(2.37)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	**(0.82)**	(0.62)
Profit arising from investment property before depreciation and indirect expenses	**3.50**	4.78
Less : Depreciation	**(0.81)**	(0.81)
Profit arising from investment property before indirect expenses	**2.69**	3.97

(i) As at March 31, 2024 and March 31, 2023 the fair values of the investment property is ` 103.91 crores and ` 111.55 crores respectively, based on valuations performed by an accredited independent valuer, who is a specialist in valuing such types of investment properties.

(ii) The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iii) Fair value hierarchy disclosure for investment properties have been provided in Note 50.2.

Note 7 : Intangible assets (` Crores)

Particulars	Computer software	Licenses	Total
Cost			
As at April 01, 2022	**27.87**	**34.29**	**62.16**
Additions	2.46	-	2.46
Deletion	(0.45)	-	(0.45)
As at March 31, 2023	**29.88**	**34.29**	**64.17**
Additions	1.85	-	1.85
Deletion *	-	-	-
As at March 31, 2024	**31.73**	**34.29**	**66.02**
Amortization			
As at April 01, 2022	**22.82**	**19.38**	**42.20**
Amortization for the year	2.34	1.55	3.89
Disposals	(0.45)	-	(0.45)
As at March 31, 2023	**24.71**	**20.93**	**45.64**
Amortization for the year	2.28	1.55	3.83
Disposals *	-	-	-
As at March 31, 2024	**26.99**	**22.48**	**49.47**
Net Block			
As at March 31, 2024	**4.74**	**11.81**	**16.55**
As at March 31, 2023	5.17	13.36	18.53

* Amount for “Computer software” and “total” nullified on conversion to ` crores.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 8 : Investments (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Investments		
(i) Investment in Associate at cost (Unquoted)		
Investment in equity instrument		
(In fully paid up equity shares)		
12,50,000 (previous year 12,50,000) Equity shares of Gujarat Green Revolution Company Limited of ` 10/- each	**1.25**	1.25
Total	**1.25**	1.25
Non- Trade Investments		
(i) Investments at fair value through other comprehensive income (FVTOCI) [Refer note (a & b)]		
Investments at FVTOCI		
Investments in equity instruments-quoted		
(In fully paid up equity shares)		
A) 75,00,000 (previous year 75,00,000) Equity Shares of Gujarat State Fertilizers & Chemicals Limited of ` 2/- each	**146.74**	89.25
B) 17,59,996 (previous year 17,59,996) Equity Shares of Gujarat Alkalies & Chemicals Limited of ` 10/- each	**118.53**	102.99
C) 80,00,000 (previous year 80,00,000) Equity Shares of Gujarat State Petronet Limited of ` 10/- each	**285.20**	212.00
D) 2,66,445 (previous year 2,66,445) Equity Shares of Gujarat Gas Limited of ` 2/- each	**14.50**	12.25
	564.97	416.49
Investments in equity instruments-unquoted		
A) 2,15,43,200 (previous year 2,15,43,200) equity shares of Gujarat State Petroleum Corporation Limited of ` 1/- each	**37.74**	32.72
B) 42,000 (previous year 42,000) equity shares of Bharuch Enviro Infrastructure Limited of ` 10/- each	**8.83**	10.92
C) 20,000 (previous year 20,000) equity shares of Gujarat Venture Finance Limited of ` 10/- each	**0.56**	0.49
D) 18,39,60,000 (previous year 18,39,60,000) equity shares of Gujarat Chemical Port Limited of ` 1/- each (formerly known as Gujarat Chemical Port Terminal Company Limited)	**316.41**	521.71
E) 2,42,10,000 (previous year 2,42,10,000) equity shares of Ecophos GNFC Private Limited of ` 10/- each @, #	**- ***	- *
F) 1,35,30,000 (previous year 1,35,30,000) equity shares of Bharuch Dahej Railway Company Limited of ` 10/- each	**18.37**	15.49
	381.91	581.33
Total Investments at FVTOCI	**946.88**	997.82

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(ii) Investments at fair value through profit and loss (FVTPL)		
Investments at FVTPL - Unquoted		
A) Investments in Government securities	**3.49**	3.45
B) Investments in Debentures $ &	**7.20**	14.71
C) Investments in State Development Loans	**2.83**	8.54
Total Investments at FVTPL	**13.52**	26.70
(iii) Investments at amortized cost		
Investments at Amortized cost - Unquoted		
A) Investments in Government securities	**1,957.46**	2,080.67
Total Investments at Amortized cost	**1,957.46**	2,080.67
Non-current	**2,254.39**	2,785.42
Current	**664.72**	321.02
Total investments	**2,919.11**	3,106.44
Aggregate book value of quoted investments and market value thereof	**564.97**	416.49
Aggregate amount of unquoted investments	**2,354.14**	2,689.95

* Amount nullified on conversion to ` in crores.

@ The Company is carrying physical share certificate in respect of this investment.

M/s Ecophos GNFC India Private Limited (EGIPL) is the joint venture company formed by the Company and M/s Ecophos S.A - a Belgium based company for manufacturing of Di-Calcium Phosphate (DCP) at Dahej location. The Company holds 15% shareholding of EGIPL at issued value of ` 24.21 crores. During the FY 2019-20, M/s Eophos S.A. (shareholder) holding 85% shareholding of EGIPL had applied for bankruptcy. Consequently all the nominee directors of EGIPL, Managing Director and Company Secretary of EGIPL resigned. Plant installation for manufacturing of DCP didn't commenced. Accordingly, the Company valued such investment as at March 31, 2024 and as at March 31, 2023 at the nominal consideration of ` 1.

$ The Company had acquired various securities from GNFC-EPFT which includes investments in various long term secured/ unsecured Non-Convertible Debentures (NCD) issued by IL&FS Group & NCD issued by Reliance Capital Limited. Such investments have been recorded at the nominal fair values of ` 5.79 only (i.e. ` 1 for each security reduced by the amount received till date) as against total face value of ` 37.12 crores as on 31.03.2024.

& During the year, investments in one of the NCDs of AP Power Fin Corp Ltd was matured. However, the maturity amount is not received till the 31.03.2024. Accordingly, the Company has fair valued the total investment of ` 7.50 crores (including the NCD of ` 1.50 crores, which is yet not matured) made in AP Power Fin Corp Ltd at ` 2 as on 31.03.2024.

(a) The fair value of the quoted equity investments are derived from quoted market prices in active market.

(b) Investments include investment in unquoted equity shares. Fair value of unquoted investment in equity instrument have been carried out by independent valuer using Net Assets Value model and comparable companies model following Market Approach and Asset Approach. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk, volatility, net assets and market multiples. The probabilities of various estimates within the range can be reasonably assessed and are used in management's estimates for fair value for these unquoted equity instruments.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Reconciliation of fair value measurement of the investments in equity shares (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening Balance	**997.82**	1,155.70
Add : Fair value gain / (loss) recognised in Other Comprehensive Income	**(50.94)**	(157.88)
Closing Balance	**946.88**	997.82

Note 9 : Loans and advances (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Loans		
Considered good		
Deposits with a body corporate (unsecured)	**350.00**	800.00
Loans to employees * # @	**19.56**	15.93
Total	**369.56**	815.93
Non-Current		
Loans		
Considered good		
Deposits with a body corporate (unsecured)	**-**	-
Loans to employees * # @	**138.03**	115.15
Unsecured - considered doubtful		
Amount recoverable from employee	**1.57**	1.57
Less: Provision for doubtful loans	**(1.57)**	(1.57)
	-	-
Loan to other companies	**0.40**	0.40
Less: Provision for doubtful loans	**(0.40)**	(0.40)
	-	-
Total	**138.03**	115.15
Total loans and advances	**507.59**	931.08

* includes gross interest accrued ` 3.89 crores (previous year ` 4.51 crores) on current loans to employees and of ` 32.95 crores (previous year ` 31.89 crores) on non-current loans to employees.

\# No loans are due from Promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

@ includes secured Loans to employees having fair value of ` 12.12 crores (previous year ` 12.06 crores) in current and ` 112.41 crores (previous year ` 101.52 crores) in non-current amount. Employees have mortgaged/ hypothecated their Buildings and Vehicles to the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 10 : Other financial assets (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Other financial assets		
Accrued interest	**93.17**	99.68
Other receivables	**0.03**	33.45
Export Benefit Receivable	**0.07**	-
Total	**93.27**	133.13
Non-Current		
Other financial assets		
Deposits with suppliers	**18.70**	17.55
Bank deposits with more than 12 months maturity	**-**	80.00
Other receivables	**0.69**	-
Less: Provision for doubtful receivables	**(0.69)**	-
	-	-
Total	**18.70**	97.55
Total other financial assets	**111.97**	230.68

Note 11 : Trade receivables (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables		
- Secured, Considered good	**23.97**	19.78
- Unsecured, Considered good	**172.13**	102.90
- Unsecured, Credit impaired	**7.70**	14.27
Subsidy receivables (Considered good)		
- Unsecured, Considered good	**430.29**	244.76
	634.09	381.71
Less : Impairment Allowances (Allowance for doubtful debts)		
Trade receivables		
- Credit impaired	**(7.70)**	(14.27)
Total	**626.39**	367.44

Notes:

a) Refer Note 44 for Ageing of Trade receivables as on March 31, 2024 and March 31, 2023.

b) No trade or other receivables are due from Directors or other officers of the Company either severally or jointly with any other person; nor any trade or other receivables are due from firms or private companies in which any Director is a partner, a director or a member.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

c) The fair value of trade receivables (including subsidy receivables) is not materially different from the carrying value presented.

d) Trade receivables are non interest bearing and are generally on terms of 30 to 90 days. Trade receivables of (n)Code division (IT) are of ` 63.99 crores (previous year ` 49.88 crores) are governed by the terms of respective contract agreement. Out of the dues, the Company has provided impairment allowance of ` 7.30 crores as on March 31, 2024 (as on March 31, 2023: ` 13.80 crores) based on credit risk model followed by the Company.

e) Subsidy receivables represents amount receivable from government against sale of fertilizers.

Note 12 : Other non-current assets (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Unamortized value of employee loan benefits *	**29.30**	46.47
Capital advances **	**42.21**	49.40
Deposits / Recoverable balances from customs, VAT and others	**0.01**	1.01
Prepaid Expense	**0.14**	1.35
Unsecured - considered doubtful		
Advances to suppliers	**1.64**	1.64
Less: Provision for doubtful advances	**(1.64)**	(1.64)
	-	-
Balances / deposits of recoverable customs, taxes, cess etc.	**4.19**	4.31
Less: Provision for doubtful balances	**(4.19)**	(4.31)
	-	-
Receivable from others	**4.14**	4.14
Less: Provision for doubtful balances	**(4.14)**	(4.14)
	-	-
Total	**71.66**	98.23

* It includes impact of change in the employee loan valuation modelling and data correction in the current financial year.

** It includes ` 34.16 crores as advance given to Gujarat Industrial Development Corporation (GIDC), Bharuch towards Company's contribution for 100 MLD Sea Water Reverse Osmosis (SWRO) desalination project at Dahej location. The Project has already completed and the Company has already started receiving committed water supply from July - 23. As per the terms of the agreement, Special Purpose Vehicle (SPV) has been formed by the GIDC named "Dahej Desal Foundation". However, till date no further Communication received from GIDC in respect of mode of settlement of capital contribution in terms of shares of ownership towards the participation in SPV and hence this amount is treated as capital advance in books till the further communication received.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 13 : Inventories (Valued at lower of Cost and Net realisable value) (` Crores)

Particulars		As at March 31, 2024		As at March 31, 2023
Raw materials		**365.98**		388.97
(Includes in transit inventory as on March 31, 2024 ` 82.36 crores; as on March 31, 2023 - ` 174.28 crores)				
Work-in-progress *		**60.98**		38.32
Finished goods *		**175.97**		177.76
Traded goods		**2.05**		2.78
Stores and spares (Including coal)	**559.21**		539.90	
(Includes in transit inventory as on March 31, 2024 ` 8.83 crores; as on March 31, 2023 ` 1.57 crores)				
Less: Provision for excess inventory	**(44.80)**	**514.41**	(24.52)	515.38
Total		**1,119.39**		1,123.21

* During the current year, the Company has adjusted inventories of finished goods by ` 3.80 crores (previous year ` 5.98 crores) and Work-in-progress by ` 0.91 crore (Previous year ` 0.22 crore) so as to value such inventories at net realizable value.

Note 14 : Cash and cash equivalents (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Balances with banks in:		
Current accounts	**10.09**	9.17
Debit balance in cash credit and overdraft accounts	**32.42**	21.47
Cash on hand	**0.05**	0.06
Deposits with original maturities less than 3 months	**-**	25.50
Total	**42.56**	56.20

Note 15 : Other bank balances (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
Unpaid dividend accounts	**20.59**	14.89
Bank balances in escrow accounts *	**51.01**	27.89
Deposit with original maturity more than 3 months but remaining maturities of less than 12 months #	**1,414.74**	1,894.93
Total	**1,486.34**	1,937.71

* Balance in escrow account represents amount received as Earnest Money Deposit & Tender fees against e-auction done on behalf of various local authorities of Government of Gujarat. Corresponding liability is disclosed in Note 21 as “Other current financial liabilities”.

\# Includes ` 474.74 crores (previous year ` 404.92 crores) pledged with lenders and Government authorities.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 16 : Other current assets (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits / Recoverable balances from customs, VAT and others	**0.68**	0.61
Advance to suppliers	**33.15**	75.86
Goods and Service Tax Receivable	**23.07**	10.77
Contract assets *	**1.95**	3.91
Receivable from others	**0.77**	0.85
Prepaid expenses	**15.93**	17.74
Unamortized employee loan benefits **	**4.00**	6.34
Energy savings certificates $	**-**	-
Total	**79.55**	116.08

* Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

** It includes impact of change in the employee loan valuation modelling and data correction in the current financial year.

$ Amount nullified on conversion to ` crores.

Note 17 : Share capital (` Crores)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	` Crores	No. of Shares	` Crores
Authorised share capital				
Equity shares of ` 10 each	**25,00,00,000**	**250.00**	25,00,00,000	250.00
	25,00,00,000	**250.00**	25,00,00,000	250.00
Issued, subscribed and fully paid up				
Equity shares of ` 10 each subscribed and fully paid up	**14,69,40,683**	**146.94**	15,54,18,783	155.42
Total issued, subscribed and fully paid up share capital	**14,69,40,683**	**146.94**	15,54,18,783	155.42

17.1. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	` Crores	No. of Shares	` Crores
Equity Shares				
At the beginning of the year	**15,54,18,783**	**155.42**	15,54,18,783	155.42
Changes in Equity Share Capital due to prior period errors	**-**	**-**	-	-
Restated balance at the beginning of the year	**15,54,18,783**	**155.42**	15,54,18,783	155.42
Shares extinguished on buy-back during the year	**(84,78,100)**	**(8.48)**	-	-
Outstanding at the end of the year	**14,69,40,683**	**146.94**	15,54,18,783	155.42

Note :

The Company bought back 84,78,100 equity shares for an aggregate amount of ` 652.81 crores being 5.46% of pre-buy back fully paid up equity share capital at ` 770 per equity share in the current year. The equity shares bought back were extinguished on December 21, 2023.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

17.2. Terms/rights attached to the equity shares

Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having par value of ` 10 per share, i.e. equity shares which rank pari passu in all respects. Each holder of equity share is entitled to one vote per share.

For the current financial year 2023-24, the Company has proposed dividend of ` 16.50 per equity share to equity shareholder (for the previous financial year dividend of ` 30/- per share declared). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

17.3. Number of Shares held by each shareholder holding more than 5% Shares in the Company

Name of the shareholders	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Gujarat State Investments Ltd.	**3,15,07,658**	**21.44%**	3,32,27,546	21.38%
Gujarat State Fertilizers & Chemicals Ltd.	**2,91,86,009**	**19.86%**	3,07,79,167	19.80%

17.4. Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2024 is as follows :

Name of the Promoter	As at March 31, 2024		As at March 31, 2023		% Change during the year
	No. of shares	% of shareholding	No. of shares	% of shareholding	
Gujarat State Investments Ltd.	**3,15,07,658**	**21.44%**	3,32,27,546	21.38%	0.30%
Gujarat State Fertilizers & Chemicals Ltd.	**2,91,86,009**	**19.86%**	3,07,79,167	19.80%	0.30%

Disclosure of shareholding of promoters as at March 31, 2023 is as follows :

Name of the Promoter	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of shares	% of shareholding	No. of shares	% of shareholding	
Gujarat State Investments Ltd.	**3,32,27,546**	**21.38%**	3,32,27,546	21.38%	0.00%
Gujarat State Fertilizers & Chemicals Ltd.	**3,07,79,167**	**19.80%**	3,07,79,167	19.80%	0.00%

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 18 : Other equity

Note 18.1 Reserves and surplus (` Crores)

Particulars	Capital reserve	Capital Redemption Reserve (CRR)	Securities Premium	General reserve	Retained earnings	Total
As at April 01, 2022	**0.64**	**-**	**313.31**	**2,479.76**	**4,075.39**	**6,869.10**
Profit for the year	-	-	-	-	1,463.98	1,463.98
Re-measurement gain on defined benefit plans (net of tax)	-	-	-	-	(68.79)	(68.79)
Balance available for appropriation	-	-	-	-	**5,470.58**	**8,264.29**
Less : Appropriations						
Transfer to General reserve	-	-	-	200.00	(200.00)	-
Dividend paid during the year	-	-	-	-	155.42	155.42
As at March 31, 2023	**0.64**	**-**	**313.31**	**2,679.76**	**5,115.16**	**8,108.87**
Profit for the year	-	-	-	-	484.79	484.79
Re-measurement gain on defined benefit plans (net of tax)	-	-	-	-	(4.14)	(4.14)
Balance available for appropriation	-	-	-	-	**5,595.81**	**8,589.52**
Less : Appropriations						
Transfer to General reserve	-	-	-	500.00	(500.00)	-
Dividend paid during the year	-	-	-	-	466.26	466.26
Expenses for buy-back of equity shares	-	-	-	-	4.98	4.98
Tax on buy-back of equity shares	-	-	-	-	150.10	150.10
Transfer to Capital Redemption Reserve	-	8.48	-	-	(8.48)	-
Buy-back of equity shares	-	-	313.31	-	331.03	644.34
As at March 31, 2024	**0.64**	**8.48**	**-**	**3,179.76**	**4,134.96**	**7,323.84**

Securities Premium:

Securities premium is used to record the premium on issue of shares. This reserve is utilized in accordance with the provision of section 52 (2) (c) of the Companies Act, 2013. During the current year, it is utilized against the buy back of equity shares.

Capital redemption reserve:

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 18.2 Other comprehensive income (OCI) (` Crores)

Particulars	Net gain / (loss) on FVTOCI equity Investments	Total
As at April 01, 2022	**874.32**	**874.32**
Other comprehensive income / (expense) during the year		
Net (loss) on FVTOCI equity investments for the year	(157.88)	(157.88)
Income tax effect	25.63	25.63
As at March 31, 2023	**742.07**	**742.07**
Other comprehensive income / (expense) during the year		
Net (loss) on FVTOCI equity investments for the year	(50.94)	(50.94)
Income tax effect	35.83	35.83
As at March 31, 2024	**726.96**	**726.96**

Note 18.3 Dividend distribution made and proposed (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash dividends on equity shares declared and paid		
Final dividend for year ended March 31, 2023: ` 30 per share (March 31, 2022: ` 10 per share)	**466.26**	155.42
Proposed dividends on equity shares		
Final cash dividend proposed for the year ended March 31, 2024: ` 16.50 per share (March 31, 2023: ` 30 per share)	**242.45**	466.26

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at balance sheet date.

Note 19 : Borrowings (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Short-term interest bearing borrowings		
Secured		
From Bank- cash credit and overdraft accounts	**0.56**	0.01
Total	**0.56**	0.01

Security details

Short term borrowings from banks as cash credit and overdraft accounts of ` 0.56 crore (March 31, 2023: ` 0.01 crore) are secured by first charge by way of hypothecation of inventories and trade receivables and all other movable assets, both present and future and further secured by second charge by way of mortgage on all immovable properties. These charges are ranking pari-passu among the working capital lenders.

Interest rate details for short term borrowings:

(i) Cash credit and overdrafts facilities carries interest rates ranging from 7.50% to 8.90% p.a.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 20 : Trade payables (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(A) Total outstanding dues of micro, small and medium enterprises	**33.28**	45.86
(B) Total outstanding dues of creditors other than micro, small and medium enterprises	**489.12**	531.85
Total	**522.40**	577.71

- Refer Note 45 for Ageing of Trade payables as on March 31, 2024 and March 31, 2023.

(` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 as amended ("MSMED Act"):		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	**33.28**	45.86
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**-**	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**-**	-
(iv) The amount of interest due and payable for the year	**0.59**	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
(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	**-**	-

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

Note 21 : Other current financial liabilities (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Other financial liabilities at amortised cost		
Liability towards capital grant received (net) (*)	**85.06**	85.06
Deposits / retention money from customers / vendors / others	**36.53**	40.02
Payable for capital goods @	**31.05**	15.49
Rebate / discounts payable to customers	**44.18**	29.14
Liability towards employee benefit	**63.01**	123.25
Liability for Escrow Accounts $	**51.01**	27.89
Unclaimed dividends #	**20.59**	14.89
Fair Value of Derivative contracts	**0.20**	1.14
Interest payable on delayed MSME payments	**0.59**	-
Liability for unspent CSR expense	**11.53**	-
Total	**343.75**	336.88

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Non - Current		
Deposit / Retention money from customers / vendors	**5.11**	5.00
Total	**5.11**	5.00
Total other financial liabilities	**348.86**	341.88

* The capital grant of ` 1,213.06 crores from Government of India, Ministry of Chemicals & Fertilizers, Department of Fertilizers for feed stock conversion project from 'LSHS/FO' to 'Gas' vide sanction letter no 14023/22/2007-FP dated 14.12.2009 has accrued to the Company since the conditions attached to the grant have been fulfilled by the Company. Till date, the government had disbursed ` 1,146.43 crores towards capital grant as against ` 1,213.06 crores and ` 348.45 crores towards grant as reimbursement of borrowing cost as against total borrowing cost of ` 195.47 crores. Accordingly, the Company has, pending settlement, recorded a net liability of ` 85.06 crores (net of adjustment of receivable against return on investment of ` 1.29 crores) towards capital grant.

@ Includes ` 7.54 crores (March 31, 2023 : ` 5.31 crores) payable to Micro, Small and Medium Enterprises which have been determined to the extent such parties have been identified on the basis of information collected by the Management.

$ Escrow account liability represents amount received as Earnest Money Deposit & Tender fees against e-auction done on behalf of various local authorities of Government of Gujarat. Corresponding asset is disclosed in Note 15 as "Bank balances in escrow accounts".

Not due for credit to "Investors Education and Protection Fund".

(a) Disclosure with regards to changes in liabilities arising from financing activities as per Ind AS 7 Statement of Cash Flows:

Disclosure of changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses) is as under: (` Crores)

Particulars	Borrowings (includes Current Maturities) and Interest accrued but not due	Unclaimed Dividend	Derivatives	Total
As on April 01, 2022	**0.03**	**12.02**	**0.24**	**12.29**
Net Cash Flow	(2.86)	(152.55)	(4.69)	(160.10)
Changes in Fair Value	-	-	5.59	5.59
Charged to P&L during the year	2.83	-	-	2.83
Dividend recognised during the year	-	155.42	-	155.42
As on March 31, 2023	**-**	**14.89**	**1.14**	**16.03**
Net Cash Flow	(10.04)	(460.56)	(2.47)	(473.07)
Changes in Fair Value	-	-	1.53	1.53
Charged to P&L during the year	10.04	-	-	10.04
Dividend recognised during the year	-	466.26	-	466.26
As on March 31, 2024	**-**	**20.59**	**0.20**	**20.79**

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 22 : Provisions (Non-current) (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for leave encashment	**231.15**	176.96
Provision for post retirement medical benefit (refer Note 41)	**98.60**	85.68
Provision for contingencies *	**160.01**	108.97
Total	**489.76**	371.61

* These provisions represent estimates made mainly for probable claims arising out of litigations / disputes pending with authorities under various statutes (Excise duty) and with other parties. The probability and the timing of the outflow with regard to these matters depend on the final outcome of the litigations/disputes. Hence, the Company is not able to reasonably ascertain the timing of the outflow. The movement of other provision is as under:

(` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance	**108.97**	55.70
Provision made during the year	**51.04**	53.27
Amount utilised / reversed during the year	**-**	-
Closing balance	**160.01**	108.97

Note 23 : Government grant (Deferred Income) (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Grant from Government of India (refer note a)	**60.65**	60.65
Government grant of Export Promotion Capital Grant (EPCG) (refer note b)	**8.70**	5.36
Other Government grant	**0.14**	0.14
Total	**69.49**	66.15
Non Current		
Grant from Government of India (refer note a)	**515.55**	576.21
Other Government grant	**0.50**	0.65
Total	**516.05**	576.86
Total government grant (deferred income)	**585.54**	643.01

(a) Movement in Grant from Government of India (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening	**636.86**	697.51
Amortised to statement of profit and loss	**(60.66)**	(60.65)
Closing	**576.20**	636.86

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The capital grant from Government of India, Ministry of Chemicals & Fertilizers, Department of Fertilizers for feed stock conversion project from 'LSHS/FO' to 'Gas' vide sanction letter no 14023/22/2007-FP dated 14.12.2009 has accrued to the Company since the conditions attached to the grant have been fulfilled by the Company. Accordingly, the grant of ` 1,213.06 crores was recorded as deferred income as contemplated under Para 7 and 12 of Ind AS - 20 on 'Accounting for Government Grants and Disclosure of Government Assistance' and it is being amortized over the useful life of the corresponding assets. The aforesaid grant has been disbursed by the Government of India.

