

59th

Annual Report
2020 - 2021



Strong Fundamentals
Stellar Performance

GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

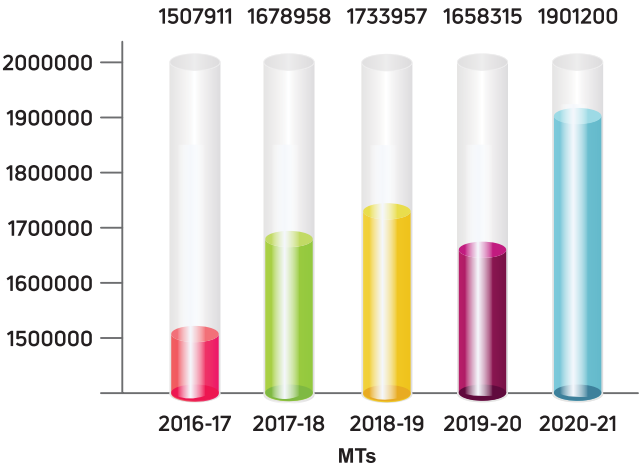
First for India AatmaNirbhar Bharat



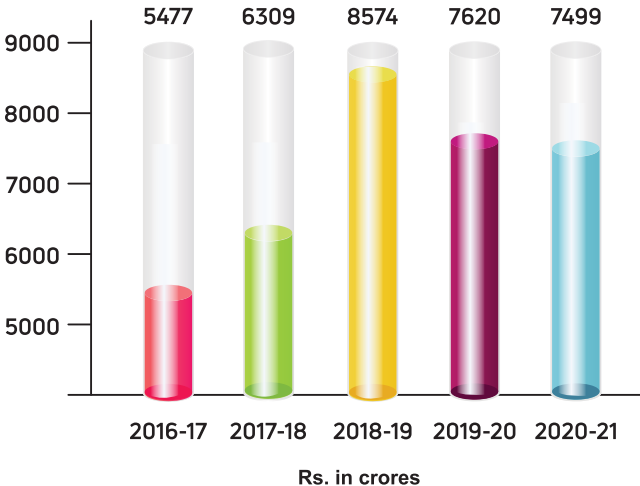
Gujarat State Fertilizers & Chemicals Limited has proudly launched four new indigenously manufactured fertilizers namely, Calcium Nitrate, Liquid Boronated Calcium Nitrate (BCN), Ammonium Sulphate & Nutri+. Calcium Nitrate is a 100% imported water-soluble fertilizer. The launch of these indigenous fertilizers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

Performance Highlights

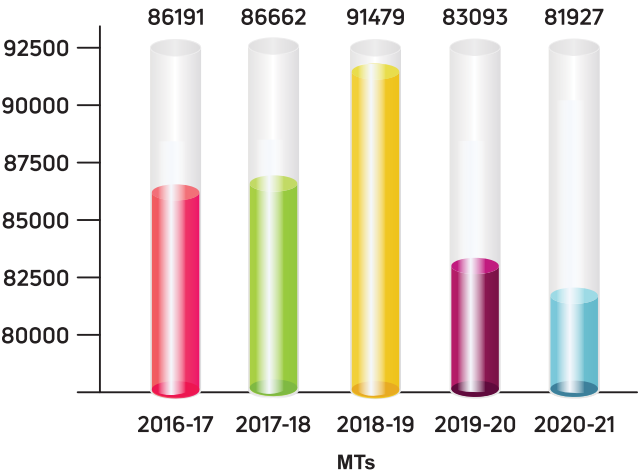
PRODUCTION (FERTILIZERS)