(b) Movement in Government grant of EPCG (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening	**5.36**	6.24
Add: New EPCG license received during the year.	**-**	-
Add: Reversal of earlier year's recognised amount as grant income.	**3.34**	-
Less: Amortised to statement of profit and loss	**-**	(0.88)
Closing	**8.70**	5.36

Note 24 : Other liabilities (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory and other liabilities	**34.10**	49.04
Other current liabilities (Refer Note 43 (A))	**25.03**	24.04
Contract liabilities (including advance from customers)	**32.95**	37.35
Total other liabilities	**92.08**	110.43

Note 25 : Provisions (current) (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for gratuity (Refer Note 41)	**0.76**	89.17
Provision for leave encashment	**46.11**	105.95
Provision for post retirement medical benefit (Refer Note 41)	**3.71**	3.15
Provision for contingencies **	**1.59**	1.59
Total	**52.17**	199.86

** The Company had created a contingency provision for possible contractual obligation of IT business. The movement of other provision is as under:

(` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance	**1.59**	1.59
Provision made during the year	**-**	-
Amount utilised / reversed during the year	**-**	-
Closing balance	**1.59**	1.59

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 26 : Income Tax

The major component of income tax expenses for the year ended March 31, 2024 and March 31, 2023 are as under

a) Statement of Profit and Loss Section **(` Crores)**

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Current Income tax			
Current tax charges	A	**168.20**	541.29
Earlier year tax adjustments -short / (excess) (refer note (g) below)	B	**36.66**	(21.00)
Deferred Tax			
- Relating to origination and reversal of temporary differences	C	**(38.54)**	(52.72)
Tax Expense reported in the Statement of Profit and Loss	A + B + C	**166.32**	467.57
Other Comprehensive Income ('OCI') Section			
Income tax / Deferred tax related to items recognised in OCI during the year :			
- Remeasurement losses on defined benefit plans, credit / (charge)		**1.39**	23.13
- Unrealised gain / loss on FVTOCI equity investments, credit / (charge)		**35.83**	25.63
		37.22	48.76

b) Balance Sheet Section **(` Crores)**

Particulars	As at March 31, 2024	As at March 31, 2023
Liabilities for current tax (net)	**0.04**	0.04
Income tax assets (net)	**(70.17)**	(61.35)
Net Tax Provision Outstanding	**(70.13)**	(61.31)

c) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2024 and March 31, 2023 **(` Crores)**

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	%	Amount	%	Amount
Profit Before tax		**651.11**		1,931.55
Tax using domestic tax rate for Company	**25.17**	**163.87**	25.17	486.13
Tax Effect of:				
Deduction u/s 80M	**(1.13)**	**(7.35)**	(0.13)	(2.54)
Non-deductible expenses	**1.33**	**8.63**	0.32	6.11
Sale of assets	**0.25**	**1.62**	0.00	0.01
Right of Use Asset - Ind AS 116	**(0.05)**	**(0.30)**	(0.02)	(0.29)
Adjustment in depreciation net book value of assets	**(0.10)**	**(0.68)**	0.11	2.17
Buy Back Expenses claimed	**(0.19)**	**(1.25)**	-	-
Previous Year short/ excess Income Tax ROI diff	**(0.63)**	**(4.11)**	-	-
Bonus	**0.88**	**5.76**	-	-
Gain / loss on investments	**-**	**-**	(0.09)	(1.69)
Interest u/s 234C	**-**	**-**	0.01	0.10
Other adjustments	**0.02**	**0.13**	(0.07)	(1.43)
Effective tax rate and tax	**25.54**	**166.32**	25.29	488.57
Excess tax provision write back of earlier years	**-**	**-**	(1.09)	(21.00)
Tax expenses as per Books	**25.54**	**166.32**	24.21	467.57

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

d) Deferred Tax Liability (net) (` Crores)

Particulars	Balance Sheet as at		Statement of Profit and Loss	
	March 31,2024	March 31,2023	Year ended March 31,2024	Year ended March 31,2023
(Liability) on Accelerated depreciation for tax purpose	**(488.88)**	(527.97)	**(39.09)**	(34.63)
Assets on provision for Leave encashment	**67.81**	69.23	**1.42**	(15.14)
Assets on deferred government grant of ASGP	**145.02**	160.28	**15.26**	15.27
Assets on deferred government grant of EPCG	**2.35**	1.55	**(0.80)**	0.02
Assets on Provision for doubtful debts and advances	**57.06**	40.62	**(16.44)**	(10.10)
(Liability) on equity investment FVTOCI	**(62.50)**	(98.33)	**(35.83)**	(25.63)
Assets on other adjustments	**9.61**	10.72	**1.11**	(8.14)
Total	**(269.53)**	(343.90)	**(74.37)**	(78.35)

e) Deferred tax liabilities reflected in the balance sheet as follows (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities	**269.53**	343.90
Less :Tax credit entitlement under MAT	**-**	-
Deferred tax liabilities (net)	**269.53**	343.90

f) Reconciliation of deferred tax liabilities (net) (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance as of April 01	**343.90**	422.25
Tax (credit) / expenses during the period recognised in statement of profit and loss	**(38.54)**	(52.72)
Tax charge / (credit) during the period recognised in OCI	**(35.83)**	(25.63)
Closing balance as of March 31	**269.53**	343.90

g) Based on reconciliation of income tax liabilities pertaining to current tax provision of earlier years as per books of account with tax liabilities acknowledged in respective year's income tax return / assessed tax liabilities, short provision of ` 36.66 crores has been charged to tax expense during the current year and excess tax provision aggregating to ` 21.00 crores has been written back in previous year in books of accounts.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 27 : Revenue from operations (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
27.1		
Sale of products		
Own products (refer below note 27.2)	**7,697.66**	10,067.29
Traded products	**76.55**	74.69
	7,774.21	10,141.98
Rendering of services	**120.49**	65.25
Other operating revenue		
Export incentive	**1.79**	0.75
Recovery of administrative charges (Fly Ash)	**6.41**	7.28
Sale of scrap / surplus / unserviceable materials	**26.83**	11.67
	35.03	19.70
Total	**7,929.73**	10,226.93
27.2 - Sale of own products above includes:		
Subsidy from Government of India under New Urea Policy / Retention Price Scheme/ Nutrient Based Subsidy Scheme (including escalation / de-escalation)		
- Pertaining to current year	**2,240.86**	2,939.44
- Pertaining to earlier year recognised during current year	**(21.57)**	23.40
Total	**2,219.29**	2,962.84
27.3 - Timing of revenue recognition		
Goods transferred / services rendered at point in time	**7,890.72**	10,196.23
Services transferred over time	**39.01**	30.70
Total	**7,929.73**	10,226.93

27.4 There are no inter-segment transfers in case of revenue from contracts with customers, accordingly no reconciliation is required with amounts disclosed in the segment information.

27.5 Reconciliation of amounts of revenue recognized in the statement of profit and loss with the contracted price.

(` Crores)

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Gross Revenue as per contracted price with customer		**6,116.59**	7,612.59
Adjustments:			
Rebates / discounts / incentives		**(374.99)**	(322.41)
Dealer's margin		**(31.16)**	(26.09)
Net Revenue as per contracted price with customer	**A**	**5,710.44**	7,264.09
Subsidy income from Government of India	**B**	**2,219.29**	2,962.84
Total Revenue from operations	**A+B**	**7,929.73**	10,226.93

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 28 : Other income (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Grant income	**57.47**	61.68
Interest income *	**336.32**	233.47
Lease rental income	**8.46**	9.02
Gain (adjustment) on decapitalisation of property, plant and equipment	**0.30**	0.02
Unclaimed liabilities / excess provision for doubtful debt written back	**18.29**	22.08
Dividend income **	**29.20**	10.11
Exchange variance gain on monetary items	**1.12**	-
Profit on sale of property, plant and equipments (net of losses)	**0.19**	1.15
Insurance claim	**0.01**	0.70
Gain on sale of investments carried at FVTPL	**0.15**	-
Gain on Lease modification/ termination (net of losses)	**0.01**	0.01
Miscellaneous income # $	**17.68**	22.99
Total	**469.20**	361.23

* Including ` 12.23 crores (previous year ` 13.42 crores) on FVTPL Financial Assets.

** Including ` 29.07 crores (previous year ` 9.98 crores) on FVTOCI Financial Assets.

\# Miscellaneous income for the previous year includes ` 10.39 crores received from Employees' Provident Fund Trust of the Company (GNFC-EPFT) towards redemption value of principal and interest amount of security issued by Punjab State Industrial Development Corporation (PSIDC) and held by GNFC-EPFT. As this security was already matured in earlier years and maturity amount was not received by the GNFC-EPFT from PSIDC, this was not transferred in the name of the Company till date. The Company had already made good the loss while transferring the PF corpus to the Employees' Provident Fund Organisation (EPFO) by considering the fair value of security at ` 1 and therefore, the aforesaid receipt from (GNFC-EPFT) has been recorded as income of the Company.

$ Miscellaneous income for the current year and previous year includes ` 2.50 crores and ` 7.38 crores respectively received from IL&FS Financial Services Limited as interim distribution towards investments in its non-convertible debentures. The Company had already made good the loss while transferring the PF corpus to the Employees' Provident Fund Organisation (EPFO) by considering the fair value of securities at ` 1 each and therefore, the aforesaid receipt has been recorded as income of the Company.

Note 29 : Cost of raw materials consumed (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Inventory at the beginning of the year	**388.97**	362.44
Add : Purchases	**4,360.49**	5,020.71
	4,749.46	5,383.15
Less : Inventory at the end of the period	**365.98**	388.97
Total	**4,383.48**	4,994.18

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 30 : Changes in inventories of finished goods, work-in-progress and traded goods (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Inventory at the beginning of the year		
Work-in-progress	**38.32**	38.58
Finished goods	**177.76**	80.04
Traded goods	**2.78**	14.82
	218.86	133.44
Inventory at the end of the period		
Work-in-progress	**60.98**	38.32
Finished goods	**175.97**	177.76
Traded goods	**2.05**	2.78
	239.00	218.86
Total	**(20.14)**	(85.42)

Note 31 : Employee benefits expense (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and wages	**443.37**	495.19
Contribution to provident and pension fund (refer Note 41)	**60.89**	41.18
Contribution and provision towards gratuity (refer Note 41)	**14.94**	15.65
Employees' welfare expenses *	**106.24**	53.60
Total	**625.44**	605.62

* Employees' welfare expenses for current year ended March 31, 2024 includes ` 20.55 crores (net) (including ` 21.48 crores relating to earlier years and reversal of ` 0.93 crore related to current year) being impact of change in the employee loan valuation modelling and data correction in the current financial year.

Note 32 : Finance costs (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on borrowings	**8.00**	1.71
Interest others	**1.86**	1.38
Bank charges and commission	**2.48**	2.02
Interest on lease liability (refer Note 39)	**0.18**	0.15
Total	**12.52**	5.26

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 33 : Depreciation and amortization (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on property, plant and equipment (refer Note 4)	**299.36**	294.81
Depreciation on investment property (refer Note 6)	**0.81**	0.81
Amortization on intangible assets (refer Note 7)	**3.83**	3.89
Depreciation on RoU assets (refer Note 39)	**3.54**	3.43
Total	**307.54**	302.94

Note 34 : Other expenses (` Crores)

Particulars	Year Ended March 31, 2024		Year Ended March 31, 2023	
Stores, chemicals and catalysts		**147.03**		155.33
Packing expenses		**89.11**		96.01
Insurance		**29.46**		34.46
Repairs and maintenance :				
- Building	**8.79**		13.95	
- Plant and equipment	**153.98**		151.19	
- Others	**7.15**	**169.92**	7.05	172.19
Material handling expenses		**12.90**		10.90
Outward freight and other charges		**92.37**		79.64
Sales promotion expenses		**9.89**		7.05
Selling commission		**0.13**		0.14
Rates & taxes		**4.52**		3.92
Operating lease Rent		**3.35**		3.39
Printing & stationery, communication and advertisement expense		**3.99**		7.70
Traveling and conveyance expenses		**4.51**		3.17
Fire fighting, safety and security expenses		**10.90**		9.48
Electricity charges		**2.84**		2.34
Professional and consultancy charges		**5.51**		4.09
Payment for contract services		**20.06**		15.90
Exchange variance on monetary items		**-**		1.59
Director's fees		**0.23**		0.22
Payment to auditors (refer note (a) below)		**0.48**		0.45
Donations		**0.05**		-
Contributions towards corporate social responsibilities (refer Note 40)		**22.70**		24.27
Provision for unspent CSR obligation		**11.53**		-
Premium on forward contracts		**2.47**		4.69
Provision for doubtful debts / advances		**4.08**		5.36

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(` Crores)

Particulars		Year Ended March 31, 2024		Year Ended March 31, 2023
Provision for excess inventory		**20.95**		5.28
Advances / Bad debts / other receivables written off		**0.42**		0.34
Provision for contingencies		**51.04**		53.27
Fair valuation loss on investments measured at FVTPL (net) (Refer note 8 (&))		**7.53**		0.82
Loss on sale of investments carried at FVTPL		**-**		0.66
Provision for energy savings certificates		**-**		0.38
Inventory written off	**0.67**		1.82	
Less: Utilization of provision for inventory obsolescence	**(0.67)**	**-**	(1.82)	-
Assets written off		**6.61**		1.20
Miscellaneous expenses *		**56.83**		55.38
Total		**791.41**		759.62

* Includes ` 34.15 crores (previous year ` 38.94 crores) related to by-product & waste handling expense.

(a) Payment to auditors includes following : (` Crores)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Payments to Statutory Auditors comprise: (Net of GST Input Credit, where applicable)		
As auditor:		
(i) Statutory Audit Fees	**0.14**	0.14
(ii) Limited review Fees	**0.10**	0.10
In other capacity:		
(i) Certification fees	**0.20**	0.17
(ii) Tax Audit Fees	**0.03**	0.03
Reimbursement of Expenses	**0.01**	0.01
Total	**0.48**	0.45

Note 35 : Earning per share

Particulars	Unit	Year ended March 31, 2024	Year ended March 31, 2023
Net profit after tax	` Crores	**484.79**	1,463.98
Weighted average number of equity shares of nominal value of ` 10 each in calculating Earnings Per Share	Nos.	**15,30,79,198**	15,54,18,783
Basic and diluted earnings per share	`	**31.67**	94.20

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 36 : Contingent liabilities and other commitments (to the extent not provided for) (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(A) Contingent liabilities		
(i) Claims against the Company not acknowledged as debts (In the nature of business contractual claims)	**216.07**	235.83
(ii) Income tax assessment orders contested	**21.80**	116.42
(iii) Demands in respect of Central Excise Duty, Custom Duty, Service Tax, GST and Value Added Tax as estimated by the Company	**178.22**	159.61
Total contingent liabilities	**416.09**	511.86
In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute.		
(B) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**470.03**	579.30
(C) Other commitments		
(i) Export obligation on account of benefit of concessional rate of Custom duty availed under EPCG license scheme on imports of capital goods.	**180.65**	108.14
Total other commitments	**180.65**	108.14

Note 37 : Related party disclosures

Related party disclosures, as required by Ind AS-24, "Related Party Disclosures", are given below: (` Crores)

Name of the Company	Nature of Relationship	Nature of Transactions	Year Ended March 31, 2024	Year Ended March 31, 2023
Gujarat Green Revolution Company Limited	Associate	Sale of goods and services	**- ***	- *
		Dividend received	**0.13**	0.13
		Receivable as on	**-**	- *
Gujarat State Fertilizers & Chemicals Limited	Promotor	Purchase of goods and services	**9.97**	13.69
		Sale of goods and services	**- ***	- *
		Dividend received	**7.50**	1.88
		Payment for Buy back of shares	**122.67**	-
		Dividend paid	**92.34**	30.78
		Receivable as on	**-**	0.03
Gujarat State Investments Ltd.	Promotor	Dividend paid	**99.68**	33.23
		Payment for Buy back of shares	**132.43**	-
Narmadanagar Rural Development Society	Other related party	Grant for CSR activities	**21.89**	23.95

* Amount nullified on conversion to ` crores.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Amount `)

Name of the Person	Nature of Relationship	Nature of Transactions	Year Ended March 31, 2024	Year Ended March 31, 2023
Shri Pankaj Kumar, IAS - Chairman @ (upto 31.01.2023)	Key Management Personnel	Sitting Fees	**-**	52,500
Shri Vipul Mitra, IAS - Chairman (From 31.01.2023 to 31.07.2023)	Key Management Personnel	Sitting Fees @	**52,500**	17,500
		Managerial remuneration	**56,41,577**	-
Shri Raj Kumar, IAS Chairman @ (From 01.08.2023)	Key Management Personnel	Sitting Fees #	**52,500**	-
Smt. Mamta Verma, IAS - Director @	Key Management Personnel	Sitting Fees $	**1,75,000**	2,10,000
Shri Mukesh Puri, IAS - Director @ (upto 01.02.2024)	Key Management Personnel	Sitting Fees	**87,500**	1,75,000
Shri J P Gupta, IAS - Director @	Key Management Personnel	Sitting Fees	**1,22,500**	2,10,000
Smt. Gaurikumar, IAS (Rtd.) - Director	Key Management Personnel	Sitting Fees	**3,67,500**	2,45,000
Prof. Ranjan Kumar Ghosh - Director	Key Management Personnel	Sitting Fees	**4,90,000**	3,85,000
Shri Bhadresh Mehta	Key Management Personnel	Sitting Fees	**3,15,000**	3,50,000
Dr. N. Ravichandran, Director	Key Management Personnel	Sitting Fees	**3,85,000**	3,32,500
Prof. Piyushkumar Sinha, Director	Key Management Personnel	Sitting Fees $	**2,80,000**	1,92,500
Shri Pankaj Joshi, IAS Managing Director	Key Management Personnel	Managerial remuneration	**1,06,23,976 ****	78,80,435 **
Shri D V Parikh (ED & CFO)	Key Management Personnel	Remuneration		
Shri A C Shah (GM & CS)	Key Management Personnel	Remuneration		

@ Amount deposited in Government Treasury

** ` 0.07 crore Outstanding payable as on March 31, 2024 (` 0.06 crore as on March 31, 2023).

Payable as on 31.03.2024

$ ` 17,500/- is Payable as on 31.03.2024

Note 38 : Research and development expenses

The statement of profit and loss includes following nature of research & development expenses in the respective heads:

(` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Personnel expenses	**3.31**	1.46
Consumables and spares	**0.16**	0.06
Power and fuel consumption	**0.07**	0.12
Total research and development expenses	**3.54**	1.64

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 39 : Leases:

Company as a lessee

The Company has taken various land, warehouses, godowns, guest houses, office premises and vehicles used in its operations. These are generally cancellable having a term between one to three year extendable for further period as per the terms of rental agreements.

The Company also has certain leases of warehouses, godowns, office premises and vehicles with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised as per Ind AS 116 and the movements during the period: **(` Crores)**

Particulars	Land	Building	Vehicles	Total
As at April 01, 2022	0.23	1.40	-	1.63
Additions	-	1.34	-	1.34
Deletion / Termination	-	(0.37)	-	(0.37)
Reclassification	217.15	-	-	217.15
Depreciation for the year	(2.54)	(0.89)	-	(3.43)
Dep on Disposals / termination	-	0.19	-	0.19
As at March 31, 2023	**214.84**	**1.67**	**-**	**216.51**
Additions	-	1.32	-	1.32
Deletion / Termination	-	(0.33)	-	(0.33)
Reclassification	-	-	-	-
Depreciation for the year	(2.54)	(1.00)	-	(3.54)
Dep on Disposals / termination	-	0.20	-	0.20
As at March 31, 2024	**212.30**	**1.86**	**-**	**214.16**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

(` Crores)

Particulars	Amount
As at April 01, 2022	**1.70**
Additions	1.34
Accretion of interest	0.15
Payments	(1.03)
Lease termination	(0.19)
As at March 31, 2023	**1.97**
Additions	1.32
Accretion of interest	0.18
Payments	(1.16)
Lease termination	(0.14)
As at March 31, 2024	**2.17**
Current	**0.98**
Non-Current	**1.19**

The maturity analysis of lease liabilities are disclosed in Note 50.

The effective interest rate for lease liabilities is 8.70%, with maturity between 2020-2049

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The following are the amounts recognised in Statement of profit and loss: (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation expense of right-of-use assets	**3.54**	3.43
Interest expense on lease liabilities	**0.18**	0.15
Expense relating to short-term leases (included in other expenses)	**3.35**	3.39
Total amount recognised in profit and loss	**7.07**	6.97

Company as a lessor

The Company has entered into operating leases on its investment property portfolio consisting of certain office. Rent income also includes rentals received from lease of office premises. These leases is generally for a period of three to four years. There are no restrictions imposed by lease arrangements.

Future minimum rentals receivable under non-cancellable operating leases as at March 31 are as follows:

(` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than one year	**2.75**	2.91
Later than one year not later than five years	**0.86**	3.52
Later than five years	**-**	-
Total	**3.61**	6.43

Note 40 : Corporate social responsibility (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A) Gross amount required to be spent by the Company during the year	**34.23**	24.20
B) Amount spent during the year on		
(I) Construction/acquisition of any asset	**-**	-
(II) On purposes other than (I) above	**22.70**	24.27
C) Shortfall / (excess) at the end of the year before set off	**11.53**	(0.07)
D) Amount available for set off for the year	**-**	-
E) Shortfall / (excess) at the end of the year after set off (Refer below note (a))	**11.53**	(0.07)
F) Reason for shortfall	**Ongoing Project**	NA
G) Nature of CSR activities	**Refer below note (b)**	Refer below note (b)
H) Details of related party transactions in relation to CSR expenditure as per Ind AS 24, Related Party Disclosures (Refer below note (c))	**21.89**	23.95

Note (a) :

Shortfall amount for the year ended March 31, 2024 is subsequently deposited to CSR unspent bank account as on April 30, 2024.

Note (b) :

CSR Expenditure incurred for various development of projects / activities like in sectors of Women Empowerment, Rural Development, Livelihood Enhancement, Preventive Health Care, Promoting Education, Disaster Management, Environmental Sustainability Promoting Gender Equality, or activities mentioned as per Schedule VII of the Companies Act.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note (c) :

Represents contribution to Narmadanagar Rural Development Society (NARDES), a CSR Arm controlled by the Company to undertake various CSR activities.

Note 41 : Gratuity and other post employment benefit plans:

A. Defined contribution plans:

Amount of ` 60.89 crores (March 31, 2023: ` 41.18 crores) is recognised as expenses and included in Note No. 31 "Employee benefit expense"

(` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Provident fund	**32.99**	22.30
Contribution to pension scheme	**27.90**	18.88
Total	**60.89**	41.18

B. Defined benefit plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

(b) Post retirement medical benefit

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity as per payment of Gratuity Act, 1972. The Scheme is funded with Gratuity Trust, which in turn makes contribution to Life Insurance Corporation of India (LIC) in the form of qualifying insurance policy for future payment of gratuity to the employees.

Each year the management reviews the level of funding in the gratuity fund. Such review includes the asset - liability matching strategy. The management decides its contributions based on the results of this review. The management aims to keep annual contributions relatively stable at a level such that no plan deficit (based on valuation performed) will arise.

The plan for the Post retirement medical benefit is unfunded.

The following table summarises the components of net benefit expense recognised in statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

March 31, 2024 : Changes in defined benefit obligations and plan assets

(` Crores)

		Cost charged to statement of profit and loss				Remeasurement gains/(losses) in other comprehensive income (OCI)						
	April 01, 2023	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjust-ments	Sub-total included in OCI	Contributions by employer	**March 31, 2024**
Gratuity												
Defined benefit obligation	**(367.97)**	**(14.99)**	**(20.68)**	**(35.67)**	**52.69**	**-**	**(0.03)**	**(7.56)**	**1.50**	**(6.09)**	**-**	**(357.04)**
Fair value of plan assets	**278.80**	**-**	**20.73**	**20.73**	**(52.67)**	**(1.22)**	**-**	**-**	**-**	**(1.22)**	**110.64**	**356.28**
Benefit (liability) / Assets	**(89.17)**	**(14.99)**	**0.05**	**(14.94)**	**0.02**	**(1.22)**	**(0.03)**	**(7.56)**	**1.50**	**(7.31)**	**110.64**	**(0.76)**
Post retirement medical benefit												
Defined benefit obligation	**(88.83)**	**(12.90)**	**(6.68)**	**(19.58)**	**4.32**	**-**	**-**	**(4.14)**	**5.92**	**1.78**	**-**	**(102.31)**
Fair value of plan assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Benefit (liability) / Assets	**(88.83)**	**(12.90)**	**(6.68)**	**(19.58)**	**4.32**	**-**	**-**	**(4.14)**	**5.92**	**1.78**	**-**	**(102.31)**

March 31, 2023 : Changes in defined benefit obligations and plan assets

(` Crores)

		Cost charged to statement of profit and loss				Remeasurement gains/(losses) in other comprehensive income (OCI)						
	April 01, 2022	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjust-ments	Sub-total included in OCI	Contributions by employer	**March 31, 2023**
Gratuity												
Defined benefit obligation	(292.89)	(15.87)	(21.18)	(37.05)	37.59	-	-	(85.50)	9.88	(75.62)	-	(367.97)
Fair value of plan assets	295.81	-	21.39	21.39	(37.59)	(0.81)	-	-	-	(0.81)	-	278.80
Benefit (liability) / Assets	2.92	(15.87)	0.21	(15.66)	-	(0.81)	-	(85.50)	9.88	(76.43)	-	(89.17)
Post retirement medical benefit												
Defined benefit obligation	(68.22)	(3.23)	(5.05)	(8.28)	3.16	-	-	1.68	(17.17)	(15.49)	-	(88.83)
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit (liability) / Assets	(68.22)	(3.23)	(5.05)	(8.28)	3.16	-	-	1.68	(17.17)	(15.49)	-	(88.83)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Insurance fund with LIC *	**100%**	100%

* As the gratuity fund is managed by LIC, details of fund invested by insurer are not available with the Company.

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	Gratuity		Post retirement medical benefit	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	**7.21%**	7.48%	**7.24%**	7.53%
Future salary increase	**9% and 7% as per category**	9% and 7% as per category	**N.A**	N.A
Medical Inflation Rate	**N.A**	N.A	**5.00%**	5.00%
Expected rate of return on plan assets	**7.21%**	7.48%	**N.A**	N.A
Employee Turnover Rate	**9% and 1% as per category**	10% and 1% as per category	**1.00%**	1.00%
Mortality rate during employment	**Indian Assured Lives Mortality (2012-14) (Urban)**	Indian Assured Lives Mortality (2012-14) (Urban)	**Indian Assured Lives Mortality (2012-14) (Urban)**	Indian Assured Lives Mortality (2012-14) (Urban)
Mortality rate after employment	**N.A**	N.A	**Indian Individual AMT (2012-15)**	Indian Individual AMT (2012-15)

A quantitative sensitivity analysis for significant assumption is as shown below: **(` Crores)**

Particulars	Sensitivity level	Increase / (decrease) in defined benefit obligation (Impact)			
		Gratuity		Post retirement medical benefit	
		Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	1% increase	**(26.39)**	(19.48)	**(13.17)**	(11.38)
	1% decrease	**31.12**	22.90	**16.75**	14.45
Salary increase	1% increase	**30.95**	22.77	**N.A**	N.A
	1% decrease	**(26.66)**	(23.50)	**N.A**	N.A
Medical cost inflation	1% increase	**N.A**	N.A	**16.98**	14.68
	1% decrease	**N.A**	N.A	**(13.54)**	(11.72)
Employee turnover	1% increase	**0.82**	1.05	**(4.10)**	(3.60)
	1% decrease	**(0.96)**	(5.22)	**4.94**	4.33

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The followings are the expected future benefit payments for the defined benefit plan : (` Crores)

Particulars	Gratuity		Post retirement medical benefit	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Within the next 12 months (next annual reporting period)	**50.77**	35.56	**3.71**	3.15
Between 2 and 5 years	**119.10**	101.93	**18.62**	16.25
Between 6 and 10 years	**145.62**	124.13	**32.31**	28.85
Total expected payments	**315.49**	261.62	**54.64**	48.25

Weighted average duration of defined plan obligation (based on discounted cash flows) **(Years)**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Gratuity	**10**	9
Post retirement benefit obligation	**16**	16

The followings are the expected contributions to planned assets for the next year: (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Gratuity	**19.09**	14.15
Post retirement medical benefit	**-**	-

Note 42 : Investments in Subsidiary and Associates

Name of Entity	Relationship	Place of Business	Ownership	
			March 31, 2024	March 31, 2023
Gujarat Green Revolution Company Limited	Associate	India	**46.87%**	46.87%

Note: Method of accounting of investments in associate company is at cost.

NOTE 43 (A) :

In earlier year, Hon'ble High Court of Gujarat has sanctioned the Scheme of Arrangement and Demerger for transfer of V-SAT/ISP Gateway Business of the Company to ING Satcom Ltd., an unlisted Company against cash consideration of ` 6 crores vide its Common Oral Order dated June 15, 2012.

The "Appointed Date" of the Scheme is 1st April, 2010.

Subsequent to the Order passed by the Hon'ble High Court of Gujarat, sanctioning the Scheme of Demerger, two separate applications for transfer of V-SAT and ISP Gateway Licences standing in the name of the Company to the name of Transferee Company viz. ING Satcom Limited were submitted to Department of Telecommunications (DOT) on January 31, 2013 which are still pending for approval before DOT.

As per the legal opinion taken by the Company from the consultant, though the Scheme has been sanctioned by the Hon'ble High Court of Gujarat and has become effective, the scheme is subject to and conditional upon the approval of the Government Authorities for transfer of Licences from the Company to ING Satcom Limited.

During the year 2014-15, an agreement-Cum-Indemnity Bond was executed on 12.04.2014 between the Company and ING Satcom Limited whereby, pending transfer of Licences, the assets of demerged business (other than Licences) have been handed over to ING Satcom Limited subject to certain terms and conditions, inter alia, including the terms of settling the transaction under different eventualities of rejection of transfer applications / non-transfer of Licences by 31.12.2014.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Since disposal of applications for transfer of Licences in the name of ING Satcom Limited by the competent authorities as well as settlement of transaction between the Company and ING Satcom Limited are still pending, no accounting treatment is given in the books of account of the Company since 2014-15 till the financial year ended 31.03.2024.

Necessary accounting treatment will be given in the books of account of the Company either on disposal of applications for transfer of Licences in the name of ING Satcom Limited by the competent authorities or on finalization of settlement of transaction with ING Satcom Limited. The amount received is classified under other current liabilities (refer Note 24).

NOTE 43(B) : Demand Notice from Department of Telecommunication (DoT)

During the previous year, the Company had received updated Demand Notice of ` 21,370 crores from the Department of Telecommunications (DoT), Ministry of Communications, Government of India, Gujarat Telecom Circle, Ahmedabad, vide its letters dated July 15, 2022 towards the license fee (including interest and penalty computed till November 30, 2021) in respect of “Very Small Aperture Terminal” (V-SAT) License and ”Category A - Internet Service Provider” (ISP) License for the financial years from FY 2005-06 to FY 2019-20. Earlier, the Company had also received an initial Demand Notice from DOT dated March 05, 2020 and December 23, 2019 for amounting to ` 16,359 crores and ` 15,020 crores, respectively (including interest and penalty). The Company has made representations to the DoT against the said demand notices.

The Company has evaluated the assessment made by DoT for raising the above demand notices based on the Adjusted Gross Revenue (AGR) judgement of Hon’ble Supreme Court of India on October 24, 2019. Aggrieved by the above demands, the Company had submitted various representations dated January 06, 2020, February 21, 2020, April 03, 2020 and March 04, 2022 to the DoT requesting reconsideration and withdrawal of the Demands raised by the DoT including the revenues of the Company from Fertilizers and Chemicals Business which is completely unconnected to VSAT and ISP Licenses.

Hon’ble Supreme Court vide its Order dated June 11, 2020 directed DoT to reconsider the demand raised on Public Sector Undertakings (“PSUs”), which are not in business of mobile services to the general public.

The Telecom Disputes Settlement & Appellate Tribunal (TDSAT), in its Order dated 28th February, 2022 in the case of Netmagic Solutions Pvt. Ltd., a private limited company, held that there is no scope to differentiate between two sets of licensees having same or similar Licenses only on the basis of their ownership, private or public and set aside the demand raised by the DoT.

Based on the legal assessment in consultation with Senior Advocates, the Company believes that it has strong grounds on merits to contest the demand raised by the DoT and defend itself in the matter. Accordingly, this amount is neither provided in books of account nor considered under Contingent Liability.

Note 44 : Ageing for trade receivables

44.1 : Ageing for trade receivables as at March 31, 2024 is as follows : **(` Crores)**

Particulars		Outstanding for following periods from due date of payment					
	Not due	Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	more than 3 years	Grand Total
Trade Receivables							
Undisputed, considered Good	122.76	62.61	2.06	0.11	0.08	-	187.62
Undisputed, Credit Impaired	-	-	-	0.09	0.29	-	0.38
Disputed, considered Good	-	1.01	0.66	5.04	1.77	-	8.48
Disputed, Credit Impaired	-	-	-	1.77	5.55	-	7.32
Subsidy receivable							
Undisputed, considered Good	-	-	-	-	-	-	-
Disputed, Credit Impaired	-	430.29	-	-	-	-	430.29
Total as on 31.03.2024	**122.76**	**493.91**	**2.72**	**7.01**	**7.69**	**-**	**634.09**

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

44.2 : Ageing for trade receivables as at March 31, 2023 is as follows : (` Crores)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	more than 3 years	Grand Total
Trade Receivables							
Undisputed, considered Good	88.50	23.35	5.16	4.24	1.38	-	122.63
Undisputed, Credit Impaired	-	-	-	0.02	0.01	0.02	0.05
Disputed, considered Good	-	-	-	-	1.36	8.74	10.10
Disputed, Credit Impaired	-	-	-	-	0.04	4.13	4.17
Subsidy receivable							
Undisputed, considered Good	-	194.24	-	50.52	-	-	244.76
Disputed, considered Good	-	-	-	-	-	-	-
Total as on 31.03.2023	88.50	217.59	5.16	54.78	2.79	12.89	381.71

Note 45 : Ageing for trade Payable

45.1 : Ageing for trade payables as at March 31, 2024 is as follows : (` Crores)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1 to 2 year	2 to 3 years	more than 3 years	Grand Total
Trade Payables						
Undisputed - MSME	**26.96**	**4.71**	**-**	**0.24**	**1.34**	**33.25**
Undisputed - Others	**346.01**	**100.34**	**6.79**	**2.21**	**22.06**	**477.41**
Disputed - MSME	**-**	**-**	**0.03**	**-**	**-**	**0.03**
Disputed - Others	**0.44**	**1.60**	**1.10**	**1.07**	**7.50**	**11.71**
Total - MSME	**26.96**	**4.71**	**0.03**	**0.24**	**1.34**	**33.28**
Total - Others	**346.45**	**101.94**	**7.89**	**3.28**	**29.56**	**489.12**

45.2 : Ageing for trade payables as at March 31, 2023 is as follows : (` Crores)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1 to 2 year	2 to 3 years	more than 3 years	Grand Total
Trade Payables						
Undisputed - MSME	37.25	1.73	0.29	-	6.59	45.86
Undisputed - Others	459.55	23.64	6.49	14.85	14.48	519.01
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	0.55	0.69	0.45	11.15	12.84
Total - MSME	37.25	1.73	0.29	-	6.59	45.86
Total - Others	459.55	24.19	7.18	15.30	25.63	531.85

Note 46 : Segment Information

Operating Segments: The identified reportable segments are Fertilizers, Chemicals and Others in terms of the requirements of Ind AS 108 “Operating Segments” as notified under section 133 of the Companies Act, 2013. Other Segment mainly includes Information Technology division activities and neem product related activities.

Identification of Segments: The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Segment revenue and results: The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure and unallocable income.

Segment assets and liabilities: Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, inventory and other operating assets. Segment liabilities primarily include trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segments are shown as unallocable assets / liabilities.

Inter Segment transfer: Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the Company level.

Summary of segment information is given below:

Note 46.1: Financial information about the primary business segment's Revenue & Results : **(` Crores)**

		Fertilizers		Chemicals		Others		Total	
		2023-24	2022-23	**2023-24**	2022-23	**2023-24**	2022-23	**2023-24**	2022-23
A	**REVENUE:**								
	External sales revenue	**3,053.95**	3,654.55	**4,725.47**	6,483.69	**150.31**	88.69	**7,929.73**	10,226.93
	Intersegment revenue	**-**	-	**-**	-	**-**	-	**-**	-
	Total Revenue	**3,053.95**	3,654.55	**4,725.47**	6,483.69	**150.31**	88.69	**7,929.73**	10,226.93
B	**RESULT:**								
	Segment result	**(103.97)**	36.15	**402.42**	1,651.74	**45.26**	28.12	**343.71**	1,716.01
	Unallocable income							**385.62**	268.97
	Unallocable expenses							**(65.70)**	(48.17)
	Operating profit							**663.63**	1,936.81
	Finance costs							**(12.52)**	(5.26)
	Profit before tax							**651.11**	1,931.55

Note 46.2: Financial information about the primary business segment's assets and liabilities : **(` Crores)**

Assets & Liabilities	Fertilizers As at		Chemicals As at		Others As at		Total As at	
	31-03-2024	**31-03-2023**	**31-03-2024**	**31-03-2023**	**31-03-2024**	**31-03-2023**	**31-03-2024**	**31-03-2023**
Segment assets	**1,896.54**	1,747.68	**2,626.07**	2,687.13	**203.24**	141.56	**4,725.85**	4,576.37
Segment liabilities	**(1,289.30)**	(1,273.42)	**(509.71)**	(720.40)	**(169.29)**	(109.59)	**(1,968.30)**	(2,103.41)
Other unallocable corporate assets	**-**	-	**-**	-	**-**	-	**5,835.00**	7,020.41
Other unallocable corporate liabilities	**-**	-	**-**	-	**-**	-	**(394.81)**	(487.01)
Total capital employed	**607.24**	474.26	**2,116.36**	1,966.73	**33.95**	31.97	**8,197.74**	9,006.36
Capital assets / expenditure incurred during the year:								
Capital assets including capital work in progress	**68.48**	22.63	**123.56**	99.42	**8.68**	2.84	**200.72**	124.89
Other unallocable capital expenditures	**-**	-	**-**	-	**-**	-	**71.89**	31.28
Total	**68.48**	22.63	**123.56**	99.42	**8.68**	2.84	**272.61**	156.17

Note 46.3:

As per the directives issued by Department of Fertilizers (DoF) for evaluation of reasonableness of MRP of P & K fertilizers under the NBS policy, every Company needs to report P & K fertilizers as a separate segment in Annual Audited Accounts. Accordingly, in accordance with the DoF evaluation criteria for FY 23-24 the P & K Fertilizers Revenue is reported at ` 768 crores and Result is reported at ` 5 crores. Disclosure for information for FY 22-23 being voluntary in nature, hence not provided.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 47 : Additional Regulatory Information : Ratios

Sr No.	Ratio	Units	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for Variance
1	Current Ratio	Times	Total current assets	Total current liability	**4.14**	3.77	9.81%	
2	Debt-Equity Ratio	Times	Debt consist of Borrowings	Total equity	**-**	-	0.00%	
3	Debt Service Coverage Ratio	Times	Net Profit after Tax for the year + Depreciation & Amortization + Interest	finance cost (excluding bank charges and commission) + Principal repayment	**75.70**	544.66	(86.10%)	Due to lower profit, debt service coverage ratio is reduced.
4	Return On Equity	%	Net Profit after Tax for the year	Average total equity	**5.64%**	17.32%	(67.44%)	Due to lower Net Profit of FY 2023-24.
5	Inventory Turnover Ratio	Times	Revenue from operations	Average inventory	**7.07**	9.74	(27.41%)	Due to decrease in Revenue from operations.
6	Trade Receivables turnover Ratio	Times	Revenue from operations	Average trade receivables	**15.96**	20.61	(22.56%)	
7	Trade Payables Turnover ratio	Times	Total Purchases **	Average Trade Payable	**12.13**	12.67	(4.26%)	
8	Net Capital Turnover Ratio	Times	Revenue from operation	Average working capital (i.e. Total current assets less total current liabilities)	**2.27**	2.88	(21.18%)	
9	Net Profit Ratio	%	Net Profit after Tax for the year	Revenue from operation	**6.11%**	14.31%	(57.30%)	Due to decrease in net profit of FY 2023-24.
10	Return On Capital Employed	%	Profit before tax and finance cost	Capital Employed = Total Equity + Borrowings + Deferred tax liabilities	**7.84%**	20.71%	(62.14%)	Due to decrease in profit before tax of FY 2023-24.
11	Return On Investment							
a	Return on quoted equity investments	%	Dividend income + Gain / loss on fair value of investments	Value of investments at the beginning of the year	**37.57%**	(16.18%)	332.20%	Due to increase in quoted price of the investments and higher dividend.
b	Return on Unquoted equity investments	%	Dividend income + Gain / loss on fair value of investments	Value of investments at the beginning of the year	**(33.18%)**	(11.04%)	(200.54%)	Due to Fair valuation loss.
c	Return on government securities at FVTPL	%	Interest income + Gain / loss on fair value of current investment at Fair value through Profit & Loss + Gain / loss on sale / redemption of investment	Value of investments at the beginning of the year	**6.85%**	6.03%	13.60%	
d	Return on Debentures	%			**(26.15%)**	17.87%	(246.33%)	Due to fair valuation loss of securities matured but payment not received.
e	Return on government securities at Amortized cost	%	Interest income	Cost of investments	**7.38%**	7.38%	0.00%	

** Total Purchases = Purchase of Raw material + Purchase of traded goods + Purchase of goods and services (IT division) + Power, fuel and other utilities + Adjusted Other Expense (Total other expenses - Provision for doubtful debts / advances - Provision for excess inventory - Bad debts written off - Provision for Contingencies - Inventory Written off - Assets written off - Contributions towards Corporate Social Responsibilities - Premium Amortized on Investment in G-Secs - Director's fees - Fair valuation loss on investments measured at FVTPL (net)) - Provision for unspent CSR obligation.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 48 : Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below. **(` Crores)**

Particulrs	FVTOCI Reserve		Retained Earnings		Total	
	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023
Re-measurement (loss)/gain on defined benefit plans (net of tax)	**-**	-	**(4.14)**	(68.79)	**(4.14)**	(68.79)
Net (loss) / gain on FVTOCI on equity Investments (net of tax)	**(15.11)**	(132.25)	**-**	-	**(15.11)**	(132.25)
	(15.11)	(132.25)	**(4.14)**	(68.79)	**(19.25)**	(201.04)

Note 49 : Details of hedged and unhedged exposure in foreign currency (FC) denominated monetary items :

(a) Exposure in foreign currency - Hedged

(i) Amounts Payable in Foreign Currency :

Particulars	As at March 31, 2024			As at March 31, 2023		
	` Crores	Amount in FC		` Crores	Amount in FC	
Payables for import *	**-**	**USD**	**-**	162.82	USD	1,96,23,900
Payables for import *	**7.59**	**Euro**	**8,40,150**	-	Euro	-
Payables for future import *	**-**	**USD**	**-**	1.33	USD	1,61,000
Payables for future import *	**17.54**	**Euro**	**19,01,600**	6.95	Euro	7,58,000

* The above payable amounts are hedged against Forward exchange Contracts.

(ii) Amounts receivable in foreign currency :

Particulars	As at March 31, 2024			As at March 31, 2023		
	` Crores	Amount in FC		` Crores	Amount in FC	
Cash and cash equivalents (EEFC)	**0.53**	**USD**	**64,644**	0.32	USD	38,837

(b) Exposure in foreign currency - Unhedged

(i) Amounts payable in foreign currency :

Particulars	As at March 31, 2024			As at March 31, 2023		
	` Crores	Amount in FC		` Crores	Amount in FC	
Payables for Import	**2.31**	**Euro**	**2,56,017**	0.90	Euro	99,161
Payables for Import	**0.45**	**USD**	**53,734**	13.16	USD	15,91,206
Payables for Import	**-**	**GBP**	**-**	0.28	GBP	27,540
Payables for Import	**0.01**	**CHF**	**1,070**	-	CHF	-

(ii) Amounts receivable in foreign currency :

Particulars	As at March 31, 2024			As at March 31, 2023		
	` Crores	Amount in FC		` Crores	Amount in FC	
Receivables for export	**1.07**	**USD**	**1,28,800**	0.33	USD	39,900

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The following significant exchange rates have been applied during the year:

INR	Year end spot rate	
	March 31, 2024	March 31, 2023
USD 1	**Import - ` 83.89 & ` 83.40**	Import - ` 82.69
	Export - ` 83.40	Export - ` 82.34
EURO 1	**` 91.26 & ` 89.96**	` 90.59
GBP 1	**N.A.**	` 102.59
CHF 1	**` 92.406**	N.A.

Note 50 : Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management :

50.1 : Category-wise classification of financial instruments: **(` Crores)**

Particulars	Refer Note	As at March 31, 2024			
		Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets					
Cash and cash equivalents	14	-	-	42.56	42.56
Other bank balances	15	-	-	1,486.34	1,486.34
Investments in equity shares (other than investment in subsidiary & associate entity)	8	946.88	-	-	946.88
Investments in unquoted equity shares of subsidiary entity and associate entity	8	-	-	1.25	1.25
Investments in unquoted debentures, Govt Securities & State development Loans	8	-	13.52	1,957.46	1,970.98
Trade receivables	11	-	-	626.39	626.39
Loans and advances	9	-	157.59	350.00	507.59
Other financial assets	10	-	-	111.97	111.97
Total		**946.88**	**171.11**	**4,575.97**	**5,693.96**
Financial liabilities					
Borrowings	18	-	-	0.56	0.56
Trade payables	20	-	-	522.40	522.40
Derivatives instruments not designated as hedge	21	-	0.20	-	0.20
Lease liability	39	-	-	2.17	2.17
Other financial liabilities	21	-	-	348.66	348.66
Total		**-**	**0.20**	**873.79**	**873.99**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(` Crores)

Particulars	Refer Note	As at March 31, 2023			
		Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets					
Cash and cash equivalents	14	-	-	56.20	56.20
Other bank balances	15	-	-	1,937.71	1,937.71
Investments in equity shares (other than investment in subsidiary & associate entity)	8	997.82	-	-	997.82
Investments in unquoted equity shares of subsidiary entity and associate entity	8	-	-	1.25	1.25
Investments in unquoted debentures, Govt Securities & State development Loans	8	-	26.70	2,080.67	2,107.37
Trade receivables	11	-	-	367.44	367.44
Loans and advances	9	-	131.08	800.00	931.08
Other financial assets	10	-	-	230.68	230.68
Total		**997.82**	**157.78**	**5,473.95**	**6,629.55**
Financial liabilities					
Borrowings	18	-	-	0.01	0.01
Trade payables	20	-	-	577.71	577.71
Lease Liability	39	-	-	1.97	1.97
Derivatives instruments not designated as hedge	21	-	1.14	-	1.14
Other financial liabilities	21	-	-	340.74	340.74
Total		**-**	**1.14**	**920.43**	**921.57**

50.2 : Fair value measurements:

a) Quantitative disclosures of fair value measurement hierarchy for financial assets and financial liabilities

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities:

(` Crores)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Significant observable inputs (Level 1*)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)	Total	Significant observable inputs (Level 1*)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)	Total
Financial assets measured at fair value								
Investment in quoted equity investments measured at FVTOCI (refer Note 8)	**564.97**	**-**	**-**	**564.97**	416.49	-	-	416.49
Investment in unquoted equity investments measured at FVTOCI (refer Note 8)	**-**	**-**	**381.91**	**381.91**	-	-	581.33	581.33
Investments in unquoted debentures, Govt Securities & State development Loans (refer Note 8)	**-**	**-**	**13.52**	**13.52**	-	-	26.70	26.70
Loans and advances (refer Note 9)	**-**	**-**	**157.59**	**157.59**	-	-	131.08	131.08
Total	**564.97**	**-**	**553.02**	**1,117.99**	416.49	-	739.11	1,155.60
Financial liabilities measured at fair value:								
Derivative instruments (refer Note 21)	**-**	**0.20**	**-**	**0.20**	-	1.14	-	1.14
Total	**-**	**0.20**	**-**	**0.20**	-	1.14	-	1.14
Asset for which fair values are disclosed :								
Investment properties (refer Note 6)	**-**	**-**	**103.91**	**103.91**	-	-	111.55	111.55

*The fair value of the quoted equity investments are derived from quoted market prices in active market.

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b) Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2024 and March 31, 2023 are as shown below:

Particulars	Valuation Technique	Significant unobservable input	Range (weighted average)	Sensitivity of the input to fair value
FVTOCI assets in unquoted equity shares (Gujarat State Petroleum Corporation Limited)	Market Approach - Comparable Companies-Multiple-("CCM") Method	Gas marketing business		10% increase (decrease) in the Gas marketing business would result in increase / (decrease) in fair value as of March 31, 2024 : ` 1.36 crores (` 1.36 crores). 10% increase (decrease) in the Gas marketing business would result in increase / (decrease) in fair value as of March 31, 2023 : ` 1.46 crores (` 1.46 crores).
FVTOCI assets in unquoted equity shares (Gujarat Chemical Port Limited) (Formerly known as Gujarat Chemical Port Terminal Company Limited)	Market Approach - Comparable companies	Market Multiple Discount	31 March 2024 : N.A. 31 March 2023 : 25% - 35% (30%)	As on March 31, 2024 this approach is not considered for valuation. {5% increase / decrease in the market multiple discount would result in decrease / (increase) in fair value as of March 31, 2023 : ` 44.70 crores (` 44.89 crores)}
		EBITDA (` Crores)	31 March 2024 : N.A. 31 March 2023 : ` 355.60 crores - ` 393.04 crores (` 374.32 crores)	As on March 31, 2024 this approach is not considered for valuation. {` 18.72 crores increase / decrease in the EBITDA would result in increase / (decrease) in fair value as of March 31, 2023 : ` 22.44 crores (` 22.26 crores)}
	Income Approach - DCF Method FCFE	Terminal Growth Rate	31 March 2024 : 4% - 6% (5%) 31 March 2023 : N.A.	1% increase / decrease in the terminal growth rate would result in increase / (decrease) in fair value as of March 31, 2024 : ` 14.85 crores (` 10.16 crores) {As on March 31, 2023 this approach is not considered for valuation}
		Weighted Average Cost of Capital (WACC)	31 March 2024 : 12.90% - 14.90% (13.90%) 31 March 2023 : N.A.	1% increase / decrease in the WACC would result in decrease / (increase) in fair value as of March 31, 2024 : ` 16.42 crores (` 22.67 crores) {As on March 31, 2023 this approach is not considered for valuation}
		EBITDA (` Crores)		10% increase / decrease in the EBITDA would result in increase / (decrease) in fair value as of March 31, 2024 : ` 23.45 crores (` 21.89 crores) {As on March 31, 2023 this approach is not considered for valuation}
FVTOCI assets in unquoted equity shares (Gujarat Venture Finance Limited)	Cost Approach - Net asset value	Share holders fund (` Crores)	31 March 2024 : ` 36.86 crores - ` 40.74 crores (` 38.80 crores) 31 March 2023 : ` 32.11 crores - ` 35.49 crores (` 33.80 crores)	` 1.94 crores increase / decrease in the shareholders fund would result in increase / (decrease) in fair value as of March 31, 2024 by ` 0.03 crore (` 0.03 crore) {` 1.69 crores increase / decrease in the shareholders fund would result in increase / (decrease) in fair value as of March 31, 2023 by ` 0.02 crore (` 0.02 crore)}
		Discount to Book Value	31 March 2024 : 15% - 25% (20%) 31 March 2023 : 15% - 25% (20%)	5% increase / decrease in the discount to book value would result in decrease / (increase) in fair value as of March 31, 2024 : ` 0.04 crore (` 0.04 crore). {5% increase / decrease in the discount to book value would result in decrease / (increase) in fair value as of March 31, 2023 : ` 0.03 crore (` 0.03 crore)}

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Valuation Technique	Significant unobservable input	Range (weighted average)	Sensitivity of the input to fair value
FVTOCI assets in unquoted equity shares (Bharuch Enviro Infrastructure Limited)	Market Approach - Comparable companies	Market Multiple Discount	31 March 2024 : 30% - 40% (35%) 31 March 2023 : 25% - 35% (30%)	5% increase / decrease in the market multiple discount would result in decrease / (increase) in fair value as of March 31, 2024 : ` 0.73 crore (` 0.73 crore) {5% increase / decrease in the market multiple discount would result in decrease / (increase) in fair value as of March 31, 2023 : ` 0.61 crore (` 0.61 crore)}
		EBITDA (` Crores)	31 March 2024 : ` 110.96 crores - ` 122.64 crores (` 116.80 crores) 31 March 2023 : ` 109.06 crores - ` 120.54 crores (` 114.80 crores)	` 5.84 crores increase / decrease in the EBITDA would result in increase / (decrease) in fair value as of March 31, 2024 : ` 0.47 crore (` 0.47 crore) {` 5.74 crores increase / decrease in the EBITDA would result in increase / (decrease) in fair value as of March 31, 2023 : ` 0.43 crore (` 0.43 crore)}
FVTOCI assets in unquoted equity shares (Bharuch Dahej Railway Company Limited)	Cost Approach - Net asset value	Discount to Book Value	31 March 2024 : 10% - 30% (20%) 31 March 2023 : 30% - 40% (35%)	5% increase / decrease in the discount to book value would result in decrease / (increase) in fair value as of March 31, 2024 : ` 2.29 crores (` 2.30 crores) {5% increase / decrease in the discount to book value would result in decrease / (increase) in fair value as of March 31, 2023 : ` 1.19 crores (` 1.19 crores)}
		Share holders fund (` Crores)	31 March 2024 : N.A. 31 March 2023 : ` 259.54 crores - ` 286.86 crores (` 273.20 crores)	As on March 31, 2024 this unobservable input was not considered for sensitivity analysis. {` 13.66 crores increase / decrease in the shareholders fund would result in increase / (decrease) in fair value as of March 31, 2023 by ` 0.77 crore (` 0.77 crore)}.
FVTOCI assets in unquoted equity shares (Ecophos GNFC India Private Limited)	As on March 31, 2020, the parent Company M/s EcoPhos S.A. holding 85% in the entity has applied for bankruptcy hence the Company has Fair valued the investment as ` 1 (Refer Note 8). During the year there is no change in bankruptcy status.			

c) Financial Instrument measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

50.3 : Financial Risk objective and policies:

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, deposits, investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI & FVTPL investments and enters into derivative transactions.

In the ordinary course of business, the Company is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk and commodity price risk. The Company's senior management oversees the management of these risks. It manages its exposure to these risks through derivative financial instruments by hedging transactions as required. It uses derivative instruments such as foreign currency forward contract to manage currency risks. These derivative instruments reduce the impact of both favourable and unfavourable fluctuations.

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The Company's risk management activities are subject to the management, direction and control of the management of the Company under the guideline of the Board of Directors of the Company. The management ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Company is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in management's judgment, are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

Further, all currency and interest risk as identified above is measured on a daily basis by monitoring the mark to market (MTM) of open and hedged position. For year ends, the MTM for each derivative instrument outstanding is obtained from respective banks. All gain / loss arising from MTM for open derivative contracts and gain / loss on settlement / cancellation / roll over of derivative contracts is recorded in statement of profit and loss.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, FVTOCI investments and derivative financial instruments. The sensitivity analysis in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

The sensitivity analysis have been prepared on the basis that the amount of net debt, interest rates of the debt and derivatives are all constant as at March 31, 2024. The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analysis: -

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2024 and March 31, 2023.

(i) Interest rate risk

The Company is exposed to changes in market interest rates due to financing, investing and cash management activities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations.

(ii) Foreign currency risk

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR), have an impact on the Company's operating results. The Company manages its foreign currency risk by entering into various foreign exchange contracts to mitigate the risk arising out of foreign exchange rate movement on trade payables. Further, to hedge foreign currency future transactions in respect of which firm commitment are made or which are highly probable forecast transactions (for instance, foreign exchange denominated income) the Company has entered into foreign currency forward contracts as per the policy of the Company.

The details of exposures hedged using forward contracts and the details of unhedged exposures are given as part of Note 49.

The Company is mainly exposed to changes in USD and EURO. The below table demonstrates the sensitivity to a 5% increase or decrease in the respective foreign currency rates against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

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(` Crores)

Particulars	Impact on Profit before tax		Impact on Pre-tax Equity	
	For the year ended		For the year ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
USD Sensitivity				
RUPEES / USD – Increase by 5%	**0.04**	(0.65)	**0.04**	(0.65)
RUPEES / USD – Decrease by 5%	**(0.04)**	0.65	**(0.04)**	0.65
EURO Sensitivity				
RUPEES / EURO – Increase by 5%	**(0.12)**	(0.05)	**(0.12)**	(0.05)
RUPEES / EURO – Decrease by 5%	**0.12**	0.05	**0.12**	0.05

(iii) Commodity price risk

The Company's operating activities require the ongoing purchase of natural gas. Natural gas being an international commodity is subject to price fluctuation on account of the change in the crude oil prices, demand supply pattern of natural gas and exchange rate fluctuations. The Company is not affected by the price volatility of the natural gas to the extent consumed for Urea as under the Urea pricing formula the cost of natural gas is pass through if the consumption of natural gas is within the permissible norm for manufacturing of Urea.

The Company also deals in purchase of other feed stock materials (i.e. Rock phosphate, Toluene and Denatured Ethyl Alcohol) which are imported by the Company and used in the manufacturing of Ammonium Nitro Phosphate, Toluene Di-isocyanate and Ethyl Acetate. The import prices of these materials are governed by international demand and supply pattern. There is a price and material availability risk, which is managed by senior management team through sensitivity analysis, commodity price tracking.

(iv) Equity price risk

The Company's investment in listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was ` 381.91 crores. Sensitivity analyses of these investments have been provided in Note 50.2(b).

At the reporting date, the exposure to listed equity securities at fair value was ` 564.97 crores. A decrease of 5% on the BSE market price could have an impact of approximately ` 28.25 crores on the OCI or equity attributable to the Group. An increase of 5% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data.

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Credit risk from balances with banks and non-banking finance companies is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's management. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Trade receivables

The Company's receivables can be classified into two categories, one is from the customers/ dealers in the market and second one is from the central and state Government in the form of subsidy. As far as Government portion of receivables is concerned, credit risk is Nil except where there are uncertainties due to non-acknowledgement of claims. In respect of market receivables from the customers/ dealers, the Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extensions of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as for certain products it extends rolling credit to its customers, against the collateral.

Trade receivables, other than subsidy receivables are secured to the extent of interest free security deposits and bank guarantees received from the customers amounting to ` 23.97 crores and ` 19.78 crores as at 31st March, 2024 and 31st March, 2023 respectively. (Refer Note No. 11 for Trade Receivables outstanding).

The Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables, other than those receivables from the Government of India. For the purpose of measuring lifetime ECL allowance for trade receivables, the company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience in respect of certain categories of the customers. Individual trade receivables are written off when management deems them not to be collectible

c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and bank balances. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analyses derivative and non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(` Crores)

Particulars	Refer Note	On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
As at March 31, 2024						
Borrowings	19	**0.56**	**-**	**-**	**-**	**0.56**
Trade payables	20	**-**	**522.40**	**-**	**-**	**522.40**
Lease liability	39	**-**	**0.98**	**0.99**	**0.20**	**2.17**
Derivatives Instruments not designated as hedge	21	**-**	**0.20**	**-**	**-**	**0.20**
Other financial liabilities	21	**-**	**343.55**	**5.11**	**-**	**348.66**
Total		**0.56**	**867.13**	**6.10**	**0.20**	**873.99**

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(` Crores)

Particulars	Refer Note	On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
As at March 31, 2023						
Borrowings	19	0.01	-	-	-	0.01
Trade payables	20	-	577.71	-	-	577.71
Lease liability	39	-	0.82	0.98	0.17	1.97
Derivatives Instruments not designated as hedge	21	-	1.14	-	-	1.14
Other financial liabilities	21	-	335.74	5.00	-	340.74
Total		**0.01**	**915.41**	**5.98**	**0.17**	**921.57**

50.4 : Capital Management:

For the purposes of the Company's capital management, capital includes issued capital and all other equity. The primary objective of the Company's capital management is to maximize shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is net debt (total debt less cash and bank balance) divided by total capital plus net debt.

(` Crores)

Particulars	March 31, 2024	March 31, 2023
Total Borrowings (refer note 19)	**0.56**	0.01
Less: Cash and bank balances (refer Note 14 and 15)	**1,528.90**	1,993.91
Net Debt (A)	**(1,528.34)**	(1,993.90)
Total Equity (B)	**8,197.74**	9,006.36
Total Equity and Net Debt (C = A + B)	**6,669.40**	7,012.46
Gearing ratio	**-**	-

Since net debt is negative, same is considered as zero.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

Note 51 : Additional disclosures required as per Schedule III to the Companies Act, 2013;

(i) The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2024 and March 31, 2023.

(ii) No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at March 31, 2024 and March 31, 2023.

(iii) The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended March 31, 2024 and March 31, 2023.

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(iv) The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the year ended March 31, 2024 and March 31, 2023.

(v) There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended March 31, 2024 and March 31, 2023, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended March 31, 2024 and 31 March 31, 2023.

(vi) The Company has taken borrowings from banks and financial institutions 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, except for the following :

(` Crores)

Quarter ended	Nature of current Assets / Liabilities where differences were observed	Amount disclosed as per quarterly return / statement	Amount as per books of accounts	Amount of Difference	Reasons for material difference
June 30, 2023	Advances to suppliers	71.79	70.15	1.64	Note - 2
	Trade payable	401.71	455.91	(54.20)	Note - 3
September 30, 2023	Advances to suppliers	77.45	75.45	2.00	Note - 2 & 4
	Trade payable	427.07	469.53	(42.46)	Note - 3
December 31, 2023	Trade receivables	487.13	485.08	2.05	Note - 1
	Advances to suppliers	64.26	62.62	1.64	Note - 2
	Trade payable	551.32	591.10	(39.78)	Note - 5
March 31, 2024	Inventory - Stores & spares	529.89	514.41	15.48	Note - 6
	Advances to suppliers	37.84	33.15	4.69	Note - 2 & 4
	Trade payable	469.81	522.40	(52.59)	Note - 7

Notes:

Note-1 : Accounting of penalty charged by customer after submission of stock statement to bank not considered in returns / statements submitted to bank.

Note-2 : The amount disclosed as per quarterly returns / statements reconciles with gross book balance without adjustment of provision

Note-3 : Accrued expenses / reclassification adjustments after submission of stock statement not considered in returns / statements submitted to bank.

Note-4 : Reclassification adjustments after submission of stock statement not considered in returns / statements submitted to bank

Note-5 : Accrued expenses and vendor penalty booking after submission of stock statement not considered in returns / statements submitted to bank.

Note-6 : Inventory shortage provision created after submission of stock statement not considered in returns / statements submitted to bank.

Note-7 : Accrued expenses / reclassification adjustments and change in estimated accrued liability after submission of stock statement not considered in returns / statements submitted to bank.

(vii) Based on the Ministry of Company Affairs (MCA) portal, charges aggregating to ` 14.15 crores are appearing as “Open” as of March 31, 2024 which were executed with Banks (the lender) in relation to securing repayment of loan facility related to year 1985 to 1990. The Company is in process to obtain the No Objection Certificates from the Banks. Once the same is received, the Company will file the “Satisfaction of Charge” with the Registrar of Companies (ROC).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(viii) Utilisation of borrowed funds and share premium

(I) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) 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

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(II) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) 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

b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

Note 52 : Code on Social Security

The Indian Parliament has approved & the President has accorded the assent the Code on Social Security, 2020 ('Code') in September, 2020. The Code might impact the contributions by the Company towards Provident Fund, Gratuity and other employment and post-employment employee benefits. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record the impact, if any, in the period in which the Code becomes effective.

Note 53 :

Balances of certain trade receivables, advances given and trade payables are subject to confirmation/ reconciliation, if any. The management does not expect any material difference affecting the financial statements on such reconciliation / adjustments.

Note 54 : Event occurred after the Balance Sheet Date:

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of 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 May 28, 2024 there were no material subsequent events to be recognized or reported that are not already previously disclosed.

Note 55 :

The previous year's figures have been regrouped / reclassified, wherever necessary, to conform to the figures of the current year presentation.

For and on behalf of the Board of Directors,

D. V. Parikh	**A. C. Shah**	**Pankaj Joshi, IAS**	**Raj Kumar, IAS**
Executive Director & CFO	Company Secretary	Managing Director	Chairman
		DIN-01532892	DIN-00294527

Place : Gandhinagar
Date : 28 May 2024

As per our report of even date
For **Suresh Surana & Associates LLP**
Chartered Accountants
(Firm Registration No.: 121750W/W100010)

Ramesh Gupta
Partner
Membership No. 102306

Place : Mumbai
Date : 28 May 2024

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INDEPENDENT AUDITORS' REPORT

To
The Members of
Gujarat Narmada Valley Fertilizers & Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Gujarat Narmada Valley Fertilizers & Chemicals Limited** (hereinafter referred to as "the Holding Company" or "the Company"), and its associate, comprising of the consolidated Balance Sheet as at March 31, 2024, 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 material 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, as amended (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 Company and its associate as at March 31, 2024, of the consolidated profit, consolidated other 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), as 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 Company and its associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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.

Emphasis of Matter

We draw attention to note 43(B) to the consolidated financial statements regarding a matter relating to demand of ` 21,370 crores (including interest and penalty computed till November 30, 2021) on the Company by Department of Telecommunications (DoT) towards Very Small Aperture Terminal ('VSAT') and Internet Service Provider ('ISP') Licenses fee relating to earlier years. Based on the legal assessment in consultation with Senior Advocates of the said demand, the Company is of the view that no provision is required to be made at this point of time in respect of above matter.

Our opinion is not modified in respect of above matter.

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 financial year ended March 31, 2024. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures performed by us, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Recognition and measurement of Urea Subsidy Income	
The Urea Subsidy Income is recognized and measured by the Company in accordance with notification/ circular/ policies issued by the Department of Fertilizers, Government of India. During the year ended March 31, 2024, the Company has recognized Urea Subsidy Income of ` 1,895.09 crores and has outstanding Urea subsidy receivables of ` 322.83 crores. The measurement of Urea Subsidy Income involves application of relevant regulatory pronouncements and notifications, understanding of applicable energy norms, and management estimates / judgements including in respect of escalation / de-escalation in the price of the inputs, etc. for the year. The recognised subsidy income may deviate on account of revision / changes in such interpretation, estimates and judgements, arising from notification by the Department of Fertilizers. Accordingly, recognition and measurement of subsidy income is determined to be a key audit matter for our audit of consolidated financial statements.	Our audit procedures included the following: • Assessed the Company's revenue recognition policy for Urea Subsidy Income. • Understood, evaluated and tested, on a sample basis, the design and operating effectiveness of key internal controls over recognition and measurement of Urea Subsidy Income. • Reviewed the relevant regulatory pronouncement in respect of Urea Subsidy Income and verified, on a sample basis, the claims filed by the Company along-with underlying accounting evidence in respect of such income. • Tested calculations for Urea Subsidy Income and reviewed estimates for escalation / de-escalation by comparing with actual production cost relevant for measurement of subsidy amount including final adjustment related to earlier years. • Reviewed follow-ups made by the Company with the Department of Fertilizers, Government of India and management assessment of recoverability of aged balances. • Tested the collections made during the year as well as subsequent period against such subsidy income recognized by the Company. • Assessed the appropriateness of disclosures in the consolidated financial statements in respect of Urea Subsidy Income.
Valuation of Inventories, including Stores and Spares	
The Company has total inventory of ` 1,119.39 crores which comprises of raw material inventory ` 365.98 crores, work-in-progress inventory ` 60.98 crores, finished goods inventory ` 175.97 crores, trading inventory `. 2.05 crores and stores and spares inventory ` 514.41 crores (including coal inventory of ` 34.63 crores and net of provision for excess inventory of ` 44.80 crores) as at March 31, 2024. The Company has created the above mentioned provision of ` 44.80 crores for excess inventory of stores and spares based on physical verification and on evaluation of its usability including for aged items.	Our audit procedures included the following: • Reviewed the management policy for physical verification and the documents related to management's physical count procedure actually followed during the year. • Understood the management process for assessment of value in use/ net realisable value of various class of inventories and making provision for excess inventory. • Reviewed the management's judgement applied in estimating the value of excess inventory for stores & spares, taking into consideration management assessment of the present and future condition of the inventory.

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Accordingly, appropriateness of the estimates used to identify the valuation of inventories, including stores and spares is determined to be a key audit matter for our audit of consolidated financial statements.	• Performed substantive audit procedures that included review of working prepared by the management for valuation of inventories and observed that appropriate allocation of fixed cost and variable cost is done in respect of Finished Goods and Work in Progress which is in lines with prevailing accounting standards. • Performed Physical verification of inventories as at March 31, 2024. Our procedures did not identify any material exceptions.
Evaluation of uncertain tax demand positions and other legal litigations	
The Company has material uncertain tax demand positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes and significant open legal proceedings under arbitration and courts for various matters with its contractors / vendors and in Government departments, continuing from earlier years which are part of Contingent Liability. Due to complexity involved in these litigation matters, management's judgement regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined.	Our audit procedures included the following: • Obtained details of completed tax assessments and demands as at 31 March 2024 from the management. • Inquired with the management including in- house legal experts. • Reviewed the minutes of the meetings and those charged with governance, and correspondences between the Company and the external legal experts and other evidences to corroborate management assessment in respect of disputed tax matters. • Assessed the management's position through discussions with the in-house legal expert and external legal opinions obtained by the Company (where considered necessary) on both, the probability of success in the aforesaid cases, and the magnitude of any potential loss. • Discussed with the management on the development in the litigations during the year ended 31 March 2024 and required provision for contingencies have been made during the FY 2023-24.

Information Other than the Consolidated 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, (i.e. Directors’ report, Corporate governance, Management Discussion and Analysis and Shareholder’s information), but does not include the consolidated financial statements and our auditor’s report thereon. The above referred information is expected to be made available to us after the date of this auditor’s report.

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’.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Company and its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended including the Companies (Indian Accounting Standards) Amendment Rules, 2020.

The respective Board of Directors of the Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and of its associate 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 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 Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Company and of its associate are responsible for assessing the ability of the Company and of its associate 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 and its associate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and of its associate are also responsible for overseeing the financial reporting process of the Company and of its associate.

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 Company has adequate internal financial controls with reference to these consolidated 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 Company and of its associate 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

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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 and its associate 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 Company and its associate 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.

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

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, 2024 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

The accompanying consolidated financial statements include the Company's share of net profit of ` 12.27 crores for the year ended March 31, 2024 in respect of an associate, whose financial information have not been audited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to amounts and disclosures included in respect of the associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on the such unaudited financial information.

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 such unaudited financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1) As required by Section 143(3) of the Act, based on our audit 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 by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph i(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including 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, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended:

(e) On the basis of the written representations received from the directors of the Company as on March 31, 2024 taken on record by the Board of Directors of the Company, none of the directors of the Company and its Associate Company incorporated in India, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 1(b) above on reporting under Section 143(3)(b) of the Act and paragraph i (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

(g) With respect to the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Company and of its associate incorporated in India and the operating effectiveness of such controls, refer to our separate Report in “Annexure 1” to this report;

(h) 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 remuneration paid / provided by the Company to its directors including sitting fees paid to directors, during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act;

(i) 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 and based on the consideration of unaudited financial statements furnished to us by the management in respect of the associate, as noted in the ‘Other matter’ paragraph above:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Company in its consolidated financial statements - Refer Note 36 (A) 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 – Refer Note 21 to the consolidated financial statements in respect of such items as it relates to the Company and its associate;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The respective managements of the Company and of its associate has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 and its associate to or in any other person or entity, including foreign entity (“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 and its associate (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective managements of Company and its associate has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company and its associate from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company and

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its associate 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 misstatement.

v. (a) The final dividend proposed in the previous year, declared and paid by the Company and its associate during the year is in accordance with Section 123 of the Act, as applicable.

(b) 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. Based on examination, which included test checks, the Holding Company, has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. The audit trail was operated at application level throughout the year, however, no audit trail has been enabled at the data base level for the primary software used for maintaining its books of account, to log any direct data changes. Further, during the course of our audit, except for the matter stated above, we did not come across any instance of the audit trail features being tempered with.

In case of associate company incorporated in India, we are unable to comment on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 as the audited financial statements has not been issued by its auditor till the date of this report.

As proviso to Rule 3(1) of the Companies (Accounts) Rules,2014 is applicable from 01 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules,2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

2) With respect to matters specified in paragraphs 3 (xxi) and 4 of the Companies (Auditors Report) Order,2020, (the "Order" / "CARO"), in our opinion and according to the information and explanations given to us, the Holding Company has qualifications or adverse remarks given by the auditor in his report under the Companies (Auditor's Report) Order, 2020 (CARO):

Name of the Company	CIN	Clause number of the CARO report
Gujarat Narmada Valley Fertilizers & Chemicals Limited	L24110GJ1976PLC002903	3(i)(c), 3(ii)(b), 3 (iii)(c) & (d), (vii)(b)
Gujarat Green Revolution Company Limited	U63020GJ1998PLC035039	Refer note below

In respect an associate company incorporated in India, included in the consolidated financial statements, the CARO report has not been issued by its auditor till the date of this report and the management has furnished the certified unaudited financial information.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Reg. No. 121750W/W100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 24102306BKCGBI7945

Place: Mumbai
Dated:28 May 2024

ANNEXURE '1' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the **Gujarat Narmada Valley Fertilizers & Chemicals Limited** (hereinafter referred to as "the Holding Company" or "the Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls over financial reporting with reference to the financial statements of the Company and its associate which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company and its associate, which are incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company and its associate 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated 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, specified under Section 143(10) of the Companies Act, 2013, as amended, to the extent applicable to an audit of internal financial controls, both, issued by 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 over financial reporting with reference to consolidated 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 over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated 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 internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated 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 over financial reporting with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly

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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 over financial reporting with reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated 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 over financial reporting with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to these consolidated 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 and to the best of our information and according to the explanations given to us and based on the consideration of unaudited financial information furnished to us by the management as mentioned in "Other Matter" paragraph below, the Holding Company has, in all material respects, maintained adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls with reference to the consolidated financial statements were operating effectively as at March 31,2024, based on the internal financial control criteria with reference to the consolidated financial statements established by the respective companies considering the essential components of internal financial control stated in the Guidance Note.

Other Matters

In respect of an associate company incorporated in India, included in the consolidated financial statements, reporting under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting has not been given as the reporting under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls has not been issued by its auditor till the date of this report and the management has furnished the certified unaudited financial information.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Reg. No. 121750W/W100010

Ramesh Gupta
Partner
Membership No.: 102306
UDIN: 24102306BKCGBI7945

Place: Mumbai
Dated:28 May 2024

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

(` Crores)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	4	**2,969.92**	3,108.53
(b) Capital work-in-progress	5	**288.52**	187.01
(c) Investment property	6	**36.97**	37.78
(d) Right of use asset	39	**214.16**	216.51
(e) Intangible assets	7	**16.55**	18.53
(f) Financial assets			
(i) Investments	8	**2,365.41**	2,884.17
(ii) Loans and advances	9	**138.03**	115.15
(iii) Other financial assets	10	**18.70**	97.55
(g) Income tax assets (net)	26	**70.17**	61.35
(h) Other non-current assets	12	**71.66**	98.23
		6,190.09	6,824.81
II. Current assets			
(a) Inventories	13	**1,119.39**	1,123.21
(b) Financial assets			
(i) Investments	8	**664.72**	321.02
(ii) Trade receivables	11	**626.39**	367.44
(iii) Cash and cash equivalents	14	**42.56**	56.20
(iv) Other bank balances	15	**1,486.34**	1,937.71
(v) Loans and advances	9	**369.56**	815.93
(vi) Other financial assets	10	**93.27**	133.13
(c) Other current assets	16	**79.55**	116.08
		4,481.78	4,870.72
Total Assets		**10,671.87**	11,695.53
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	**146.94**	155.42
(b) Other equity	18	**8,161.82**	8,949.69
		8,308.76	9,105.11
Liabilities			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	39	**1.19**	1.15
(ii) Other financial liabilities	21	**5.11**	5.00
(b) Provisions	22	**489.76**	371.61
(c) Deferred tax liabilities (net)	26	**269.53**	343.90
(d) Government grants (deferred income)	23	**516.05**	576.86
		1,281.64	1,298.52
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	**0.56**	0.01
(ii) Lease liabilities	39	**0.98**	0.82
(iii) Trade payables:	20		
(A) total outstanding dues of micro and small enterprises		**33.28**	45.86
(B) total outstanding dues of creditors other than micro and small enterprises		**489.12**	531.85
(iv) Other financial liabilities	21	**343.75**	336.88
(b) Other current liabilities	24	**92.08**	110.43
(c) Provisions	25	**52.17**	199.86
(d) Government grants (deferred income)	23	**69.49**	66.15
(e) Current tax liabilities (net)	26	**0.04**	0.04
		1,081.47	1,291.90
Total Equity and Liabilities		**10,671.87**	11,695.53
Summary of Material Accounting Policies	2		

The accompanying notes are an integral part of the consolidated financial statements.

For and on behalf of the Board of Directors,

D. V. Parikh
Executive Director & CFO

A. C. Shah
Company Secretary

Pankaj Joshi, IAS
Managing Director
DIN-01532892

Raj Kumar, IAS
Chairman
DIN-00294527

Place : Gandhinagar
Date : 28 May 2024

As per our report of even date
For **Suresh Surana & Associates LLP**
Chartered Accountants
(Firm Registration No.: 121750W/W100010)

Ramesh Gupta
Partner
Membership No. 102306

Place : Mumbai
Date : 28 May 2024

CONSOLIDATED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(` Crores)

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	27	**7,929.73**	10,226.93
Other income	28	**469.20**	361.23
Total		**8,398.93**	10,588.16
Expenses			
Cost of raw materials consumed	29	**4,383.48**	4,994.18
Purchase of traded goods and goods & services of IT division		**140.85**	79.96
Changes in inventories of finished goods, work-in-progress and traded goods	30	**(20.14)**	(85.42)
Power, fuel and other utilities		**1,506.72**	1,994.45
Employee benefits expense	31	**625.44**	605.62
Finance costs	32	**12.52**	5.26
Depreciation and amortisation	33	**307.54**	302.94
Other expenses	34	**791.41**	759.62
Total		**7,747.82**	8,656.61
Profit before tax		**651.11**	1,931.55
Tax expense / (credit)			
Current tax		**168.20**	541.29
Earlier year tax adjustments -short / (excess)		**36.66**	(21.00)
Deferred tax (credit)		**(38.54)**	(52.72)
Total tax expense / (credit)	26	**166.32**	467.57
Profit for the year		**484.79**	1,463.98
Share in Profit of Associate		**12.27**	7.56
Profit for the year	**(A)**	**497.06**	1,471.54
Other comprehensive income / (expense)			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement (losses) / gain on defined benefit plans		**(5.53)**	(91.92)
Income tax effect credit / (charge)	26	**1.39**	23.13
Net (loss) / gain on FVTOCI equity investments		**(50.94)**	(157.88)
Income tax effect credit / (charge)	26	**35.83**	25.63
Net other comprehensive income / (expense) not to be reclassified to profit or loss in subsequent periods		**(19.25)**	(201.04)
Total other comprehensive income / (expense) for the year, net of tax	**(B)**	**(19.25)**	(201.04)
Total comprehensive income for the year, net of tax	**(A)+(B)**	**477.81**	1,270.50
Earnings per Share - (Face value of ` 10 each)Basic and Diluted (in `)	35	**32.47**	94.68
Summary of Material Accounting Policies	2		
The accompanying notes are an integral part of the consolidated financial statements.			

For and on behalf of the Board of Directors,

D. V. Parikh
Executive Director & CFO

A. C. Shah
Company Secretary

Pankaj Joshi, IAS
Managing Director
DIN-01532892

Raj Kumar, IAS
Chairman
DIN-00294527

Place : Gandhinagar
Date : 28 May 2024

As per our report of even date
For **Suresh Surana & Associates LLP**
Chartered Accountants
(Firm Registration No.: 121750W/W100010)

Ramesh Gupta
Partner
Membership No. 102306

Place : Mumbai
Date : 28 May 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(A) Equity share capital **(` Crores)**

Particulars	Note	Amount
Balance as at April 01, 2022		**155.42**
Changes in Equity Share Capital due to prior period errors	17	-
Restated balance at the April 01, 2022		**155.42**
Changes in equity share capital during the year	17	-
Balance as at March 31, 2023		**155.42**
Changes in Equity Share Capital due to prior period errors	17	-
Restated balance at the March 31, 2023		**155.42**
Changes in equity share capital during the year (Refer Note 17.1)	17	(8.48)
Balance as at March 31, 2024		**146.94**

(B) Other equity **(` Crores)**

Particulars	Reserve and surplus					Equity instruments at fair value	Total
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Retained earnings through other comprehensive income		
	Note 18.1	Note 18.1	Note 18.1	Note 18.1	Note 18.1	Note 18.2	
Balance as at April 01, 2022	**0.64**	**-**	**313.31**	**2,479.76**	**4,166.58**	**874.32**	**7,834.61**
Profit for the year	-	-	-	-	1,471.54	-	1,471.54
Other comprehensive income for the year	-	-	-	-	(68.79)	(132.25)	(201.04)
Total comprehensive income for the year	-	-	-	-	1,402.75	(132.25)	1,270.50
Dividend paid during the year (refer Note 18.3)	-	-	-	-	(155.42)	-	(155.42)
Transfer from retained earnings	-	-	-	200.00	(200.00)	-	-
Balance as at March 31, 2023	**0.64**	**-**	**313.31**	**2,679.76**	**5,213.91**	**742.07**	**8,949.69**
Profit for the year	-	-	-	-	497.06	-	497.06
Other comprehensive income for the year	-	-	-	-	(4.14)	(15.11)	(19.25)
Total comprehensive income for the year	-	-	-	-	492.92	(15.11)	**477.81**
Dividend paid during the year (refer Note 18.3)	-	-	-	-	(466.26)	-	(466.26)
Expenses for buy-back of equity shares	-	-	-	-	(4.98)	-	(4.98)
Tax on buy-back of equity shares	-	-	-	-	(150.10)	-	(150.10)
Trasnfer to capital redemption reserve	-	8.48	-	-	(8.48)	-	-
Buy-back of equity shares	-	-	(313.31)	-	(331.03)	-	(644.34)
Transfer from retained earnings	-	-	-	500.00	(500.00)	-	-
Balance as at March 31, 2024	**0.64**	**8.48**	**-**	**3,179.76**	**4,245.98**	**726.96**	**8,161.82**

Summary of Material Accounting Policies **2**

The accompanying notes are an integral part of the standalone financial statements.

For and on behalf of the Board of Directors,

D. V. Parikh
Executive Director & CFO

A. C. Shah
Company Secretary

Pankaj Joshi, IAS
Managing Director
DIN-01532892

Raj Kumar, IAS
Chairman
DIN-00294527

Place : Gandhinagar
Date : 28 May 2024

As per our report of even date
For **Suresh Surana & Associates LLP**
Chartered Accountants
(Firm Registration No.: 121750W/W100010)

Ramesh Gupta
Partner
Membership No. 102306

Place : Mumbai
Date : 28 May 2024

CONSOLIDATED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash flow from operating activities		
Profit before tax as per statement of profit and loss	**651.11**	1,931.55
Adjustments for:		
Loss on sale / discard / write off of property, plant and equipment (net)	**6.12**	0.03
(Gain) on Lease modification/ termination	**(0.01)**	(0.01)
Loss / (gain) on sale of investments (net)	**(0.15)**	0.66
Interim distribution towards investments	**(2.50)**	(7.37)
Depreciation and amortization	**307.54**	302.94
Interest expense on employee loan fair valuation	**19.43**	2.10
Interest income	**(336.32)**	(233.47)
Dividend income	**(29.20)**	(10.11)
Amortization of grant income	**(57.47)**	(61.68)
Fair valuation loss on investments measured at FVTPL (net)	**7.53**	0.82
Unclaimed liabilities / excess provision for doubtful debt written back	**(18.29)**	(22.08)
Unrealised foreign exchange fluctuation Loss / (gain)	**(1.08)**	(0.96)
Finance costs	**10.04**	3.24
Premium on forward contracts	**2.47**	4.69
Provision / Write off for excess Inventory	**20.95**	5.28
Provision for Unspent CSR obligation	**11.53**	-
Provision for contingencies	**51.04**	53.27
Advances / bad debts / other receivables written off	**0.42**	0.34
Provision for doubtful debts / advances (net)	**4.08**	5.36
Operating profit before working capital changes	**647.24**	1,974.60
Movements in working capital :		
(Increase) / decrease in trade receivables, including Subsidy	**(254.62)**	261.10
(Increase) in inventories	**(17.13)**	(151.52)
Decrease / (increase) in financial assets	**31.52**	(13.18)
Decrease / (increase) in loans and advances and other assets	**10.57**	(14.36)
(Decrease) / increase in provisions	**(86.11)**	78.01
(Decrease) in trade payables and other liabilities	**(63.38)**	(106.41)
(Decrease) in financial liabilities	**(24.53)**	(69.94)
Cash generated from operations	**243.56**	1,958.30
Income taxes paid (net)	**(212.28)**	(585.22)
Net cash flow generated from operating activities (A)	**31.28**	1,373.08
Cash flows from investing activities		
Payment for purchase of property, plant & equipment (Including capital work In progress and capital advances)	**(251.18)**	(172.74)
Proceeds from sale / concession received of property, plant and equipment	**2.39**	1.97
Purchase of investments (refer Note 8)	**(161.30)**	(2,080.67)
Proceeds from sale / maturity of investments / other advances	**276.81**	44.02
Decrease in deposits with corporates (net)	**450.00**	1,600.00
Decrease / (Increase) in deposits / balances with banks (net)	**531.37**	(808.48)
Interest received	**358.20**	176.36
Dividend received	**29.20**	10.11
Net cash flow generated from / (used in) investing activities (B)	**1,235.49**	(1,229.43)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

(` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from financing activities		
Proceeds from short term borrowings	**0.27**	13.19
Repayment of short term borrowings	**(0.27)**	(13.19)
Interest paid	**(10.04)**	(2.86)
Dividend paid	**(460.56)**	(152.55)
Transfer of funds to buy-back escrow account	**(16.32)**	-
Transfer of funds from buy-back escrow account	**16.32**	-
Expenses for buy-back of equity shares	**(4.98)**	-
Tax on buy-back of equity shares	**(150.10)**	-
Buy-back of equity shares	**(652.81)**	-
Premium on forward contracts	**(2.47)**	(4.69)
Net cash flow (used in) / generated from financing activities (C)	**(1,280.96)**	(160.10)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**(14.19)**	(16.45)
Cash and cash equivalents at the beginning of the year	**56.19**	72.64
Cash and cash equivalents at the end of the year	**42.00**	56.19
Notes:		
Component of Cash and Cash equivalents		
- Cash on hand	**0.05**	0.06
- Debit balance in cash credit and overdraft accounts	**32.42**	21.47
- Balances with bank in current accounts	**10.09**	9.17
- Deposit with original maturity of Less than three months	**-**	25.50
Total (refer Note 14)	**42.56**	56.20
Less: Cash credit and overdraft accounts (refer Note 19)	**0.56**	0.01
Total cash and cash equivalents	**42.00**	56.19

Summary of Material Accounting Policies **2**

The accompanying notes are an integral part of the consolidated financial statements.

(1) The Cash flow statement has been prepared under the indirect method as set out in the "Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows" issued by the Institute of Chartered Accountants of India.

(2) Disclosure with regards to changes in liabilities arising from Financing activities as set out in Ind AS 7 – Statement of Cash flows is presented under Note-21(a).

For and on behalf of the Board of Directors,

D. V. Parikh	**A. C. Shah**	**Pankaj Joshi, IAS**	**Raj Kumar, IAS**
Executive Director & CFO	Company Secretary	Managing Director	Chairman
		DIN-01532892	DIN-00294527

Place : Gandhinagar
Date : 28 May 2024

As per our report of even date
For **Suresh Surana & Associates LLP**
Chartered Accountants
(Firm Registration No.: 121750W/W100010)

Ramesh Gupta
Partner
Membership No. 102306

Place : Mumbai
Date : 28 May 2024

CONSOLIDATED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

1 Corporate information

The consolidated financial statements comprise financial statements of Gujarat Narmada Valley Fertilizers & Chemicals Limited ('the Company') for the year ended March 31, 2024. The Company is a public company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India (i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE)). The registered office of the Company is located at P.O: Narmadanagar-392 015, Dist.: Bharuch, Gujarat.

The Company is one of India's leading entities engaged in the manufacturing and selling of fertilizers, industrial chemical products and providing IT services.

The financial statements were approved for issue in accordance with a resolution of the Board of Directors on May 28, 2024.

2 Material accounting policies

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The consolidated financial statements have been prepared on going concern basis using historical cost, except for the following assets and liabilities which have been measured at fair value amount:

- Derivative financial instruments,
- Defined benefit plans – plan assets measured at fair value; and
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition, or the amount of proceeds received in exchange for the obligation, or at the amount of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Consolidated Financial statements are presented in Indian Rupees (`) which is the functional currency, and all values are rounded off to the nearest crores as per the requirement of Schedule III to the Companies Act, 2013, except where otherwise indicated.

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiary as at March 31, 2024.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, 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 subsidiary used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on March 31, 2024.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements from the date of incorporation.

(b) Offset (eliminate) the carrying amount of the parent's investment in a subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

2.3 Summary of material accounting policies

a) Investment in associates

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 considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realized within twelve months after the reporting period; or

CONSOLIDATED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- 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 current when it is:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- 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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) Foreign currency transactions

The Company's financial statements are presented in Indian Rupees (`), which is also the functional currency of the Company.

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 translated at the exchange rate prevailing on the balance sheet date and the resultant exchange gains or losses are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions.

d) 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, 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 the market participants would use when pricing the asset or liability, assuming that the market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investments properties, unquoted investments and loan to employees.

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.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (refer Note 49)
- Quantitative disclosures of fair value measurement hierarchy (refer Note 49.2)
- Investment in unquoted equity shares (refer Note 8)
- Investment properties (refer Note 6)
- Financial instruments (including those carried at amortized cost) (refer Note 49.1)

e) Revenue from contracts with customers

Revenue from contracts with customers is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company derives its revenues from sale of goods such as fertilizers, industrial chemicals, government subsidies on sale of fertilizers and information technology related hardware / software services. The Company is generally the principal in its revenue arrangements because it controls goods or services before transferring them to the customer, except for the agency services where revenue is recognised on net basis.

The disclosure of significant accounting judgements, estimates and assumptions relating to revenue from contract with customers are provided in Note 3.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods except in certain cases where goods are sold under bill and hold arrangement.

The Company considers whether there are other promises in the contract (supply of information technology goods) that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. installation, warranties etc.) based on materiality of such obligation. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration and consideration payable to the customer (if any).

Amount disclosed as revenue are net of trade discounts, rebates, incentives and goods & service tax (GST). The Company collects GST on behalf of the government and therefore, these are not economic benefits flowing to the

Company. Hence, these are excluded from the revenue. The Company recognizes changes in the estimated amount of liability for discounts, rebates and incentives in the period in which the change occurs.

Installation, as applicable, is integral part of delivery of goods. The Company typically provides warranties for general repairs of defect that existed at the time of sale, as required by law. These assurance type warranties are accounted for under Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets unless it is fully realisable from the supplier.

Bill-and-hold arrangement

A bill-and-hold arrangement is a contract under which an entity bills a customer for a product but the entity retains physical possession of the product until it is transferred to the customer at a point in time in the future. The Company does not control the product. Instead, it provides custodial services to the customer over the customer's asset.

The Company recognizes the revenue under Bill-and-hold arrangements only when it satisfies all of the below criteria along with the other criteria as specified under Ind AS 115 – revenue from contract with customers:

- There is a substantive reason for the bill-and-hold arrangement.
- The product is identified separately as belonging to the customer;
- The product currently is ready for physical transfer to the customer; and
- The Company do not have the ability to use the product or to direct it to another customer.

Urea product subsidy

Urea Subsidy under (i) New Pricing Scheme (NPS) – Stage-III and Modified NPS-III and (ii) New Urea Policy (NUP) 2015 is recognised as per concession rates notified by the Government of India (GoI) at the point in time when the quantity is transferred/delivered to customers. Urea Subsidy is further adjusted for input price escalation/ de-escalation as estimated by the Management based on the prescribed norms. The Company recognizes the subsidy based on quantity sold.

ANP product subsidy

ANP Subsidy under Nutrient Based Subsidy [NBS] w.e.f. 01.04.2010 and amendments thereto is recognized as per the concession rates notified by the Government of India [GoI] at the point in time when quantity is transferred / delivered to customers. ANP Subsidy is further adjusted for expected downward change, if any, in NBS rates based on functional forecast. In case the GoI has notified the rates after the completion of financial year but before audited / reviewed accounts are approved then impact of such rates is factored based on the quantity remaining unsold to end customer. The Company recognises the subsidy based on quantity of first point sales.

Urea and ANP freight subsidy

Freight subsidy recognised under Uniform Freight Policy for the quantity transferred / delivered to customers based on the notified rates approved by the GoI. In the case of ANP for primary freight (i.e. Direct dispatch from plant by road), subsidy income is recognized based on the lower of the normative notified rates approved by the GoI or the actual freight incurred.

Rendering of services (including contracted services)

Income from services rendered by the Information Technology division (including operation and maintenance) is recognized as and when the services are transferred to the customer at an amount that reflect the consideration to which the Company expects to be entitled in exchange for those services.

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

Dividends

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend except for interim dividend which is recognised based on approval of the Board of Directors of investee company.

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.

Government grants and export incentives

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset except to the extent adjustments are recognised on account of change in estimate as per para 37 of Ind AS 8 to the carrying amount of the related assets.

Export incentive

Export incentives under various schemes notified by government are accounted for in the year of exports based on the eligibility, reasonable accuracy and conditions precedent to claim are fulfilled.

f) Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables (including subsidy receivables)

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Q "Financial instruments – initial recognition and subsequent measurement".

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

g) Taxes

Tax expense comprises of current income tax and 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. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Current income tax relating to items recognized outside the statement of profit and loss is recognized 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.

Current tax assets and current tax liabilities are offset where the entity has a legally enforceable right to offset the recognized amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the liability approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset if and only if there is a legally enforceable right to offset corresponding current tax assets against current tax liabilities and when the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

h) Property, plant and equipment (PPE)

Measurement at recognition

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Following initial recognition, items of property, plant and equipment are carried at its cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non- refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of PPE is capitalised only when it is probable that future economic benefits associated with these 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 if the recognition criteria are met. 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. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

The Company had adjusted exchange differences arising on translation difference/settlement of long term foreign currency monetary items outstanding in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial statements i.e. March 31, 2016 and pertaining to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset.

Capital Work in progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

Depreciation

Depreciation on each part of an item of property, plant and equipment is provided using the Straight Line Method based on the useful life of the asset as prescribed under Part C of Schedule II of the Companies Act, 2013 or based on technical assessment by the Company taking into account the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, past history of replacements, manufacturers warranties and maintenance support, etc.

The useful lives for certain categories of property, plant and equipments are different from those prescribed under Part C of Schedule II of the Companies Act, 2013 based on management estimates. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be use. Category wise details are as under:

Sr No	Category	Useful life in years
1	Plant and equipment (including capital spares)	Ranging from 1 to 40 years
2	Furniture and Fixtures	Ranging from 2 to 20 years
3	Office equipments	Ranging from 1 to 13 years
4	Roads, culverts and compound wall	Ranging from 3 to 30 years
5	Water supply and drainage system	Ranging from 5 to 15 years
6	Building	Ranging from 3 to 60 years

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The identified components of property, plant and equipments are depreciated over their useful lives and the remaining components are depreciated over the life of principal assets.

Freehold land is not depreciated. Lease hold land is amortized over the lease term of 99 years.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate and adjusted prospectively, if appropriate.

De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the De-recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the statement of profit and loss when the item is derecognized.

i) Investment Properties

Investment properties are measured initially at original cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Company depreciates building component of investment property over 60 years from the date of original purchase.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed off or do not meet the criteria of investment property i.e. when investment property is permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

j) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Cost incurred on internally generated intangible assets are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with infinite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a infinite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

A summary of the policies applied to the Company's intangible assets is as follows:

Sr No	Intangible Assets	Method of Amortization	Estimated Useful life
1	Computer software	on straight line basis	Three years or validity period whichever is lower
2	Licenses		Over its useful life of 20 years

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets, as follows:

Sr No	Category	Life
1	Lease hold land	8 to 99 years
2	Building (includes Godown / warehouses & office premises)	3 to 5 years
3	Vehicle	3 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (m) Impairment of non-financial assets.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of building, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

l) Inventories

Inventories of Raw materials, Work-in-progress, Finished goods and Stock-in-trade are valued at the lower of cost and net realisable value. However, Raw materials 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 on Moving 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, but excluding borrowing costs. Cost is determined on Moving 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 Moving Weighted Average Cost basis.

All other inventories of stores and consumables (including coal) are valued at Moving Weighted Average Cost basis after providing for obsolescence and other losses considering the ageing of inventory and usability, where considered necessary on an item-by-item basis. Stores and Spares includes equipment spare parts, catalyst and others which are held as inventory by the Company.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

m) 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. The 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.

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.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss as an exceptional item.

Under Ind AS 116 para 33 right-of-use assets are subject to the impairment requirements of Ind AS 36 - Impairment of assets.

n) Provisions and contingencies

Provisions are recognized 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. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

o) Retirement and other employee benefits

Retirement benefit in the form of Provident Fund is a defined benefit contribution scheme. The Company has no obligation other than the contribution payable to the Provident Fund. The Company recognizes contribution payable to the Provident Fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability.

The employee's gratuity fund scheme and post-retirement medical benefit schemes are Company's defined benefit plans. The contributions under the plans are made to separately administered funds. The cost of providing benefits under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

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- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The Company measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months as long term compensated absences which are provided for based on actuarial valuation as at the end of the period. The actuarial valuation is done as per Projected Unit Credit Method and all gains / losses due to actuarial valuation are immediately recognised in profit or loss in the period in which they arise.

p) 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 assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in case of financial asset not recorded at fair value through profit and loss, transaction cost that are attributable to the acquisition of the financial assets.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (e) for Revenue from contracts with customers.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date. i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

(i) Financial assets measured at amortized cost (debt instrument)

(ii) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

(iii) Financial assets measured at fair value through profit or loss (FVTPL)

(i) Financial assets measured at amortized cost (debt instrument)

A 'financial asset' is measured at amortized cost if both the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category generally applies to cash and bank balances, trade receivables, investments in unquoted equity shares of subsidiary entity and associate entity, investment in G-sec, loans & advances and other financial assets of the Company (Refer note 49 for further details).

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in interest income in the profit or loss.

(ii) Financial assets designated at fair value through OCI (equity instruments)

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. 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 / de- recognition of investment on restructuring by investee. However, the Company may transfer the cumulative gain or loss into retained earnings within equity. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

(iii) Financial assets at fair value through profit or loss (FVTPL)

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 recognised in the statement of profit and loss.

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated Loans to employees, investments in Government Securities, Debentures and State Development Loans and other advances. (Refer note 50 for further details).

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when :

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through'

arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On Derecognition of a financial asset, (except as mentioned in (ii) above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the statement of profit and loss.

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 amortized cost e.g. loans, debt securities, deposits and bank balances.

b) Financial assets that are equity instruments and are measured at fair value through other comprehensive income (FVTOCI)

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default over the expected life of a financial instrument.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. 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. This amount is reflected under the head "Other Expense / Other Income" in the P&L.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. Loans, borrowings and payables are subsequently measured at amortised cost whereas derivatives are measured at fair value through profit and loss.

All financial liabilities are recognized 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 and derivative financial instruments.

Subsequent measurement

For the purpose of subsequent measurement, financial liabilities are classified into two categories:

(i) Financial liabilities measured at fair value through profit or loss

(ii) Financial liabilities measured at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risk are recognized in OCI. These gains / losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

Financial liabilities measured at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Derecognition

A financial liability is derecognized 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value through profit or loss (FVTPL) on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivative financial instrument or on settlement of such derivative financial instruments are recognized in statement of profit and loss and are classified as Foreign Exchange (Gain) / Loss except those relating to borrowings, which are separately classified under Finance Cost.

r) 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, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the Company's cash management.

s) Cash dividend to equity holders of the Company

The Company recognizes a liability to pay dividend to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

t) Earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

u) 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, if any, are recognised at sales price. Profit or loss on inter segment transfer are eliminated at the Company level. 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 identified reportable segments are Fertilizers, Chemicals and Others in terms of the requirements of Ind AS 108 “Operating Segments” as notified under section 133 of the Companies Act, 2013.

2.4 Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

3 Significant accounting judgement, estimates and assumptions

The preparation of the Company’s Ind AS Financial Statements requires management to make judgments, 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 Companies accounting policies, management has made the following judgements which have the most significant effects on the amounts recognised in the financial statements.

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 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.

Taxes

Deferred tax assets are recognized for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in Note 26.

Defined benefit plans (gratuity benefits and other post-employment medical benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of these obligations 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, medical cost escalations and mortality rates etc. 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 / securities in currencies consistent with the currencies of the post- employment benefit obligation.

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The mortality rate is based on publicly available mortality tables for the specific countries. 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 rates and Company's obligation under Long Term Wage Settlement which is evaluated in block of four years. Medical cost escalations are based on expected future medical expenditure.

Further details about gratuity and post-employment medical benefits obligations are given in Note 41.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 49 for further disclosures.

The Company has invested in the equity instruments of various companies. The valuation exercise of unquoted equity instruments carried out by the Company with the help of an independent valuer, etc. has estimated fair value at each reporting period based on available historical annual reports and other information in the public domain.

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 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 (DCF) model. The cash flows are derived from the budget for the future years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance being tested. The cash flow projections, beyond period covered by the most recent budget / forecast, the Company extrapolates cash flow projections taking base of budget working using a steady or declining growth rate for subsequent years unless an increasing trend can be justified. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Evaluation of uncertain tax demand positions and other legal litigation

The Company has material uncertain tax demand positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes and significant open legal proceedings under arbitration and courts for various matters with its contractors / vendors and in Government departments, continuing from earlier years which are part of Contingent Liability. The Company has made estimates to recognize the provisions mainly for probable claims arising out of litigations / disputes pending with authorities under various statutes and with other parties. The probability and the timing of the outflow with regard to these matters depend on the outcome of the litigations/disputes. Hence, the Company is not able to reasonably ascertain the timing of the outflow.

Note 4 : Property, plant and equipment

(` Crores)

	Land freehold	Land lease hold	Leasehold Land Development	Buildings	Plant and equipment	Furniture and fixture	Vehicles	Office equipment	Roads, culverts and compund wall	Water supply and drainage system	Railway sidings	Total
Cost												
As at April 01, 2022	**111.03**	**240.54**	**9.62**	**449.08**	**6,956.16**	**32.53**	**7.10**	**11.67**	**72.70**	**128.31**	**3.77**	**8,022.51**
Additions	-	-	-	4.06	87.65	5.02	0.90	0.59	2.66	0.26	3.28	104.42
Disposals	-	-	-	-	(23.56)	(0.36)	(0.73)	(0.27)	-	(1.98)	(0.08)	(26.98)
Reclassification	-	(240.54)	-	(24.49)	-	-	-	-	-	-	-	(265.03)
As at March 31, 2023	**111.03**	**-**	**9.62**	**428.65**	**7,020.25**	**37.19**	**7.27**	**11.99**	**75.36**	**126.59**	**6.97**	**7,834.92**
Additions	-	-	-	5.32	125.78	2.92	1.73	1.00	7.68	-	24.82	169.25
Disposals	-	-	-	(0.32)	(37.55)	(5.41)	(0.50)	(0.97)	(0.07)	-	(0.98)	(45.80)
As at March 31, 2024	**111.03**	**-**	**9.62**	**433.65**	**7,108.48**	**34.70**	**8.50**	**12.02**	**82.97**	**126.59**	**30.81**	**7,958.37**
Depreciation / Amortisation												
As at April 01, 2022	**-**	**23.39**	**0.46**	**143.51**	**4,141.70**	**24.27**	**4.37**	**9.60**	**49.92**	**82.34**	**3.58**	**4,483.14**
Depreciation for the year	-	-	0.34	12.55	267.57	2.49	0.58	0.63	4.41	6.06	0.18	294.81
Reclassification	-	(23.39)	-	(3.18)	-	-	-	-	-	-	-	(26.57)
Disposals	-	-	-	-	(22.01)	(0.34)	(0.51)	(0.25)	-	(1.81)	(0.07)	(24.99)
As at March 31, 2023	**-**	**-**	**0.80**	**152.88**	**4,387.26**	**26.42**	**4.44**	**9.98**	**54.33**	**86.59**	**3.69**	**4,726.39**
Depreciation for the year	-	-	0.34	12.84	270.76	3.17	0.68	0.57	4.71	5.64	0.65	299.36
Disposals	-	-	-	(0.19)	(29.84)	(5.17)	(0.20)	(0.91)	(0.06)	-	(0.93)	(37.30)
As at March 31, 2024	**-**	**-**	**1.14**	**165.53**	**4,628.18**	**24.42**	**4.92**	**9.64**	**58.98**	**92.23**	**3.41**	**4,988.45**
Net Block												
As at March 31, 2024	**111.03**	**-**	**8.48**	**268.12**	**2,480.30**	**10.28**	**3.58**	**2.38**	**23.99**	**34.36**	**27.40**	**2,969.92**
As at March 31, 2023	111.03	-	8.82	275.77	2,632.99	10.77	2.83	2.01	21.03	40.00	3.28	3,108.53

Notes :

a. Leasehold Land pertains to the costs incurred for leasehold land in possession of the Company as a Licensee, pending completion formalities of the lease agreement for a term of 99 years in respect of certain land areas situated at Dahej and Atali.

b. Feed Stock Conversion Projects from 'LSHS/FO' to 'Gas' acquired under Government of India policy for reimbursement of project cost over a period of five years from the date of commercial production, was capitalized on 01.10.2013. Accordingly, plant and equipment include assets amounting to ` 1,215.64 crores (net of decapitalisation) represented by capital grant of ` 1,213.06 crores.

c. Assets given on lease included in plant and equipment :

- Cost as at March 31, 2024 is ` 9.28 crores (March 31, 2023 ` 9.39 crores)
- Depreciation as at March 31, 2024 is ` 8.82 crores (March 31, 2023 ` 8.92 crores)
- Net block as at March 31, 2024 is ` 0.46 crore (March 31, 2023 ` 0.47 crore)

d. Additions to property, plant & equipment during the year include ` Nil (previous year: ` Nil) used for research and development activities.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

e. Disclosure with respect to the Title deeds of Immovable Property not held in the name of the Company is as below:

A) List of Immovable Properties as at 31.03.2024

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value (₹ Crores)	Title deeds held in the name of	Whether title deed holder is a promoter *, director or relative** of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company	Is there any Dispute
Land leasehold	Land leasehold	43.05	Gujarat Industrial Development Corporation, Bharuch	NO	04.09.2012	The lease deed for plots allotted are not executed in favour of GNFC because of the some of the portion of the lands are Gaucher and Government Land are falling in the plot allotted to the Company and lease will be executed after allotment of Gaucher and Government Land to GNFC.	NO

*Promoter here means promoter as defined in Section 2(69) of the Companies Act, 2013

**Relative here means relative as defined in Section 2(77) of the Companies Act, 2013

B) List of Immovable Properties as at 31.03.2023

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value (₹ Crores)	Title deeds held in the name of	Whether title deed holder is a promoter *, director or relative** of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company	Is there any Dispute
Land leasehold	Land leasehold	43.05	Gujarat Industrial Development Corporation, Bharuch	NO	04.09.2012	The lease deed for plots allotted are not executed in favour of GNFC because of the some of the portion of the lands are Gaucher and Government Land are falling in the plot allotted to the Company and lease will be executed after allotment of Gaucher and Government Land to GNFC.	NO

*Promoter here means promotor as defined in Section 2(69) of the Companies Act, 2013

**Relative here means relative as defined in Section 2(77) of the Companies Act, 2013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 5 : Capital Work in Progress

5.1 : Capital work in progress is as under:

- **Gross block** as at March 31, 2024 is ` **288.52** crores (March 31, 2023 ` 187.01 crores)
- **Impairment provision** as at March 31, 2024 is **Nil** (March 31, 2023 ` Nil crore)
- **Net block** as at March 31, 2024 is ` **288.52** crores (March 31, 2023 ` 187.01 crores)

It mainly includes cost incurred on Coal based captive power plant at dahej (` 142.59 crores), Solar 4 MW Plant (` 19.80 crores), AMUGL Project (` 6.74 crores), TDI II Dahej Plant (` 13.12 crores), Ammonia Plant (` 30.72 crores), Urea Plant (` 36.63 crores) and Capital Inventory (` 15.23 crores).

5.2 : CWIP Ageing Schedule **(` Crores)**

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 to 2 year	2 to 3 year	more than 3 years	Grand Total
As on 31.03.2024					
Projects in progress	208.55	73.16	4.24	2.57	288.52
Total as on 31.03.2024	**208.55**	**73.16**	**4.24**	**2.57**	**288.52**
As on 31.03.2023					
Projects in progress	122.14	44.00	18.35	2.52	187.01
Total as on 31.03.2023	**122.14**	**44.00**	**18.35**	**2.52**	**187.01**

5.3 : CWIP completion schedule for capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan. **(` Crores)**

Particulars	To be completed in			
	Less than 1 year	1 to 2 year	2 to 3 year	more than 3 years
As on 31.03.2024				
- Projects and Schemes in Progress				
- Urea Reactor replacement	-	21.55	-	-
- Ammonia Storage tank D-1003A with double wall	21.99	-	-	-
- 4 MW Solar Power Plant	6.48	-	-	-
- Replace 3 VAM with Screw Chillers	4.67	-	-	-
- Additional MTD storage tanks - S501002	1.86	-	-	-
- Fire fighting system for GNFC Township	1.79	-	-	-
- Installation of Buffer tank EA plant	1.17	-	-	-
- Corporate Building 3rd Floor renovation	1.22	-	-	-
- Fire water pump house upgradation S-500869	-	1.05	-	-
- Replacement of Existing CSL tanks	0.56	-	-	-
- Other Various Modification / Upgradation schemes	3.20	1.05	-	-
Total as on 31.03.2024	**42.94**	**23.65**	**-**	**-**

None of the projects has exceeded it's cost compared to its original plan.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(` Crores)

Particulars	To be completed in			
	Less than 1 year	1 to 2 year	2 to 3 year	more than 3 years
As on 31.03.2023				
Projects and Schemes in Progress				
- CNA - IV Project	48.05	-	-	-
- 4 MW Solar Power Plant	20.45	-	-	-
- Energy Conservation Turbine at ANI-TDI	6.15	-	-	-
- Additional MTD storage tanks	3.42	-	-	-
- Corporate Building 3rd Floor renovation	1.72	-	-	-
- New fire station building - TDI-II Dahej	1.42	-	-	-
- Secondary Combustion Chamber at ANI-TDI	1.43	-	-	-
- Fire water pump house upgradation	1.26	-	-	-
- Boundary wall around Township	1.22	-	-	-
- Installation of Buffer tank EA plant	1.17	-	-	-
- Height Increase of Rock Phosphate Silo	1.08	-	-	-
- Additional storage facility of Toluene - TDI-II Dahej	0.69	-	-	-
- CNA Storage Buffer Tank	0.63	-	-	-
- Other Various Modification / Upgradation schemes	2.39	-	-	-
Total as on 31.03.2023	**91.08**	**-**	**-**	**-**

None of the projects has exceeded it's cost compared to its original plan Except -CNA - IV Project which is exceeded by ` 23.04 crores.

Note 6 : Investment property

(` Crores)

Particulars	Building	Total
Cost		
As at April 01, 2022	**25.93**	**25.93**
Additions (subsequent expenditure)	-	-
Reclassification	24.49	24.49
As at March 31, 2023	**50.42**	**50.42**
Additions (subsequent expenditure)	-	-
As at March 31, 2024	**50.42**	**50.42**
Depreciation		
As at April 01, 2022	**8.65**	**8.65**
Depreciation for the year	0.81	0.81
Reclassification	3.18	3.18
As at March 31, 2023	**12.64**	**12.64**
Depreciation for the year	0.81	0.81
Reclassification	-	-
As at March 31, 2024	**13.45**	**13.45**
Net Block		
As at March 31, 2024	**36.97**	**36.97**
As at March 31, 2023	**37.78**	**37.78**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Information regarding income and expenditure of Investment property (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rental income derived from Investment properties	**7.15**	7.77
Direct operating expenses (including repairs and maintenance) generating rental income	**(2.83)**	(2.37)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	**(0.82)**	(0.62)
Profit arising from investment property before depreciation and indirect expenses	**3.50**	4.78
Less : Depreciation	**(0.81)**	(0.81)
Profit arising from investment property before indirect expenses	**2.69**	3.97

(i) As at March 31, 2024 and March 31, 2023 the fair values of the investment property is ` 103.91 crores and ` 111.55 crores respectively, based on valuations performed by an accredited independent valuer, who is a specialist in valuing such types of investment properties.

(ii) The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iii) Fair value hierarchy disclosure for investment properties have been provided in Note 50.2.

Note 7 : Intangible assets (` Crores)

Particulars	Computer software	Licenses	Total
Cost			
As at April 01, 2022	**27.87**	**34.29**	**62.16**
Additions	2.46	-	2.46
Deletion	(0.45)	-	(0.45)
As at March 31, 2023	**29.88**	**34.29**	**64.17**
Additions	1.85	-	1.85
Deletion *	-	-	-
As at March 31, 2024	**31.73**	**34.29**	**66.02**
Amortization			
As at April 01, 2022	**22.82**	**19.38**	**42.20**
Amortization for the year	2.34	1.55	3.89
Disposals	(0.45)	-	(0.45)
As at March 31, 2023	**24.71**	**20.93**	**45.64**
Amortization for the year	2.28	1.55	3.83
Disposals *	-	-	-
As at March 31, 2024	**26.99**	**22.48**	**49.47**
Net Block			
As at March 31, 2024	**4.74**	**11.81**	**16.55**
As at March 31, 2023	5.17	13.36	18.53

* Amount for "Computer software" and "total" nullified on conversion to ` crores.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 8 : Investments (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Investments		
(i) Investment in Associate at cost (Unquoted)		
Investment in equity instrument		
(In fully paid up equity shares)		
12,50,000 (previous year 12,50,000) Equity shares of Gujarat Green Revolution Company Limited of ` 10/- each **	**112.27**	100.00
Total	**112.27**	100.00
Non- Trade Investments		
(i) Investments at fair value through other comprehensive income (FVTOCI) [Refer note (a & b)]		
Investments at FVTOCI		
Investments in equity instruments-quoted		
(In fully paid up equity shares)		
A) 75,00,000 (previous year 75,00,000) Equity Shares of Gujarat State Fertilizers & Chemicals Limited of ` 2/- each	**146.74**	89.25
B) 17,59,996 (previous year 17,59,996) Equity Shares of Gujarat Alkalies & Chemicals Limited of ` 10/- each	**118.53**	102.99
C) 80,00,000 (previous year 80,00,000) Equity Shares of Gujarat State Petronet Limited of ` 10/- each	**285.20**	212.00
D) 2,66,445 (previous year 2,66,445) Equity Shares of Gujarat Gas Limited of ` 2/- each	**14.50**	12.25
	564.97	416.49
Investments in equity instruments-unquoted		
A) 2,15,43,200 (previous year 2,15,43,200) equity shares of Gujarat State Petroleum Corporation Limited of ` 1/- each	**37.74**	32.72
B) 42,000 (previous year 42,000) equity shares of Bharuch Enviro Infrastructure Limited of ` 10/- each	**8.83**	10.92
C) 20,000 (previous year 20,000) equity shares of Gujarat Venture Finance Limited of ` 10/- each	**0.56**	0.49
D) 18,39,60,000 (previous year 18,39,60,000) equity shares of Gujarat Chemical Port Limited of ` 1/- each (formerly known as Gujarat Chemical Port Terminal Company Limited)	**316.41**	521.71
E) 2,42,10,000 (previous year 2,42,10,000) equity shares of Ecophos GNFC Private Limited of ` 10/- each @, #	**- ***	- *
F) 1,35,30,000 (previous year 1,35,30,000) equity shares of Bharuch Dahej Railway Company Limited of ` 10/- each	**18.37**	15.49
	381.91	581.33
Total Investments at FVTOCI	**946.88**	997.82

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(ii) Investments at fair value through profit and loss (FVTPL)		
Investments at FVTPL - Unquoted		
A) Investments in Government securities	**3.49**	3.45
B) Investments in Debentures $ &	**7.20**	14.71
C) Investments in State Development Loans	**2.83**	8.54
Total Investments at FVTPL	**13.52**	26.70
(iii) Investments at amortized cost		
Investments at Amortized cost - Unquoted		
A) Investments in Government securities	**1,957.46**	2,080.67
Total Investments at Amortized cost	**1,957.46**	2,080.67
Non-current	**2,365.41**	2,884.17
Current	**664.72**	321.02
Total investments	**3,030.13**	3,205.19
Aggregate book value of quoted investments and market value thereof	**564.97**	416.49
Aggregate amount of unquoted investments	**2,465.16**	2,788.70
* Amount nullified on conversion to ` crores.		
** Investment in Associate is accounted under Equity method as under:		
Opening Carrying Value of Investments	**100.00**	92.44
Additon during the year	**12.27**	7.56
Carrying Value of Investments at the year end	**112.27**	100.00

@ The Company is carrying physical share certificate in respect of this investment.

M/s Ecophos GNFC India Private Limited (EGIPL) is the joint venture company formed by the Company and M/s Ecophos S.A - a Belgium based company for manufacturing of Di-Calcium Phosphate (DCP) at Dahej location. The Company holds 15% shareholding of EGIPL at issued value of ` 24.21 crores. During the FY 2019-20, M/s Eophos S.A. (shareholder) holding 85% shareholding of EGIPL had applied for bankruptcy. Consequently all the nominee directors of EGIPL, Managing Director and Company Secretary of EGIPL resigned. Plant installation for manufacturing of DCP didn't commenced. Accordingly, the Company valued such investment as at March 31, 2024 and as at March 31, 2023 at the nominal consideration of ` 1.

$ The Company had acquired various securities from GNFC-EPFT which includes investments in various long term secured/unsecured Non-Convertible Debentures (NCD) issued by IL&FS Group & NCD issued by Reliance Capital Limited. Such investments have been recorded at the nominal fair values of ` 5.79 only (i.e. ` 1 for each security reduced by the amount received till date) as against total face value of ` 37.12 crores as on 31.03.2024.

& During the year, investments in one of the NCDs of AP Power Fin Corp Ltd was matured. However, the maturity amount is not received till the 31.03.2024. Accordingly, the Company has fair valued the total investment of ` 7.50 crores (including the NCD which is yet not matured) made in AP Power Fin Corp Ltd at ` 2 as on 31.03.2024.

(a) The fair value of the quoted equity investments are derived from quoted market prices in active market.

(b) Investments include investment in unquoted equity shares. Fair value of unquoted investment in equity instrument have been carried out by independent valuer using Net Assets Value model and comparable companies model following Market Approach and Asset Approach. The valuation requires management to make certain assumptions about the

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

model inputs, including forecast cash flows, discount rate, credit risk, volatility, net assets and market multiples. The probabilities of various estimates within the range can be reasonably assessed and are used in management's estimates for fair value for these unquoted equity instruments.

Reconciliation of fair value measurement of the investments in equity shares (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening Balance	**997.82**	1,155.70
Add : Fair value gain / (loss) recognised in Other Comprehensive Income	**(50.94)**	(157.88)
Closing Balance	**946.88**	997.82

Note 9 : Loans and advances (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Loans		
Considered good		
Deposits with a body corporate (unsecured)	**350.00**	800.00
Loans to employees * # @	**19.56**	15.93
Total	**369.56**	815.93
Non-Current		
Loans		
Considered good		
Deposits with a body corporate (unsecured)	**-**	-
Loans to employees * # @	**138.03**	115.15
Unsecured - considered doubtful		
Amount recoverable from employee	**1.57**	1.57
Less: Provision for doubtful loans	**(1.57)**	(1.57)
	-	-
Loan to other companies	**0.40**	0.40
Less: Provision for doubtful loans	**(0.40)**	(0.40)
	-	-
Total	**138.03**	115.15
Total loans and advances	**507.59**	931.08

* includes gross interest accrued ` 3.89 crores (previous year ` 4.51 crores) on current loans to employees and of ` 32.95 crores (previous year ` 31.89 crores) on non-current loans to employees.

\# No loans are due from Promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

@ includes secured Loans to employees having fair value of ` 12.12 crores (previous year ` 12.06 crores) in current and ` 112.41 crores (previous year ` 101.52 crores) in non-current amount. Employees have mortgaged/ hypothecated their Buildings and Vehicles to the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 10 : Other financial assets (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Other financial assets		
Accrued interest	**93.17**	99.68
Other receivables	**0.03**	33.45
Export Benefit Receivable	**0.07**	-
Total	**93.27**	133.13
Non-Current		
Other financial assets		
Deposits with suppliers	**18.70**	17.55
Bank deposits with more than 12 months maturity	**-**	80.00
Other receivables	**0.69**	-
Less: Provision for doubtful receivables	**(0.69)**	-
	-	-
Total	**18.70**	97.55
Total other financial assets	**111.97**	230.68

Note 11 : Trade receivables (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables		
- Secured, Considered good	**23.97**	19.78
- Unsecured, Considered good	**172.13**	102.90
- Unsecured, Credit impaired	**7.70**	14.27
Subsidy receivables (Considered good)		
- Unsecured, Considered good	**430.29**	244.76
	634.09	381.71
Less : Impairment Allowances (Allowance for doubtful debts)		
Trade receivables		
- Credit impaired	**(7.70)**	(14.27)
Total	**626.39**	367.44

Notes:

a) Refer Note 44 for Ageing of Trade receivables as on March 31, 2024 and March 31, 2023.

b) No trade or other receivables are due from Directors or other officers of the Company either severally or jointly with any other person; nor any trade or other receivables are due from firms or private companies in which any Director is a partner, a director or a member.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

c) The fair value of trade receivables (including subsidy receivables) is not materially different from the carrying value presented.

d) Trade receivables are non interest bearing and are generally on terms of 30 to 90 days. Trade receivables of (n)Code division (IT) are of ` 63.99 crores (previous year ` 49.88 crores) are governed by the terms of respective contract agreement. Out of the dues, the Company has provided impairment allowance of ` 7.30 crores as on March 31, 2024 (as on March 31, 2023: ` 13.80 crores) based on credit risk model followed by the Company.

e) Subsidy receivables represents amount receivable from government against sale of fertilizers.

Note 12 : Other non-current assets **(` Crores)**

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Unamortized value of employee loan benefits *	**29.30**	46.47
Capital advances **	**42.21**	49.40
Deposits / Recoverable balances from customs, VAT and others	**0.01**	1.01
Prepaid Expense	**0.14**	1.35
Unsecured - considered doubtful		
Advances to suppliers	**1.64**	1.64
Less: Provision for doubtful advances	**(1.64)**	(1.64)
	-	-
Balances / deposits of recoverable customs, taxes, cess etc.	**4.19**	4.31
Less: Provision for doubtful balances	**(4.19)**	(4.31)
	-	-
Receivable from others	**4.14**	4.14
Less: Provision for doubtful balances	**(4.14)**	(4.14)
	-	-
Total	**71.66**	98.23

* It includes impact of change in the employee loan valuation modelling and data correction in the current financial year.

** It includes ` 34.16 crores as advance given to Gujarat Industrial Development Corporation (GIDC), Bharuch towards Company's contribution for 100 MLD Sea Water Reverse Osmosis (SWRO) desalination project at Dahej location. The Project has already completed and the Company has already started receiving committed water supply from July - 23. As per the terms of the agreement, Special Purpose Vehicle (SPV) has been formed by the GIDC named "Dahej Desal Foundation". However, till date no further Communication received from GIDC in respect of mode of settlement of capital contribution in terms of shares of ownership towards the participation in SPV and hence this amount is treated as capital advance in books till the further communication received.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 13 : Inventories (Valued at lower of Cost and Net realisable value) (` Crores)

Particulars		As at March 31, 2024		As at March 31, 2023
Raw materials		**365.98**		388.97
(Includes in transit inventory as on March 31, 2024 ` 82.36 crores; as on March 31, 2023 - ` 174.28 crores)				
Work-in-progress *		**60.98**		38.32
Finished goods *		**175.97**		177.76
Traded goods		**2.05**		2.78
Stores and spares (Including coal)	**559.21**		539.90	
(Includes in transit inventory as on March 31, 2024 ` 8.83 crores; as on March 31, 2023 ` 1.57 crores)				
Less: Provision for excess inventory	**(44.80)**	**514.41**	(24.52)	515.38
Total		**1,119.39**		1,123.21

* During the current year, the Company has adjusted inventories of finished goods by ` 3.80 crores (previous year ` 5.98 crores) and Work-in-progress by ` 0.91 crore (Previous year ` 0.22 crore) so as to value such inventories at net realizable value.

Note 14 : Cash and cash equivalents (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Balances with banks in:		
Current accounts	**10.09**	9.17
Debit balance in cash credit and overdraft accounts	**32.42**	21.47
Cash on hand	**0.05**	0.06
Deposits with original maturities less than 3 months	**-**	25.50
Total	**42.56**	56.20

Note 15 : Other bank balances (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
Unpaid dividend accounts	**20.59**	14.89
Bank balances in escrow accounts *	**51.01**	27.89
Deposit with original maturity more than 3 months but remaining maturities of less than 12 months #	**1,414.74**	1,894.93
Total	**1,486.34**	1,937.71

* Balance in escrow account represents amount received as Earnest Money Deposit & Tender fees against e-auction done on behalf of various local authorities of Government of Gujarat. Corresponding liability is disclosed in Note 21 as “Other current financial liabilities”.

\# Includes ` 474.74 crores (previous year ` 404.92 crores) pledged with lenders and Government authorities.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 16 : Other current assets (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits / Recoverable balances from customs, VAT and others	**0.68**	0.61
Advance to suppliers	**33.15**	75.86
Goods and Service Tax Receivable	**23.07**	10.77
Contract assets *	**1.95**	3.91
Receivable from others	**0.77**	0.85
Prepaid expenses	**15.93**	17.74
Unamortized employee loan benefits **	**4.00**	6.34
Energy savings certificates $	**-**	-
Total	**79.55**	116.08

* Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

** It includes impact of change in the employee loan valuation modelling and data correction in the current financial year.

$ Amount nullified on conversion to ` Crores.

Note 17 : Share capital (` Crores)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	` Crores	No. of Shares	` Crores
Authorised share capital				
Equity shares of ` 10 each	**25,00,00,000**	**250.00**	25,00,00,000	250.00
	25,00,00,000	**250.00**	25,00,00,000	250.00
Issued, subscribed and fully paid up				
Equity shares of ` 10 each subscribed and fully paid up	**14,69,40,683**	**146.94**	15,54,18,783	155.42
Total issued, subscribed and fully paid up share capital	**14,69,40,683**	**146.94**	15,54,18,783	155.42

17.1. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	` Crores	No. of Shares	` Crores
Equity Shares				
At the beginning of the year	**15,54,18,783**	**155.42**	15,54,18,783	155.42
Changes in Equity Share Capital due to prior period errors	**-**	**-**	-	-
Restated balance at the beginning of the year	**15,54,18,783**	**155.42**	15,54,18,783	155.42
Shares extinguished on buy-back during the year	**(84,78,100)**	**(8.48)**	-	-
Outstanding at the end of the year	**14,69,40,683**	**146.94**	15,54,18,783	155.42

Note :

The Company bought back 84,78,100 equity shares for an aggregate amount of ` 652.81 crores being 5.46% of pre-buy back fully paid up equity share capital at ` 770 per equity share in the current year. The equity shares bought back were extinguished on December 21, 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

17.2. Terms/rights attached to the equity shares

Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having par value of ` 10 per share, i.e. equity shares which rank pari passu in all respects. Each holder of equity share is entitled to one vote per share.

For the current financial year 2023-24, the Company has proposed dividend of ` 16.50 per equity share to equity shareholder (for the previous financial year dividend of ` 30/- per share declared). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

17.3. Number of Shares held by each shareholder holding more than 5% Shares in the Company

Name of the shareholders	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Gujarat State Investments Ltd.	**3,15,07,658**	**21.44%**	3,32,27,546	21.38%
Gujarat State Fertilizers & Chemicals Ltd.	**2,91,86,009**	**19.86%**	3,07,79,167	19.80%

17.4. Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2024 is as follows :

Name of the Promoter	As at March 31, 2024		As at March 31, 2023		% Change during the year
	No. of shares	% of shareholding	No. of shares	% of shareholding	
Gujarat State Investments Ltd.	**3,15,07,658**	**21.44%**	3,32,27,546	21.38%	0.30%
Gujarat State Fertilizers & Chemicals Ltd.	**2,91,86,009**	**19.86%**	3,07,79,167	19.80%	0.30%

Disclosure of shareholding of promoters as at March 31, 2023 is as follows :

Name of the Promoter	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of shares	% of shareholding	No. of shares	% of shareholding	
Gujarat State Investments Ltd.	**3,32,27,546**	**21.38%**	3,32,27,546	21.38%	0.00%
Gujarat State Fertilizers & Chemicals Ltd.	**3,07,79,167**	**19.80%**	3,07,79,167	19.80%	0.00%

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 18 : Other equity

Note 18.1 Reserves and surplus (` Crores)

Particulars	Capital reserve	Capital Redemption Reserve (CRR)	Securities Premium	General reserve	Retained earnings	Total
As at April 01, 2022	**0.64**	**-**	**313.31**	**2,479.76**	**4,166.58**	**6,960.29**
Profit for the year	-	-	-	-	1,471.54	1,471.54
Re-measurement gain on defined benefit plans (net of tax)	-	-	-	-	(68.79)	(68.79)
Balance available for appropriation	**-**	**-**	**-**	**-**	**5,569.33**	**8,363.04**
Less : Appropriations						
Transfer to General reserve	-	-	-	200.00	(200.00)	-
Dividend paid during the year	-	-	-	-	155.42	155.42
As at March 31, 2023	**0.64**	**-**	**313.31**	**2,679.76**	**5,213.91**	**8,207.62**
Profit for the year	-	-	-	-	497.06	497.06
Re-measurement gain on defined benefit plans (net of tax)	-	-	-	-	(4.14)	(4.14)
Balance available for appropriation	**-**	**-**	**-**	**-**	**5,706.83**	**8,700.54**
Less : Appropriations						
Transfer to General reserve	-	-	-	500.00	(500.00)	-
Dividend paid during the year	-	-	-	-	466.26	466.26
Expenses for buy-back of equity shares	-	-	-	-	4.98	4.98
Tax on buy-back of equity shares	-	-	-	-	150.10	150.10
Transfer to Capital Redemption Reserve	-	8.48	-	-	(8.48)	-
Buy-back of equity shares	-	-	313.31	-	331.03	644.34
As at March 31, 2024	**0.64**	**8.48**	**-**	**3,179.76**	**4,245.98**	**7,434.86**

Securities Premium:

Securities premium is used to record the premium on issue of shares. This reserve is utilized in accordance with the provision of section 52 (2) (c) of the Companies Act, 2013. During the current year, it is utilized against the buy back of equity shares.

Capital redemption reserve:

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 18.2 Other comprehensive income (OCI) (` Crores)

Particulars	Net gain / (loss) on FVTOCI equity Investments	Total
As at April 01, 2022	**874.32**	**874.32**
Other comprehensive income / (expense) during the year		
Net (loss) on FVTOCI equity investments for the year	(157.88)	(157.88)
Income tax effect	25.63	25.63
As at March 31, 2023	**742.07**	**742.07**
Other comprehensive income / (expense) during the year		
Net (loss) on FVTOCI equity investments for the year	(50.94)	(50.94)
Income tax effect	35.83	35.83
As at March 31, 2024	**726.96**	**726.96**

Note 18.3 Dividend distribution made and proposed (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash dividends on equity shares declared and paid		
Final dividend for year ended March 31, 2023: ` 30 per share (March 31, 2022: ` 10 per share)	**466.26**	155.42
Proposed dividends on equity shares		
Final cash dividend proposed for the year ended March 31, 2024: ` 16.50 per share (March 31, 2023: ` 30 per share)	**242.45**	466.26

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at balance sheet date.

Note 19 : Borrowings (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Short-term interest bearing borrowings		
Secured		
From Bank- cash credit and overdraft accounts	**0.56**	0.01
Total	**0.56**	0.01

Security details

Short term borrowings from banks as cash credit and overdraft accounts of ` 0.56 crore (March 31, 2023: ` 0.01 crore) are secured by first charge by way of hypothecation of inventories and trade receivables and all other movable assets, both present and future and further secured by second charge by way of mortgage on all immovable properties. These charges are ranking pari-passu among the working capital lenders.

Interest rate details for short term borrowings:

(i) Cash credit and overdrafts facilities carries interest rates ranging from 7.50% to 8.90% p.a.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 20 : Trade payables (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(A) Total outstanding dues of micro, small and medium enterprises	**33.28**	45.86
(B) Total outstanding dues of creditors other than micro, small and medium enterprises	**489.12**	531.85
Total	**522.40**	577.71

- Refer Note 45 for Ageing of Trade payables as on March 31, 2024 and March 31, 2023.

(` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 as amended ("MSMED Act"):		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	**33.28**	45.86
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**-**	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**-**	-
(iv) The amount of interest due and payable for the year	**0.59**	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
(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	**-**	-

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

Note 21 : Other current financial liabilities (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Other financial liabilities at amortised cost		
Liability towards capital grant received (net) (*)	**85.06**	85.06
Deposits / retention money from customers / vendors / others	**36.53**	40.02
Payable for capital goods @	**31.05**	15.49
Rebate / discounts payable to customers	**44.18**	29.14
Liability towards employee benefit	**63.01**	123.25
Liability for Escrow Accounts $	**51.01**	27.89
Unclaimed dividends #	**20.59**	14.89
Fair Value of Derivative contracts	**0.20**	1.14
Interest payable on delayed MSME payments	**0.59**	-
Liability for unspent CSR expense	**11.53**	-
Total	**343.75**	336.88

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Non - Current		
Deposit / Retention money from customers / vendors	**5.11**	5.00
Total	**5.11**	5.00
Total other financial liabilities	**348.86**	341.88

* The capital grant of ` 1,213.06 crores from Government of India, Ministry of Chemicals & Fertilizers, Department of Fertilizers for feed stock conversion project from 'LSHS/FO' to 'Gas' vide sanction letter no 14023/22/2007-FP dated 14.12.2009 has accrued to the Company since the conditions attached to the grant have been fulfilled by the Company. Till date, the government had disbursed ` 1,146.43 crores towards capital grant as against ` 1,213.06 crores and ` 348.45 crores towards grant as reimbursement of borrowing cost as against total borrowing cost of ` 195.47 crores. Accordingly, the Company has, pending settlement, recorded a net liability of ` 85.06 crores (net of adjustment of receivable against return on investment of ` 1.29 crores) towards capital grant.

@ Includes ` 7.54 crores (March 31, 2023 : ` 5.31 crores) payable to Micro, Small and Medium Enterprises which have been determined to the extent such parties have been identified on the basis of information collected by the Management.

$ Escrow account liability represents amount received as Earnest Money Deposit & Tender fees against e-auction done on behalf of various local authorities of Government of Gujarat. Corresponding asset is disclosed in Note 15 as "Bank balances in escrow accounts".

Not due for credit to "Investors Education and Protection Fund".

(a) Disclosure with regards to changes in liabilities arising from financing activities as per Ind AS 7 Statement of Cash Flows:

Disclosure of changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses) is as under: (` Crores)

Particulars	Borrowings (includes Current Maturities) and Interest accrued but not due	Unclaimed Dividend	Derivatives	Total
As on April 01, 2022	**0.03**	**12.02**	**0.24**	**12.29**
Net Cash Flow	(2.86)	(152.55)	(4.69)	(160.10)
Changes in Fair Value	-	-	5.59	5.59
Charged to P&L during the year	2.83	-	-	2.83
Dividend recognised during the year	-	155.42	-	155.42
As on March 31, 2023	**-**	**14.89**	**1.14**	**16.03**
Net Cash Flow	(10.04)	(460.56)	(2.47)	(473.07)
Changes in Fair Value	-	-	1.53	1.53
Charged to P&L during the year	10.04	-	-	10.04
Dividend recognised during the year	-	466.26	-	466.26
As on March 31, 2024	**-**	**20.59**	**0.20**	**20.79**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 22 : Provisions (Non-current) (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for leave encashment	**231.15**	176.96
Provision for post retirement medical benefit (refer Note 41)	**98.60**	85.68
Provision for contingencies *	**160.01**	108.97
Total	**489.76**	371.61

* These provisions represent estimates made mainly for probable claims arising out of litigations / disputes pending with authorities under various statutes (Excise duty) and with other parties. The probability and the timing of the outflow with regard to these matters depend on the final outcome of the litigations/disputes. Hence, the Company is not able to reasonably ascertain the timing of the outflow. The movement of other provision is as under:

(` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance	**108.97**	55.70
Provision made during the year	**51.04**	53.27
Amount utilised / reversed during the year	**-**	-
Closing balance	**160.01**	108.97

Note 23 : Government grant (Deferred Income) (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Grant from Government of India (refer note a)	**60.65**	60.65
Government grant of Export Promotion Capital Grant (EPCG) (refer note b)	**8.70**	5.36
Other Government grant	**0.14**	0.14
Total	**69.49**	66.15
Non Current		
Grant from Government of India (refer note a)	**515.55**	576.21
Other Government grant	**0.50**	0.65
Total	**516.05**	576.86
Total government grant (deferred income)	**585.54**	643.01

(a) Movement in Grant from Government of India (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening	**636.86**	697.51
Amortised to statement of profit and loss	**(60.66)**	(60.65)
Closing	**576.20**	636.86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The capital grant from Government of India, Ministry of Chemicals & Fertilizers, Department of Fertilizers for feed stock conversion project from 'LSHS/FO' to 'Gas' vide sanction letter no 14023/22/2007-FP dated 14.12.2009 has accrued to the Company since the conditions attached to the grant have been fulfilled by the Company. Accordingly, the grant of ` 1,213.06 crores was recorded as deferred income as contemplated under Para 7 and 12 of Ind AS - 20 on 'Accounting for Government Grants and Disclosure of Government Assistance' and it is being amortized over the useful life of the corresponding assets. The aforesaid grant has been disbursed by the Government of India.

(b) Movement in Government grant of EPCG (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening	**5.36**	6.24
Add: New EPCG license received during the year.	**-**	0.86
Add: Reversal of earlier year's recognised amount as grant income.	**3.34**	-
Less: Amortised to statement of profit and loss	**-**	(0.88)
Closing	**8.70**	5.36

Note 24 : Other liabilities (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory and other liabilities	**34.10**	49.04
Other current liabilities (Refer Note 43 (A))	**25.03**	24.04
Contract liabilities (including advance from customers)	**32.95**	37.35
Total other liabilities	**92.08**	110.43

Note 25 : Provisions (current) (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for gratuity (Refer Note 41)	**0.76**	89.17
Provision for leave encashment	**46.11**	105.95
Provision for post retirement medical benefit (Refer Note 41)	**3.71**	3.15
Provision for contingencies **	**1.59**	1.59
Total	**52.17**	199.86

** The Company had created a contingency provision for possible contractual obligation of IT business. The movement of other provision is as under:

(` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance	**1.59**	1.59
Provision made during the year	**-**	-
Amount utilised / reversed during the year	**-**	(0.01)
Closing balance	**1.59**	1.59

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 26 : Income Tax

The major component of income tax expenses for the year ended March 31, 2024 and March 31, 2023 are as under

a) Statement of Profit and Loss Section (` Crores)

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Current Income tax			
Current tax charges	A	**168.20**	541.29
Earlier year tax adjustments -short / (excess) (refer note (g) below)	B	**36.66**	(21.00)
Deferred Tax			
- Relating to origination and reversal of temporary differences	C	**(38.54)**	(52.72)
Tax Expense reported in the Statement of Profit and Loss	A + B + C	**166.32**	467.57
Other Comprehensive Income ('OCI') Section			
Income tax / Deferred tax related to items recognised in OCI during the year :			
- Remeasurement gain / loss on defined benefit plans, credit / (charge)		**1.39**	23.13
- Unrealised gain / loss on FVTOCI equity investments, credit / (charge)		**35.83**	25.63
		37.22	48.76

b) Balance Sheet Section (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Liabilities for current tax (net)	**0.04**	0.04
Income tax assets (net)	**(70.17)**	(61.35)
Net Tax Provision Outstanding	**(70.13)**	(61.31)

c) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2024 and March 31, 2023 (` Crores)

Particulars	Year ended March 31, 2024		Year ended March 31, 2023	
	%	Amount	%	Amount
Profit Before tax		**651.11**		1,931.55
Tax using domestic tax rate for Company	**25.17**	**163.87**	25.17	486.13
Tax Effect of:				
Deduction u/s 80M	**(1.13)**	**(7.35)**	(0.13)	(2.54)
Non-deductible expenses	**1.33**	**8.63**	0.32	6.11
Sale of assets	**0.25**	**1.62**	0.00	0.01
Right of Use Asset - Ind AS 116	**(0.05)**	**(0.30)**	(0.02)	(0.29)
Adjustment in depreciation net book value of assets	**(0.10)**	**(0.68)**	0.11	2.17
Buy Back Expenses claimed	**(0.19)**	**(1.25)**	-	-
Previous Year short / excess Income Tax ROI diff	**(0.63)**	**(4.11)**	-	-
Bonus	**0.88**	**5.76**	-	-
Gain / loss on investments	**-**	**-**	(0.09)	(1.69)
Interest u/s 234C	**-**	**-**	0.01	0.10
Other adjustments	**0.02**	**0.13**	(0.07)	(1.43)
Effective tax rate and tax	**25.54**	**166.32**	25.29	488.57
Excess tax provision write back of earlier years	**-**	**-**	(1.09)	(21.00)
Tax expenses as per Books	**25.54**	**166.32**	24.21	467.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

d) Deferred Tax Liability (net) (` Crores)

Particulars	Balance Sheet as at		Statement of Profit and Loss	
	March 31,2024	March 31,2023	Year ended March 31,2024	Year ended March 31,2023
(Liability) on Accelerated depreciation for tax purpose	**(488.88)**	(527.97)	**(39.09)**	(34.63)
Assets on provision for Leave encashment	**67.81**	69.23	**1.42**	(15.14)
Assets on deferred government grant of ASGP	**145.02**	160.28	**15.26**	15.27
Assets on deferred government grant of EPCG	**2.35**	1.55	**(0.80)**	0.02
Assets on Provision for doubtful debts and advances	**57.06**	40.62	**(16.44)**	(10.10)
(Liability) on equity investment FVTOCI	**(62.50)**	(98.33)	**(35.83)**	(25.63)
Assets on other adjustments	**9.61**	10.72	**1.11**	(8.14)
Total	**(269.53)**	(343.90)	**(74.37)**	(78.35)

e) Deferred tax liabilities reflected in the balance sheet as follows (` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities	**269.53**	343.90
Less :Tax credit entitlement under MAT	**-**	-
Deferred tax liabilities (net)	**269.53**	343.90

f) Reconciliation of deferred tax liabilities (net) (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance as of April 01	**343.90**	422.25
Tax (credit) / expenses during the period recognised in statement of profit and loss	**(38.54)**	(52.72)
Tax charge / (credit) during the period recognised in OCI	**(35.83)**	(25.63)
Closing balance as of March 31	**269.53**	343.90

g) Based on reconciliation of income tax liabilities pertaining to current tax provision of earlier years as per books of account with tax liabilities acknowledged in respective year's income tax return / assessed tax liabilities, short provision of ` 36.66 crores has been charged to tax expense during the current year and excess tax provision aggregating to ` 21.00 crores has been written back in previous year in books of accounts.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 27 : Revenue from operations (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
27.1		
Sale of products		
Own products (refer below note 27.2)	**7,697.66**	10,067.29
Traded products	**76.55**	74.69
	7,774.21	10,141.98
Rendering of services	**120.49**	65.25
Other operating revenue		
Export incentive	**1.79**	0.75
Recovery of administrative charges (Fly Ash)	**6.41**	7.28
Sale of scrap / surplus / unserviceable materials	**26.83**	11.67
	35.03	19.70
Total	**7,929.73**	10,226.93
27.2 - Sale of own products above includes:		
Subsidy from Government of India under New Urea Policy / Retention Price Scheme / Nutrient Based Subsidy Scheme (including escalation / de-escalation)		
- Pertaining to current year	**2,240.86**	2,939.44
- Pertaining to earlier year recognised during current year	**(21.57)**	23.40
Total	**2,219.29**	2,962.84
27.3 - Timing of revenue recognition		
Goods transferred / services rendered at point in time	**7,890.72**	10,196.23
Services transferred over time	**39.01**	30.70
Total	**7,929.73**	10,226.93

27.4 There are no inter-segment transfers in case of revenue from contracts with customers, accordingly no reconciliation is required with amounts disclosed in the segment information.

27.5 Reconciliation of amounts of revenue recognized in the statement of profit and loss with the contracted price.

(` Crores)

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Gross Revenue as per contracted price with customer		**6,116.59**	7,612.59
Adjustments:			
Rebates / discounts / incentives		**(374.99)**	(322.41)
Dealer's margin		**(31.16)**	(26.09)
Net Revenue as per contracted price with customer	**A**	**5,710.44**	7,264.09
Subsidy income from Government of India	**B**	**2,219.29**	2,962.84
Total Revenue from operations	**A+B**	**7,929.73**	10,226.93

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 28 : Other income (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Grant income	**57.47**	61.68
Interest income *	**336.32**	233.47
Lease rental income	**8.46**	9.02
Gain (adjustment) on decapitalisation of property, plant and equipment	**0.30**	0.02
Unclaimed liabilities / excess provision for doubtful debt written back	**18.29**	22.08
Dividend income **	**29.20**	10.11
Exchange variance gain on monetary items	**1.12**	-
Profit on sale of property, plant and equipments (net of losses)	**0.19**	1.15
Insurance claim	**0.01**	0.70
Gain on sale of investments carried at FVTPL	**0.15**	-
Gain on Lease modification/ termination (net of losses)	**0.01**	0.01
Miscellaneous income # $	**17.68**	22.99
Total	**469.20**	361.23

* Including ` 12.23 crores (previous year ` 13.42 crores) on FVTPL Financial Assets.

** Including ` 29.07 crores (previous year ` 9.98 crores) on FVTOCI Financial Assets.

\# Miscellaneous income for the previous year includes ` 10.39 crores received from Employees' Provident Fund Trust of the Company (GNFC-EPFT) towards redemption value of principal and interest amount of security issued by Punjab State Industrial Development Corporation (PSIDC) and held by GNFC-EPFT. As this security was already matured in earlier years and maturity amount was not received by the GNFC-EPFT from PSIDC, this was not transferred in the name of the Company till date. The Company had already made good the loss while transferring the PF corpus to the Employees' Provident Fund Organisation (EPFO) by considering the fair value of security at ` 1 and therefore, the aforesaid receipt from (GNFC-EPFT) has been recorded as income of the Company.

$ Miscellaneous income for the current year and previous year includes ` 2.50 crores and ` 7.38 crores respectively received from IL&FS Financial Services Limited as interim distribution towards investments in its non-convertible debentures. The Company had already made good the loss while transferring the PF corpus to the Employees' Provident Fund Organisation (EPFO) by considering the fair value of securities at ` 1 each and therefore, the aforesaid receipt has been recorded as income of the Company.

Note 29 : Cost of raw materials consumed (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Inventory at the beginning of the year	**388.97**	362.44
Add : Purchases	**4,360.49**	5,020.71
	4,749.46	5,383.15
Less : Inventory at the end of the period	**365.98**	388.97
Total	**4,383.48**	4,994.18

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 30 : Changes in inventories of finished goods, work-in-progress and traded goods (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Inventory at the beginning of the year		
Work-in-progress	**38.32**	38.58
Finished goods	**177.76**	80.04
Traded goods	**2.78**	14.82
	218.86	133.44
Inventory at the end of the period		
Work-in-progress	**60.98**	38.32
Finished goods	**175.97**	177.76
Traded goods	**2.05**	2.78
	239.00	218.86
Total	**(20.14)**	(85.42)

Note 31 : Employee benefits expense (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and wages	**443.37**	495.19
Contribution to provident and pension fund (refer Note 41)	**60.89**	41.18
Contribution and provision towards gratuity (refer Note 41)	**14.94**	15.65
Employees' welfare expenses	**106.24**	53.60
Total	**625.44**	605.62)

* Employees' welfare expenses for current year ended March 31, 2024 includes ` 20.55 crores (net) (including ` 21.48 crores relating to earlier years and reversal of ` 0.93 crore related to current year) being impact of change in the employee loan valuation modelling and data correction in the current financial year.

Note 32 : Finance costs (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on borrowings	**8.00**	1.71
Interest others	**1.86**	1.38
Bank charges and commission	**2.48**	2.02
Interest on lease liability (refer Note 39)	**0.18**	0.15
Total	**12.52**	5.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 33 : Depreciation and amortization (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on property, plant and equipment (refer Note 4)	**299.36**	294.81
Depreciation on investment property (refer Note 6)	**0.81**	0.81
Amortization on intangible assets (refer Note 7)	**3.83**	3.89
Depreciation on RoU assets (refer Note 39)	**3.54**	3.43
Total	**307.54**	302.94

Note 34 : Other expenses (` Crores)

Particulars		Year Ended March 31, 2024		Year Ended March 31, 2023
Stores, chemicals and catalysts		**147.03**		155.33
Packing expenses		**89.11**		96.01
Insurance		**29.46**		34.46
Repairs and maintenance :				
- Building	**8.79**		13.95	
- Plant and equipment	**153.98**		151.19	
- Others	**7.15**	**169.92**	7.05	172.19
Material handling expenses		**12.90**		10.90
Outward freight and other charges		**92.37**		79.64
Sales promotion expenses		**9.89**		7.05
Selling commission		**0.13**		0.14
Rates & taxes		**4.52**		3.92
Operating lease Rent		**3.35**		3.39
Printing & stationery, communication and advertisement expense		**3.99**		7.70
Traveling and conveyance expenses		**4.51**		3.17
Fire fighting, safety and security expenses		**10.90**		9.48
Electricity charges		**2.84**		2.34
Professional and consultancy charges		**5.51**		4.09
Payment for contract services		**20.06**		15.90
Exchange variance on monetary items		**-**		1.59
Director's fees		**0.23**		0.22
Payment to auditors (refer note (a) below)		**0.48**		0.45
Donations		**0.05**		-
Contributions towards corporate social responsibilities (refer Note 40)		**22.70**		24.27
Provision for unspent CSR obligation		**11.53**		-
Premium on forward contracts		**2.47**		4.69
Provision for doubtful debts / advances		**4.08**		5.36
Provision for excess inventory		**20.95**		5.28
Advances / Bad debts / other receivables written off		**0.42**		0.34
Provision for contingencies		**51.04**		53.27

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(` Crores)

Particulars		Year Ended March 31, 2024		Year Ended March 31, 2023
Fair valuation loss on investments measured at FVTPL (net) (Refer note 8 (&))		**7.53**		0.82
Loss on sale of investments carried at FVTPL		**-**		0.66
Provision for energy savings certificates		**-**		0.38
Inventory written off	**0.67**		1.82	
Less: Utilization of provision for inventory obsolescence	**(0.67)**	**-**	(1.82)	-
Assets written off		**6.61**		1.20
Miscellaneous expenses *		**56.83**		55.38
Total		**791.41**		759.62

* Includes ` 34.15 crores (previous year ` 38.94 crores) related to by-product & waste handling expense.

(a) Payment to auditors includes following : (` Crores)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Payments to Statutory Auditors comprise: (Net of GST Input Credit, where applicable)		
As auditor:		
(i) Statutory Audit Fees	**0.14**	0.14
(ii) Limited review Fees	**0.10**	0.10
In other capacity:		
(i) Certification fees	**0.20**	0.17
(ii) Tax Audit Fees	**0.03**	0.03
Reimbursement of Expenses	**0.01**	0.01
Total	**0.48**	0.45

Note 35 : Earning per share

Particulars	Unit	Year ended March 31, 2024	Year ended March 31, 2023
Net profit after tax	` Crores	**497.06**	1,471.54
Weighted average number of equity shares of nominal value of ` 10 each in calculating Earnings Per Share	Nos.	**15,30,79,198**	15,54,18,783
Basic and diluted earnings per share	`	**32.47**	94.68

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 36 : Contingent liabilities and other commitments (to the extent not provided for) **(` Crores)**

Particulars	As at March 31, 2024	As at March 31, 2023
(A) Contingent liabilities		
(i) Claims against the Company not acknowledged as debts (In the nature of business contractual claims)	**216.07**	235.83
(ii) Income tax assessment orders contested	**21.80**	116.42
(iii) Demands in respect of Central Excise Duty, Custom Duty, Service Tax, GST and Value Added Tax as estimated by the Company	**178.22**	159.61
Total contingent liabilities	**416.09**	511.86
In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute.		
(B) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**470.03**	579.30
(C) Other commitments		
(i) Export obligation on account of benefit of concessional rate of Custom duty availed under EPCG license scheme on imports of capital goods.	**180.65**	108.14
Total other commitments	**180.65**	108.14

Note 37 : Related party disclosures

Related party disclosures, as required by Ind AS-24, "Related Party Disclosures", are given below: **(` Crores)**

Name of the Company	Nature of Relationship	Nature of Transactions	Year Ended March 31, 2024	Year Ended March 31, 2023
Gujarat Green Revolution Company Limited	Associate	Sale of goods and services	**- ***	- *
		Dividend received	**0.13**	0.13
		Receivable as on	**-**	-
Gujarat State Fertilizers & ChemicalsLimited	Promotor	Purchase of goods and services	**9.97**	13.69
		Sale of goods and services	**- ***	- *
		Dividend received	**7.50**	1.88
		Payment for Buy back of shares	**122.67**	-
		Dividend paid	**92.34**	30.78
		Receivable as on	**-**	0.03
Gujarat State Investments Ltd.	Promotor	Dividend paid	**99.68**	33.23
		Payment for Buy back of shares	**132.43**	-
Narmadanagar Rural Development Society	Other related party	Grant for CSR activities	**21.89**	23.95

* Amount nullified on conversion to ` crores.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(Amount `)

Name of the Person	Nature of Relationship	Nature of Transactions	Year Ended March 31, 2024	Year Ended March 31, 2023
Shri Pankaj Kumar, IAS - Chairman @ (upto 31.01.2023)	Key Management Personnel	Sitting Fees	**-**	52,500
Shri Vipul Mitra, IAS - Chairman (From 31.01.2023 to 31.07.2023)	Key Management Personnel	Sitting Fees @	**52,500**	17,500
		Managerial remuneration	**56,41,577**	-
Shri Raj Kumar, IAS Chairman @ (From 01.08.2023)	Key Management Personnel	Sitting Fees #	**52,500**	-
Smt. Mamta Verma, IAS - Director @	Key Management Personnel	Sitting Fees $	**1,75,000**	2,10,000
Shri Mukesh Puri, IAS - Director @ (upto 01.02.2024)	Key Management Personnel	Sitting Fees	**87,500**	1,75,000
Shri J P Gupta, IAS - Director @	Key Management Personnel	Sitting Fees	**1,22,500**	2,10,000
Smt. Gaurikumar, IAS (Rtd.) - Director	Key Management Personnel	Sitting Fees	**3,67,500**	2,45,000
Prof. Ranjan Kumar Ghosh - Director	Key Management Personnel	Sitting Fees	**4,90,000**	3,85,000
Shri Bhadresh Mehta	Key Management Personnel	Sitting Fees	**3,15,000**	3,50,000
Dr. N. Ravichandran, Director	Key Management Personnel	Sitting Fees	**3,85,000**	3,32,500
Prof. Piyushkumar Sinha, Director	Key Management Personnel	Sitting Fees $	**2,80,000**	1,92,500
Shri Pankaj Joshi, IAS Managing Director	Key Management Personnel	Managerial remuneration	**1,06,23,976 ****	78,80,435 **
Shri D V Parikh (ED & CFO)	Key Management Personnel	Remuneration		
Shri A C Shah (GM & CS)	Key Management Personnel	Remuneration		

@ Amount deposited in Government Treasury

** ` 0.07 crore Outstanding payable as on March 31, 2024 (` 0.06 crore as on March 31, 2023).

Payable as on 31.03.2024

$ ` 17,500/- is Payable as on 31.03.2024

Note 38 : Research and development expenses

The statement of profit and loss includes following nature of research & development expenses in the respective heads:

(` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Personnel expenses	**3.31**	1.46
Consumables and spares	**0.16**	0.06
Power and fuel consumption	**0.07**	0.12
Total research and development expenses	**3.54**	1.64

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 39 : Leases:

Company as a lessee

The Company has taken various land, warehouses, godowns, guest houses, office premises and vehicles used in its operations. These are generally cancellable having a term between one to three year extendable for further period as per the terms of rental agreements.

The Company also has certain leases of warehouses, godowns, office premises and vehicles with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised as per Ind AS 116 and the movements during the period:

(` Crores)

Particulars	Land	Building	Vehicles	Total
As at April 01, 2022	**0.23**	**1.40**	**-**	**1.63**
Additions	-	1.34	-	1.34
Deletion / Termination	-	(0.37)	-	(0.37)
Reclassification	217.15	-	-	217.15
Depreciation for the year	(2.54)	(0.89)	-	(3.43)
Dep on Disposals / termination	-	0.19	-	0.19
As at March 31, 2023	**214.84**	**1.67**	**-**	**216.51**
Additions	-	1.32	-	1.32
Deletion / Termination	-	(0.33)	-	(0.33)
Reclassification	-	-	-	-
Depreciation for the year	(2.54)	(1.00)	-	(3.54)
Dep on Disposals / termination	-	0.20	-	0.20
As at March 31, 2024	**212.30**	**1.86**	**-**	**214.16**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

(` Crores)

Particulars	Amount
As at April 01, 2022	**1.70**
Additions	1.34
Accretion of interest	0.15
Payments	(1.03)
Lease termination	(0.19)
As at March 31, 2023	**1.97**
Additions	1.32
Accretion of interest	0.18
Payments	(1.16)
Lease termination	(0.14)
As at March 31, 2024	**2.17**
Current	**0.98**
Non-Current	**1.19**

The maturity analysis of lease liabilities are disclosed in Note 50.

The effective interest rate for lease liabilities is 8.70%, with maturity between 2020-2049

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The following are the amounts recognised in Statement of profit and loss: (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation expense of right-of-use assets	**3.54**	3.43
Interest expense on lease liabilities	**0.18**	0.15
Expense relating to short-term leases (included in other expenses)	**3.35**	3.39
Total amount recognised in profit and loss	**7.07**	6.97

Company as a lessor

The Company has entered into operating leases on its investment property portfolio consisting of certain office. Rent income also includes rentals received from lease of office premises. These leases is generally for a period of three to four years. There are no restrictions imposed by lease arrangements.

Future minimum rentals receivable under non-cancellable operating leases as at March 31 are as follows:

(` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than one year	**2.75**	2.91
Later than one year not later than five years	**0.86**	3.52
Later than five years	**-**	-
Total	**3.61**	6.43

Note 40 : Corporate social responsibility (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A) Gross amount required to be spent by the Company during the year	**34.23**	24.20
B) Amount spent during the year on		
(I) Construction/acquisition of any asset	**-**	-
(II) On purposes other than (I) above	**22.70**	24.27
C) Shortfall / (excess) at the end of the year before set off	**11.53**	(0.07)
D) Amount available for set off for the year	**-**	-
E) Shortfall / (excess) at the end of the year after set off (Refer below note (a))	**11.53**	(0.07)
F) Reason for shortfall	**Ongoing Project**	NA
G) Nature of CSR activities	**Refer below note (b)**	Refer below note (b)
H) Details of related party transactions in relation to CSR expenditure as per Ind AS 24, Related Party Disclosures (Refer below note (c))	**21.89**	23.95

Note (a) :

Shortfall amount for the year ended March 31, 2024 is subsequently deposited to CSR unspent bank account as on April 30, 2024.

Note (b) :

CSR Expenditure incurred for various development of projects / activities like in sectors of Women Empowerment, Rural Development, Livelihood Enhancement, Preventive Health Care, Promoting Education, Disaster Management, Environmental Sustainability Promoting Gender Equality, or activities mentioned as per Schedule VII of the Companies Act.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note (c) :

Represents contribution to Narmadanagar Rural Development Society (NARDES), a CSR Arm controlled by the Company to undertake various CSR activities.

Note 41 : Gratuity and other post employment benefit plans:

A. Defined contribution plans:

Amount of ` 60.89 crores (March 31, 2023: ` 41.18 crores) is recognised as expenses and included in Note No. 31 "Employee benefit expense"

(` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Provident fund	**32.99**	22.30
Contribution to pension scheme	**27.90**	18.88
Total	**60.89**	41.18

B. Defined benefit plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

(b) Post retirement medical benefit

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity as per payment of Gratuity Act, 1972. The Scheme is funded with Gratuity Trust, which in turn makes contribution to Life Insurance Corporation of India (LIC) in the form of qualifying insurance policy for future payment of gratuity to the employees.

Each year the management reviews the level of funding in the gratuity fund. Such review includes the asset - liability matching strategy. The management decides its contributions based on the results of this review. The management aims to keep annual contributions relatively stable at a level such that no plan deficit (based on valuation performed) will arise.

The plan for the Post retirement medical benefit is unfunded.

The following table summarises the components of net benefit expense recognised in statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

March 31, 2024 : Changes in defined benefit obligations and plan assets (` Crores)

		Cost charged to statement of profit and loss				Remeasurement gains/(losses) in other comprehensive income (OCI)						
	April 01, 2023	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjust-ments	Sub-total included in OCI	Contributions by employer	**March 31, 2024**
Gratuity												
Defined benefit obligation	**(367.97)**	**(14.99)**	**(20.68)**	**(35.67)**	**52.69**	**-**	**(0.03)**	**(7.56)**	**1.50**	**(6.09)**	**-**	**(357.04)**
Fair value of plan assets	**278.80**	**-**	**20.73**	**20.73**	**(52.67)**	**(1.22)**	**-**	**-**	**-**	**(1.22)**	**110.64**	**356.28**
Benefit (liability) / Assets	**(89.17)**	**(14.99)**	**0.05**	**(14.94)**	**0.02**	**(1.22)**	**(0.03)**	**(7.56)**	**1.50**	**(7.31)**	**110.64**	**(0.76)**
Post retirement medical benefit												
Defined benefit obligation	**(88.83)**	**(12.90)**	**(6.68)**	**(19.58)**	**4.32**	**-**	**-**	**(4.14)**	**5.92**	**1.78**	**-**	**(102.31)**
Fair value of plan assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Benefit (liability) / Assets	**(88.83)**	**(12.90)**	**(6.68)**	**(19.58)**	**4.32**	**-**	**-**	**(4.14)**	**5.92**	**1.78**	**-**	**(102.31)**

March 31, 2023 : Changes in defined benefit obligations and plan assets (` Crores)

		Cost charged to statement of profit and loss				Remeasurement gains/(losses) in other comprehensive income (OCI)						
	April 01, 2022	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjust-ments	Sub-total included in OCI	Contributions by employer	**March 31, 2023**
Gratuity												
Defined benefit obligation	(292.89)	(15.87)	(21.18)	(37.05)	37.59	-	-	(85.50)	9.88	(75.62)	-	(367.97)
Fair value of plan assets	295.81	-	21.39	21.39	(37.59)	(0.81)	-	-	-	(0.81)	-	278.80
Benefit (liability) / Assets	2.92	(15.87)	0.21	(15.66)	-	(0.81)	-	(85.50)	9.88	(76.43)	-	(89.17)
Post retirement medical benefit												
Defined benefit obligation	(68.22)	(3.23)	(5.05)	(8.28)	3.16	-	-	1.68	(17.17)	(15.49)	-	(88.83)
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit (liability) / Assets	(68.22)	(3.23)	(5.05)	(8.28)	3.16	-	-	1.68	(17.17)	(15.49)	-	(88.83)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Insurance fund with LIC *	**100%**	100%

* As the gratuity fund is managed by LIC, details of fund invested by insurer are not available with the Company.

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	Gratuity		Post retirement medical benefit	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	**7.21%**	7.48%	**7.24%**	7.53%
Future salary increase	**9% and 7% as per category**	9% and 7% as per category	**N.A**	N.A
Medical Inflation Rate	**N.A**	N.A	**5.00%**	5.00%
Expected rate of return on plan assets	**7.21%**	7.48%	**N.A**	N.A
Employee Turnover Rate	**9% and 1% as per category**	10% and 1% as per category	**1.00%**	1.00%
Mortality rate during employment	**Indian Assured Lives Mortality (2012-14) (Urban)**	Indian Assured Lives Mortality (2012-14) (Urban)	**Indian Assured Lives Mortality (2012-14) (Urban)**	Indian Assured Lives Mortality (2012-14) (Urban)
Mortality rate after employment	**N.A**	N.A	**Indian Individual AMT (2012-15)**	Indian Individual AMT (2012-15)

A quantitative sensitivity analysis for significant assumption is as shown below: **(` Crores)**

Particulars	Sensitivity level	Increase / (decrease) in defined benefit obligation (Impact)			
		Gratuity		Post retirement medical benefit	
		Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	1% increase	**(26.39)**	(19.48)	**(13.17)**	(11.38)
	1% decrease	**31.12**	22.90	**16.75**	14.45
Salary increase	1% increase	**30.95**	22.77	**N.A**	N.A
	1% decrease	**(26.66)**	(23.50)	**N.A**	N.A
Medical cost inflation	1% increase	**N.A**	N.A	**16.98**	14.68
	1% decrease	**N.A**	N.A	**(13.54)**	(11.72)
Employee turnover	1% increase	**0.82**	1.05	**(4.10)**	(3.60)
	1% decrease	**(0.96)**	(5.22)	**4.94**	4.33

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The followings are the expected future benefit payments for the defined benefit plan : (` Crores)

Particulars	Gratuity		Post retirement medical benefit	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Within the next 12 months (next annual reporting period)	**50.77**	35.56	**3.71**	3.15
Between 2 and 5 years	**119.10**	101.93	**18.62**	16.25
Between 6 and 10 years	**145.62**	124.13	**32.31**	28.85
Total expected payments	**315.49**	261.62	**54.64**	48.25

Weighted average duration of defined plan obligation (based on discounted cash flows) **(Years)**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Gratuity	**10**	9
Post retirement benefit obligation	**16**	16

The followings are the expected contributions to planned assets for the next year: (` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Gratuity	**19.09**	14.15
Post retirement medical benefit	**-**	-

Note 42 : Investments in Subsidiary and Associates

Name of Entity	Relationship	Place of Business	Ownership	
			March 31, 2024	March31, 2023
Gujarat Green Revolution Company Limited	Associate	India	**46.87%**	46.87%

Note: Method of accounting of investments in associate company is at cost.

(b) Additional information as required by paragraph 2 of the 'General instruction for preparation of Consolidated Financial Statements' to schedule III to the Companies Act, 2013:

Particulars	Net Asset (i.e Total Asset - Total Liabilities)		Share of Profit or Loss		Share in other Comprehensive income	
	As % of consolidated net assets	Amount (` Crores)	As % of consolidated profit and loss	Amount (` Crores)	As % of consolidated other comprehensive income	Amount (` Crores)
Parent						
Gujarat Narmada Valley Fertilizers and Chemicals Limited						
- Balance as at March 31, 2024	**98.65%**	**8,196.49**	**97.53%**	**484.79**	**100.00%**	**(19.25)**
- Balance as at March 31, 2023	98.90%	9,005.11	99.49%	1,463.98	100.00%	(201.04)
Indian associate						
Gujarat Green Revolution Company Limited						
- Balance as at March 31, 2024	**1.35%**	**112.27**	**2.47%**	**12.27**	**0.00%**	**Nil**
- Balance as at March 31, 2023	1.10%	100.00	0.51%	7.56	0.00%	Nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Net Asset (i.e Total Asset - Total Liabilities)		Share of Profit or Loss		Share in other Comprehensive income	
	As % of consolidated net assets	Amount (` Crores)	As % of consolidated profit and loss	Amount (` Crores)	As % of consolidated other comprehensive income	Amount (` Crores)
Total						
- **Balance as at March 31, 2024**	**100.00%**	**8,308.76**	**100.00%**	**497.06**	**100.00%**	**(19.25)**
- Balance as at March 31, 2023	100.00%	9,105.11	100.00%	1,471.54	100.00%	(201.04)

(c) Investment in Associate

The Group has a 46.87% interest in Gujarat Green Revolution Company Limited (GGRCL), which is appointed as a nodal agency by the Government of Gujarat. GGRCL is a public company that is not listed on any public exchange. The Group's interest in GGRCL is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in GGRCL :

(` Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Current assets	**869.35**	688.05
Non-current assets	**13.99**	12.55
Current liabilities	**(642.35)**	(486.51)
Non-current liabilities	**(1.46)**	(0.73)
Equity	**239.53**	213.36
Proportion of the group's ownership	**46.87%**	46.87%
Carrying amount of the group's investment	**112.27**	100.00

(` Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue	**49.60**	33.77
Depreciation & amortization	**(0.66)**	(0.75)
Finance cost *	**-**	-
Employee benefit	**(9.24)**	(7.47)
Other expenses	**(4.15)**	(3.47)
Profit before Tax	**35.55**	22.08
Income tax expense	**(9.07)**	(5.67)
Profit for the year	**26.48**	16.41
Total Comprehensive income for the year	**26.48**	16.41
Group's share of profit for the year	**12.41**	7.69
Group's share of other comprehensive income for the year	**-**	-

* Amount nullified on conversion to ` crores.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

NOTE 43 (A) :

In earlier year, Hon'ble High Court of Gujarat has sanctioned the Scheme of Arrangement and Demerger for transfer of V-SAT/ISP Gateway Business of the Company to ING Satcom Ltd., an unlisted Company against cash consideration of ` 6 crores vide its Common Oral Order dated June 15, 2012.

The "Appointed Date" of the Scheme is 1st April, 2010.

Subsequent to the Order passed by the Hon'ble High Court of Gujarat, sanctioning the Scheme of Demerger, two separate applications for transfer of V-SAT and ISP Gateway Licences standing in the name of the Company to the name of Transferee Company viz. ING Satcom Limited were submitted to Department of Telecommunications (DOT) on January 31, 2013 which are still pending for approval before DOT.

As per the legal opinion taken by the Company from the consultant, though the Scheme has been sanctioned by the Hon'ble High Court of Gujarat and has become effective, the scheme is subject to and conditional upon the approval of the Government Authorities for transfer of Licences from the Company to ING Satcom Limited.

During the year 2014-15, an agreement-Cum-Indemnity Bond was executed on 12.04.2014 between the Company and ING Satcom Limited whereby, pending transfer of Licences, the assets of demerged business (other than Licences) have been handed over to ING Satcom Limited subject to certain terms and conditions, inter alia, including the terms of settling the transaction under different eventualities of rejection of transfer applications / non-transfer of Licences by 31.12.2014.

Since disposal of applications for transfer of Licences in the name of ING Satcom Limited by the competent authorities as well as settlement of transaction between the Company and ING Satcom Limited are still pending, no accounting treatment is given in the books of account of the Company since 2014-15 till the financial year ended 31.03.2024.

Necessary accounting treatment will be given in the books of account of the Company either on disposal of applications for transfer of Licences in the name of ING Satcom Limited by the competent authorities or on finalization of settlement of transaction with ING Satcom Limited. The amount received is classified under other current liabilities (refer Note 24).

NOTE: 43(B) - Demand Notice from Department of Telecommunication (DoT)

During the previous year, the Company had received updated Demand Notice of ` 21,370 crores from the Department of Telecommunications (DoT), Ministry of Communications, Government of India, Gujarat Telecom Circle, Ahmedabad, vide its letters dated July 15, 2022 towards the license fee (including interest and penalty computed till November 30, 2021) in respect of "Very Small Aperture Terminal" (V-SAT) License and "Category A - Internet Service Provider" (ISP) License for the financial years from FY 2005-06 to FY 2019-20. Earlier, the Company had also received an initial Demand Notice from DOT dated March 05, 2020 and December 23, 2019 for amounting to ` 16,359 crores and ` 15,020 crores, respectively (including interest and penalty). The Company has made representations to the DoT against the said demand notices.

The Company has evaluated the assessment made by DoT for raising the above demand notices based on the Adjusted Gross Revenue (AGR) judgement of Hon'ble Supreme Court of India on October 24, 2019. Aggrieved by the above demands, the Company had submitted various representations dated January 06, 2020, February 21, 2020, April 03, 2020 and March 04, 2022 to the DoT requesting reconsideration and withdrawal of the Demands raised by the DoT including the revenues of the Company from Fertilizers and Chemicals Business which is completely unconnected to VSAT and ISP Licenses.

Hon'ble Supreme Court vide its Order dated June 11, 2020 directed DoT to reconsider the demand raised on Public Sector Undertakings ("PSUs"), which are not in business of mobile services to the general public.

The Telecom Disputes Settlement & Appellate Tribunal (TDSAT), in its Order dated 28th February, 2022 in the case of Netmagic Solutions Pvt. Ltd., a private limited company, held that there is no scope to differentiate between two sets of licensees having same or similar Licenses only on the basis of their ownership, private or public and set aside the demand raised by the DoT.

Based on the legal assessment in consultation with Senior Advocates, the Company believes that it has strong grounds on merits to contest the demand raised by the DoT and defend itself in the matter. Accordingly, this amount is neither provided in books of account nor considered under Contingent Liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 44 : Ageing for trade receivables

44.1 : Ageing for trade receivables as at March 31, 2024 is as follows : (` Crores)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	more than 3 years	Grand Total
Trade Receivables							
Undisputed, considered Good	**122.76**	**62.61**	**2.06**	**0.11**	**0.08**	**-**	**187.62**
Undisputed, Credit Impaired	**-**	**-**	**-**	**0.09**	**0.29**	**-**	**0.38**
Disputed, considered Good	**-**	**1.01**	**0.66**	**5.04**	**1.77**	**-**	**8.48**
Disputed, Credit Impaired	**-**	**-**	**-**	**1.77**	**5.55**	**-**	**7.32**
Subsidy receivable							
Undisputed, considered Good	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disputed, Credit Impaired	**-**	**430.29**	**-**	**-**	**-**	**-**	**430.29**
Total as on 31.03.2024	**122.76**	**493.91**	**2.72**	**7.01**	**7.69**	**-**	**634.09**

44.2 : Ageing for trade receivables as at March 31, 2023 is as follows : (` Crores)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 Months	6 months to 1 year	1 to 2 years	2 to 3 years	more than 3 years	Grand Total
Trade Receivables							
Undisputed, considered Good	88.50	23.35	5.16	4.24	1.38	-	122.63
Undisputed, Credit Impaired	-	-	-	0.02	0.01	0.02	0.05
Disputed, considered Good	-	-	-	-	1.36	8.74	10.10
Disputed, Credit Impaired	-	-	-	-	0.04	4.13	4.17
Subsidy receivable							
Undisputed, considered Good	-	194.24	-	50.52	-	-	244.76
Disputed, considered Good	-	-	-	-	-	-	-
Total as on 31.03.2023	88.50	217.59	5.16	54.78	2.79	12.89	381.71

Note 45 : Ageing for trade Payable

45.1 : Ageing for trade payables as at March 31, 2024 is as follows : (` Crores)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1 to 2 year	2 to 3 years	more than 3 years	Grand Total
Trade Payables						
Undisputed - MSME	**26.96**	**4.71**	**-**	**0.24**	**1.34**	**33.25**
Undisputed - Others	**346.01**	**100.34**	**6.79**	**2.21**	**22.06**	**477.41**
Disputed - MSME	**-**	**-**	**0.03**	**-**	**-**	**0.03**
Disputed - Others	**0.44**	**1.60**	**1.10**	**1.07**	**7.50**	**11.71**
Total - MSME	**26.96**	**4.71**	**0.03**	**0.24**	**1.34**	**33.28**
Total - Others	**346.45**	**101.94**	**7.89**	**3.28**	**29.56**	**489.12**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

45.2 : Ageing for trade payables as at March 31, 2023 is as follows : (` Crores)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1 to 2 year	2 to 3 years	more than 3 years	Grand Total
Trade Payables						
Undisputed - MSME	37.25	1.73	0.29	-	6.59	45.86
Undisputed - Others	459.55	23.64	6.49	14.85	14.48	519.01
Disputed - MSME	-	-	-	-	-	-
Disputed - Others	-	0.55	0.69	0.45	11.15	12.84
Total - MSME	37.25	1.73	0.29	-	6.59	45.86
Total - Others	459.55	24.19	7.18	15.30	25.63	531.85

Note 46 : Segment Information

Operating Segments: The identified reportable segments are Fertilizers, Chemicals and Others in terms of the requirements of Ind AS 108 “Operating Segments” as notified under section 133 of the Companies Act, 2013. Other Segment mainly includes Information Technology division activities and neem product related activities.

Identification of Segments: The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision 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, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Segment revenue and results: The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure and unallocable income.

Segment assets and liabilities: Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, inventory and other operating assets. Segment liabilities primarily include trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segments are shown as unallocable assets / liabilities.

Inter Segment transfer: Inter Segment revenues, if any, are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the Company level.

Summary of segment information is given below:

Note 46.1: Financial information about the primary business segment’s Revenue & Results : (` Crores)

		Fertilizers		Chemicals		Others		Total	
		2023-24	2022-23	**2023-24**	2022-23	**2023-24**	2022-23	**2023-24**	2022-23
A	**REVENUE:**								
	External sales revenue	**3,053.95**	3,654.55	**4,725.47**	6,483.69	**150.31**	88.69	**7,929.73**	10,226.93
	Intersegment revenue	**-**	-	**-**	-	**-**	-	**-**	-
	Total Revenue	**3,053.95**	3,654.55	**4,725.47**	6,483.69	**150.31**	88.69	**7,929.73**	10,226.93
B	**RESULT:**								
	Segment result	**(103.97)**	36.15	**402.42**	1,651.74	**45.26**	28.12	**343.71**	1,716.01
	Unallocable income							**385.62**	268.97
	Unallocable expenses							**(65.70)**	(48.17)
	Operating profit							**663.63**	1,936.81
	Finance costs							**(12.52)**	(5.26)
	Profit before tax							**651.11**	1,931.55

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 46.2: Financial information about the primary business segment's assets and liabilities : **(` Crores)**

Assets & Liabilities	Fertilizers As at		Chemicals As at		Others As at		Total As at	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Segment assets	**1,896.54**	1,747.68	**2,626.07**	2,687.13	**203.24**	141.56	**4,725.85**	4,576.37
Segment liabilities	**(1,289.30)**	(1,273.42)	**(509.71)**	(720.40)	**(169.29)**	(109.59)	**(1,968.30)**	(2,103.41)
Other unallocable corporate assets	**-**	-	**-**	-	**-**	-	**5,946.02**	7,119.16
Other unallocable corporate liabilities	**-**	-	**-**	-	**-**	-	**(394.81)**	(487.01)
Total capital employed	**607.24**	474.26	**2,116.36**	1,966.73	**33.95**	31.97	**8,308.76**	9,105.11
Capital assets/ expenditure incurred during the year:								
Capital assets including capital work in progress	**68.48**	22.63	**123.56**	99.42	**8.68**	2.84	**200.72**	124.89
Other unallocable capital expenditures	**-**	-	**-**	-	**-**	-	**71.89**	31.28
Total	**68.48**	22.63	**123.56**	99.42	**8.68**	2.84	**272.61**	156.17

Note 46.3:

As per the directives issued by Department of Fertilizers (DoF) for evaluation of reasonableness of MRP of P & K fertilizers under the NBS policy, every Company needs to report P & K fertilizers as a separate segment in Annual Audited Accounts. Accordingly, in accordance with the DoF evaluation criteria for FY 23-24 the P & K Fertilizers Revenue is reported at ` 768 crores and Result is reported at ` 5 crores. Disclosure for information for FY 22-23 being voluntary in nature, hence not provided.

Note 47 : Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below. **(` Crores)**

Particulrs	FVTOCI Reserve		Retained Earnings		Total	
	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023
Re-measurement (loss) / gain on defined benefit plans (net of tax)	**-**	-	**(4.14)**	(68.79)	**(4.14)**	(68.79)
Net (loss) / gain on FVTOCI on equity Investments (net of tax)	**(15.11)**	(132.25)	**-**	-	**(15.11)**	(132.25)
	(15.11)	(132.25)	**(4.14)**	(68.79)	**(19.25)**	(201.04)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 48 : Details of hedged and unhedged exposure in foreign currency (FC) denominated monetary items :

(a) Exposure in foreign currency - Hedged

(i) Amounts Payable in Foreign Currency :

Particulars	As at March 31, 2024			As at March 31, 2023		
	` Crores	Amount in FC		` Crores	Amount in FC	
Payables for import *	**-**	**USD**	**-**	162.82	USD	1,96,23,900
Payables for import *	**7.59**	**Euro**	**8,40,150**	-	Euro	-
Payables for future import *	**-**	**USD**	**-**	1.33	USD	1,61,000
Payables for future import *	**17.54**	**Euro**	**19,01,600**	6.95	Euro	7,58,000

* The above payable amounts are hedged against Forward exchange Contracts.

(ii) Amounts receivable in foreign currency :

Particulars	As at March 31, 2024			As at March 31, 2023		
	` Crores	Amount in FC		` Crores	Amount in FC	
Cash and cash equivalents (EEFC)	**0.53**	**USD**	**64,644**	0.32	USD	38,837

(b) Exposure in foreign currency - Unhedged

(i) Amounts payable in foreign currency :

Particulars	As at March 31, 2024			As at March 31, 2023		
	` Crores	Amount in FC		` Crores	Amount in FC	
Payables for Import	**2.31**	**Euro**	**2,56,017**	0.90	Euro	99,161
Payables for Import	**0.45**	**USD**	**53,734**	13.16	USD	15,91,206
Payables for Import	**-**	**GBP**	**-**	0.28	GBP	27,540
Payables for Import	**0.01**	**CHF**	**1,070**	-	CHF	-

(ii) Amounts receivable in foreign currency :

Particulars	As at March 31, 2024			As at March 31, 2023		
	` Crores	Amount in FC		` Crores	Amount in FC	
Receivables for export	**1.07**	**USD**	**1,28,800**	0.33	USD	39,900

The following significant exchange rates have been applied during the year:

INR	Year end spot rate	
	March 31, 2024	March 31, 2023
USD 1	**Import - ` 83.89 & ` 83.40**	Import - ` 82.69
	Export - ` 83.40	Export - ` 82.34
EURO 1	**` 91.26 & ` 89.96**	` 90.59
GBP 1	**N.A.**	` 102.59
AHF 1	**` 92.406**	N.A

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note 49 : Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management :

49.1 : Category-wise classification of financial instruments: (` Crores)

Particulars	Refer Note	As at March 31, 2024			
		Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets					
Cash and cash equivalents	14	-	-	42.56	42.56
Other bank balances	15	-	-	1,486.34	1,486.34
Investments in equity shares (other than investment in subsidiary & associate entity)	8	946.88	-	-	946.88
Investments in unquoted equity shares of subsidiary entity and associate entity	8	-	-	112.27	112.27
Investments in unquoted debentures, Govt Securities & State development Loans	8	-	13.52	1,957.46	1,970.98
Trade receivables	11	-	-	626.39	626.39
Loans and advances	9	-	157.59	350.00	507.59
Other financial assets	10	-	-	111.97	111.97
Total		**946.88**	**171.11**	**4,686.99**	**5,804.98**
Financial liabilities	-				
Borrowings	18	-	-	0.56	0.56
Trade payables	20	-	-	522.40	522.40
Derivatives instruments not designated as hedge	21	-	0.20	-	0.20
Lease liability	39	-	-	2.17	2.17
Other financial liabilities	21	-	-	348.66	348.66
Total		**-**	**0.20**	**873.79**	**873.99**

(` Crores)

Particulars	Refer Note	As at March 31, 2023			
		Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets					
Cash and cash equivalents	14	-	-	56.20	56.20
Other bank balances	15	-	-	1,937.71	1,937.71
Investments in equity shares (other than investment in subsidiary & associate entity)	8	997.82	-	-	997.82
Investments in unquoted equity shares of subsidiary entity and associate entity	8	-	-	100.00	100.00
Investments in unquoted debentures, Govt Securities & State development Loans	8	-	26.70	2,080.67	2,107.37
Trade receivables	11	-	-	367.44	367.44
Loans and advances	9	-	131.08	800.00	931.08
Other financial assets	10	-	-	230.68	230.68
Total		**997.82**	**157.78**	**5,572.70**	**6,728.30**

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(` Crores)

Particulars	Refer Note	As at March 31, 2023			
		Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial liabilities					
Borrowings	18	-	-	0.01	0.01
Trade payables	20	-	-	577.71	577.71
Lease Liability	39	-	-	1.97	1.97
Derivatives instruments not designated as hedge	21	-	1.14	-	1.14
Other financial liabilities	21	-	-	340.74	340.74
Total		**-**	**1.14**	**920.43**	**921.57**

49.2 : Fair value measurements:

a) Quantitative disclosures of fair value measurement hierarchy for financial assets and financial liabilities

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities:

(` Crores)

Particulars	As at March 31, 2024				As at March 31, 2023			
	Significant observable inputs (Level 1*)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)	Total	Significant observable inputs (Level 1*)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)	Total
Financial assets measured at fair value								
Investment in quoted equity investments measured at FVTOCI (refer Note 8)	**564.97**	**-**	**-**	**564.97**	416.49	-	-	416.49
Investment in unquoted equity investments measured at FVTOCI (refer Note 8)	**-**	**-**	**381.91**	**381.91**	-	-	581.33	581.33
Investments in unquoted debentures, Govt Securities & State development Loans (refer Note 8)	**-**	**-**	**13.52**	**13.52**	-	-	26.70	26.70
Loans and advances (refer Note 9)	**-**	**-**	**157.59**	**157.59**	-	-	131.08	131.08
Total	**564.97**	**-**	**553.02**	**1,117.99**	416.49	-	739.11	1,155.60
Financial liabilities measured at fair value:								
Derivative instruments (refer Note 21)	**-**	**0.20**	**-**	**0.20**	-	1.14	-	1.14
Total	**-**	**0.20**	**-**	**0.20**	-	1.14	-	1.14
Asset for which fair values are disclosed :								
Investment properties (refer Note 6)	**-**	**-**	**103.91**	**103.91**	-	-	111.55	111.55

*The fair value of the quoted equity investments are derived from quoted market prices in active market.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

b) Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2024 and March 31, 2023 are as shown below:

Particulars	Valuation Technique	Significant unobservable input	Range (weighted average)	Sensitivity of the input to fair value
FVTOCI assets in unquoted equity shares (Gujarat State Petroleum Corporation Limited)	Market Approach - Comparable Companies-Multiple-("CCM") Method	Gas marketing business	10% increase (decrease) in the Gas marketing business would result in increase / (decrease) in fair value as of March 31, 2024 : ` 1.36 crores (` 1.36 crores). 10% increase (decrease) in the Gas marketing business would result in increase / (decrease) in fair value as of March 31, 2023 : ` 1.46 crores (` 1.46 crores).	
FVTOCI assets in unquoted equity shares (Gujarat Chemical Port Limited) (Formerly known as Gujarat Chemical Port Terminal Company Limited)	Market Approach - Comparable companies	Market Multiple Discount	31 March 2024 : N.A. 31 March 2023 : 25% - 35% (30%)	As on March 31, 2024 this approach is not considered for valuation. {5% increase / decrease in the market multiple discount would result in decrease / (increase) in fair value as of March 31, 2023 : ` 44.70 crores (` 44.89 crores)}
		EBITDA (` Crores)	31 March 2024 : N.A. 31 March 2023 : ` 355.60 crores - ` 393.04 crores (` 374.32 crores)	As on March 31, 2024 this approach is not considered for valuation. {` 18.72 crores increase / decrease in the EBITDA would result in increase / (decrease) in fair value as of March 31, 2023 : ` 22.44 crores (` 22.26 crores)}
	Income Approach - DCF Method FCFE	Terminal Growth Rate	31 March 2024 : 4% - 6% (5%) 31 March 2023 : N.A.	1% increase / decrease in the terminal growth rate would result in increase / (decrease) in fair value as of March 31, 2024 : ` 14.85 crores (` 10.16 crores) {As on March 31, 2023 this approach is not considered for valuation}
		Weighted Average Cost of Capital (WACC)	31 March 2024 : 12.90% - 14.90% (13.90%) 31 March 2023 : N.A.	1% increase / decrease in the WACC would result in decrease / (increase) in fair value as of March 31, 2024 : ` 16.42 crores (` 22.67 crores) {As on March 31, 2023 this approach is not considered for valuation}
		EBITDA (` Crores)		10% increase / decrease in the EBITDA would result in increase / (decrease) in fair value as of March 31, 2024 : ` 23.45 crores (` 21.89 crores) {As on March 31, 2023 this approach is not considered for valuation}
FVTOCI assets in unquoted equity shares (Gujarat Venture Finance Limited)	Cost Approach - Net asset value	Share holders fund (` Crores)	31 March 2024 : ` 36.86 crores - ` 40.74 crores (` 38.80 crores) 31 March 2023 : ` 32.11 crores - ` 35.49 crores (` 33.80 crores)	` 1.94 crores increase / decrease in the shareholders fund would result in increase / (decrease) in fair value as of March 31, 2024 by ` 0.03 crore (` 0.03 crore) {` 1.69 crores increase / decrease in the shareholders fund would result in increase / (decrease) in fair value as of March 31, 2023 by ` 0.02 crore (` 0.02 crore)}
		Discount to Book Value	31 March 2024 : 15% - 25% (20%) 31 March 2023 : 15% - 25% (20%)	5% increase / decrease in the discount to book value would result in decrease / (increase) in fair value as of March 31, 2024 : ` 0.04 crore (` 0.04 crore). {5% increase / decrease in the discount to book value would result in decrease / (increase) in fair value as of March 31, 2023 : ` 0.03 crore (` 0.03 crore)}

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Particulars	Valuation Technique	Significant unobservable input	Range (weighted average)	Sensitivity of the input to fair value
FVTOCI assets in unquoted equity shares (Bharuch Enviro Infrastructure Limited)	Market Approach - Comparable companies	Market Multiple Discount	31 March 2024 : 30% - 40% (35%) 31 March 2023 : 25% - 35% (30%)	5% increase / decrease in the market multiple discount would result in decrease / (increase) in fair value as of March 31, 2024 : ` 0.73 crore (` 0.73 crore) {5% increase / decrease in the market multiple discount would result in decrease / (increase) in fair value as of March 31, 2023 : ` 0.61 crore (` 0.61 crore)}
		EBITDA (` Crores)	31 March 2024 : ` 110.96 crores - ` 122.64 crores (` 116.80 crores) 31 March 2023 : ` 109.06 crores - ` 120.54 crores (` 114.80 crores)	` 5.84 crores increase / decrease in the EBITDA would result in increase / (decrease) in fair value as of March 31, 2024 : ` 0.47 crore (` 0.47 crore) {` 5.74 crores increase / decrease in the EBITDA would result in increase / (decrease) in fair value as of March 31, 2023 : ` 0.43 crore (` 0.43 crore)}
FVTOCI assets in unquoted equity shares (Bharuch Dahej Railway Company Limited)	Cost Approach - Net asset value	Discount to Book Value	31 March 2024 : 10% - 30% (20%) 31 March 2023 : 30% - 40% (35%)	5% increase / decrease in the discount to book value would result in decrease / (increase) in fair value as of March 31, 2024 : ` 2.29 crores (` 2.30 crores) {5% increase / decrease in the discount to book value would result in decrease / (increase) in fair value as of March 31, 2023 : ` 1.19 crores (` 1.19 crores)}
		Share holders fund (` Crores)	31 March 2024 : N.A. 31 March 2023 : ` 259.54 crores - ` 286.86 crores (` 273.20 crores)	As on March 31, 2024 this unobservable input was not considered for sensitivity analysis. {` 13.66 crores increase / decrease in the shareholders fund would result in increase / (decrease) in fair value as of March 31, 2023 by ` 0.77 crore (` 0.77 crore)}.
FVTOCI assets in unquoted equity shares (Ecophos GNFC India Private Limited)	As on March 31, 2020, the parent Company M/s EcoPhos S.A. holding 85% in the entity has applied for bankruptcy hence the Company has Fair valued the investment as ` 1 (Refer Note 8). During the year there is no change in bankruptcy status.			

c) Financial Instrument measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

49.3 : Financial Risk objective and policies:

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, deposits, investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI & FVTPL investments and enters into derivative transactions.

In the ordinary course of business, the Company is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk and commodity price risk. The Company's senior management oversees the management of these risks. It manages its exposure to these risks through derivative financial instruments by hedging transactions as required. It uses derivative instruments such as foreign currency forward contract to manage currency risks. These derivative instruments reduce the impact of both favourable and unfavourable fluctuations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The Company's risk management activities are subject to the management, direction and control of the management of the Company under the guideline of the Board of Directors of the Company. The management ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Company is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in management's judgment, are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

Further, all currency and interest risk as identified above is measured on a daily basis by monitoring the mark to market (MTM) of open and hedged position. For year ends, the MTM for each derivative instrument outstanding is obtained from respective banks. All gain / loss arising from MTM for open derivative contracts and gain / loss on settlement / cancellation / roll over of derivative contracts is recorded in statement of profit and loss.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, FVTOCI investments and derivative financial instruments. The sensitivity analysis in the following sections relate to the position as at March 31, 2024 and March 31, 2023.

The sensitivity analysis have been prepared on the basis that the amount of net debt, interest rates of the debt and derivatives are all constant as at March 31, 2024. The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analysis: -

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2024 and March 31, 2023.

(i) Interest rate risk

The Company is exposed to changes in market interest rates due to financing, investing and cash management activities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations.

(ii) Foreign currency risk

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR), have an impact on the Company's operating results. The Company manages its foreign currency risk by entering into various foreign exchange contracts to mitigate the risk arising out of foreign exchange rate movement on trade payables. Further, to hedge foreign currency future transactions in respect of which firm commitment are made or which are highly probable forecast transactions (for instance, foreign exchange denominated income) the Company has entered into foreign currency forward contracts as per the policy of the Company.

The details of exposures hedged using forward contracts and the details of unhedged exposures are given as part of Note 48.

The Company is mainly exposed to changes in USD and EURO. The below table demonstrates the sensitivity to a 5% increase or decrease in the respective foreign currency rates against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(` Crores)

Particulars	Impact on Profit before tax For the year ended		Impact on Pre-tax Equity For the year ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
USD Sensitivity				
RUPEES / USD – Increase by 5%	**0.04**	(0.65)	**0.04**	(0.65)
RUPEES / USD – Decrease by 5%	**(0.04)**	0.65	**(0.04)**	0.65
EURO Sensitivity				
RUPEES / EURO – Increase by 5%	**(0.12)**	(0.05)	**(0.12)**	(0.05)
RUPEES / EURO – Decrease by 5%	**0.12**	0.05	**0.12**	0.05

(iii) Commodity price risk

The Company's operating activities require the ongoing purchase of natural gas. Natural gas being an international commodity is subject to price fluctuation on account of the change in the crude oil prices, demand supply pattern of natural gas and exchange rate fluctuations. The Company is not affected by the price volatility of the natural gas to the extent consumed for Urea as under the Urea pricing formula the cost of natural gas is pass through if the consumption of natural gas is within the permissible norm for manufacturing of Urea.

The Company also deals in purchase of other feed stock materials (i.e. Rock phosphate, Toluene and Denatured Ethyl Alcohol) which are imported by the Company and used in the manufacturing of Ammonium Nitro Phosphate, Toluene Di-isocyanate and Ethyl Acetate. The import prices of these materials are governed by international demand and supply pattern. There is a price and material availability risk, which is managed by senior management team through sensitivity analysis, commodity price tracking.

(iv) Equity price risk

The Company's investment in listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was ` 381.91 crores. Sensitivity analyses of these investments have been provided in Note 49.2(b).

At the reporting date, the exposure to listed equity securities at fair value was ` 564.97 crores. A decrease of 5% on the BSE market price could have an impact of approximately ` 28.25 crores on the OCI or equity attributable to the Group. An increase of 5% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Credit risk from balances with banks and non-banking finance companies is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's management. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Trade receivables

The Company's receivables can be classified into two categories, one is from the customers/ dealers in the market and second one is from the central and state Government in the form of subsidy. As far as Government portion of receivables is concerned, credit risk is Nil except where there are uncertainties due to non-acknowledgement of claims. In respect of market receivables from the customers/ dealers, the Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extensions of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as for certain products it extends rolling credit to its customers, against the collateral.

Trade receivables, other than subsidy receivables are secured to the extent of interest free security deposits and bank guarantees received from the customers amounting to ` 23.97 crores and ` 19.78 crores as at 31st March, 2024 and 31st March, 2023 respectively. (Refer Note No. 11 for Trade Receivables outstanding).

The Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables, other than those receivables from the Government of India. For the purpose of measuring lifetime ECL allowance for trade receivables, the company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience in respect of certain categories of the customers. Individual trade receivables are written off when management deems them not to be collectible

c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and bank balances. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analyses derivative and non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. **(` Crores)**

Particulars	Refer Note	On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
As at March 31, 2024						
Borrowings	19	**0.56**	**-**	**-**	**-**	**0.56**
Trade payables	20	**-**	**522.40**	**-**	**-**	**522.40**
Lease liability	39	**-**	**0.98**	**0.99**	**0.20**	**2.17**
Derivatives Instruments not designated as hedge	21	**-**	**0.20**	**-**	**-**	**0.20**
Other financial liabilities	21	**-**	**343.55**	**5.11**	**-**	**348.66**
Total		**0.56**	**867.13**	**6.10**	**0.20**	**873.99**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(` Crores)

Particulars	Refer Note	On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
As at March 31, 2023						
Borrowings	19	0.01	-	-	-	0.01
Trade payables	20	-	577.71	-	-	577.71
Lease liability	39	-	0.82	0.98	0.17	1.97
Derivatives Instruments not designated as hedge	21	-	1.14	-	-	1.14
Other financial liabilities	21	-	335.74	5.00	-	340.74
Total		**0.01**	**915.41**	**5.98**	**0.17**	**921.57**

49.4 : Capital Management:

For the purposes of the Company's capital management, capital includes issued capital and all other equity. The primary objective of the Company's capital management is to maximize shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is net debt (total debt less cash and bank balance) divided by total capital plus net debt.

(` Crores)

Particulars	March 31, 2024	March 31, 2023
Total Borrowings (refer note 19)	**0.56**	0.01
Less: Cash and bank balances (refer Note 14 and 15)	**1,528.90**	1,993.91
Net Debt (A)	**(1,528.34)**	(1,993.90)
Total Equity (B)	**8,308.76**	9,105.11
Total Equity and Net Debt (C = A + B)	**6,780.42**	7,111.21
Gearing ratio	**-**	-

Since net debt is negative, same is considered as zero.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

Note 50 : Additional disclosures required as per Schedule III to the Companies Act, 2013;

(i) The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31, 2024 and March 31, 2023.

(ii) No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at March 31, 2024 and March 31, 2023.

(iii) The Company is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended March 31, 2024 and March 31, 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(iv) The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the year ended March 31, 2024 and March 31, 2023.

(v) There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended March 31, 2024 and March 31, 2023, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended March 31, 2024 and 31 March 31, 2023.

(vi) The Company has taken borrowings from banks and financial institutions 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, except for the following :

(` Crores)

Quarter ended	Nature of current Assets / Liabilities where differences were observed	Amount disclosed as per quarterly return / statement	Amount as per books of accounts	Amount of Difference	Reasons for material difference
June 30, 2023	Advances to suppliers	71.79	70.15	1.64	Note - 2
	Trade payable	401.71	455.91	(54.20)	Note - 3
September 30, 2023	Advances to suppliers	77.45	75.45	2.00	Note - 2 & 4
	Trade payable	427.07	469.53	(42.46)	Note - 3
December 31, 2023	Trade receivables	487.13	485.08	2.05	Note - 1
	Advances to suppliers	64.26	62.62	1.64	Note - 2
	Trade payable	551.32	591.10	(39.78)	Note - 5
March 31, 2024	Inventory - Stores & spares	529.89	514.41	15.48	Note - 6
	Advances to suppliers	37.84	33.15	4.69	Note - 2 & 4
	Trade payable	469.81	522.40	(52.59)	Note - 7

Notes:

Note-1 : Accounting of penalty charged by customer after submission of stock statement to bank not considered in returns / statements submitted to bank..

Note-2 : The amount disclosed as per quarterly returns / statements reconciles with gross book balance without adjustment of provision

Note-3 : Accrued expenses / reclassification adjustments after submission of stock statement not considered in returns / statements submitted to bank.

Note-4 : Reclassification adjustments after submission of stock statement not considered in returns / statements submitted to bank

Note-5 : Accrued expenses and vendor penalty booking after submission of stock statement not considered in returns / statements submitted to bank.

Note-6 : Inventory shortage provision created after submission of stock statement not considered in returns / statements submitted to bank.

Note-7 : Accrued expenses / reclassification adjustments and change in estimated accrued liability after submission of stock statement not considered in returns / statements submitted to bank.

(vii) Based on the Ministry of Company Affairs (MCA) portal, charges aggregating to ` 14.15 crores are appearing as "Open" as of March 31, 2024 which were executed with Banks (the lender) in relation to securing repayment of loan facility related to year 1985 to 1990. The Company is in process to obtain the No Objection Certificates from the Banks. Once the same is received, the Company will file the "Satisfaction of Charge" with the Registrar of Companies (ROC).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(viii) Utilisation of borrowed funds and share premium

(I) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) 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

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(II) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) 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

b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

Note 51 : Code on Social Security

The Indian Parliament has approved & the President has accorded the assent the Code on Social Security, 2020 ('Code') in September, 2020. The Code might impact the contributions by the Company towards Provident Fund, Gratuity and other employment and post-employment employee benefits. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record the impact, if any, in the period in which the Code becomes effective.

Note 52 :

Balances of certain trade receivables, advances given and trade payables are subject to confirmation/ reconciliation, if any. The management does not expect any material difference affecting the financial statements on such reconciliation / adjustments.

Note 53 : Event occurred after the Balance Sheet Date:

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of 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 May 28, 2024 there were no material subsequent events to be recognized or reported that are not already previously disclosed.

Note 54 :

The previous year's figures have been regrouped / reclassified, wherever necessary, to conform to the figures of the current year presentation.

For and on behalf of the Board of Directors,

D. V. Parikh	**A. C. Shah**	**Pankaj Joshi, IAS**	**Raj Kumar, IAS**
Executive Director & CFO	Company Secretary	Managing Director	Chairman
		DIN-01532892	DIN-00294527

Place : Gandhinagar
Date : 28 May 2024

As per our report of even date
For **Suresh Surana & Associates LLP**
Chartered Accountants
(Firm Registration No.: 121750W/W100010)

Ramesh Gupta
Partner
Membership No. 102306

Place : Mumbai
Date : 28 May 2024

ANNEXURE TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the companies Act, 2013 related to Associate Company and Joint Ventures

	Name of Associates	**Gujarat Green Revolution Company Limited**
1	Latest audited Balance Sheet Date	31-03-2023
2	Shares of Associates held by the Company on the year end	
	No.	12,50,000
	Amount of Investment in Associates (` lakhs)	125
	Extent of Holding %	46.87%
3	Description of how there is significant influence	Holding more than 20% of the total capital
4	Reason why the Associate is not consolidated	Not Applicable
5	(i) Networth attributable to shareholding as per latest audited Balance Sheet as on 31-03-2023 (` lakhs)	21,332
	(ii) Networth attributable to shareholding as per latest unaudited Balance Sheet as on 31-03-2024 (` in lakh)	23,954
6	Unaudited Profit / (Loss) for the FY 2023-24 (` lakhs)	2,648
	i. Considered in Consolidation (` lakhs)	1,241
	ii. Not Considered in Consolidation (` lakhs)	-

1	Name of Associates which are yet to commence Operation	None
2	Names of Associates which have been liquidated or sold during the year	None

For and on behalf of the Board of Directors,

D. V. Parikh	**A. C. Shah**	**Pankaj Joshi, IAS**	**Raj Kumar, IAS**
Executive Director & CFO	Company Secretary	Managing Director	Chairman
		DIN-01532892	DIN-00294527

Place : Gandhinagar
Date : 28 May 2024

GNFC

Gujarat Narmada Valley Fertilizers & Chemicals Limited

ISO 9001, ISO 14001, ISO 45001 & ISO 50001 Certified Company

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CIN: L24110GJ1976PLC002903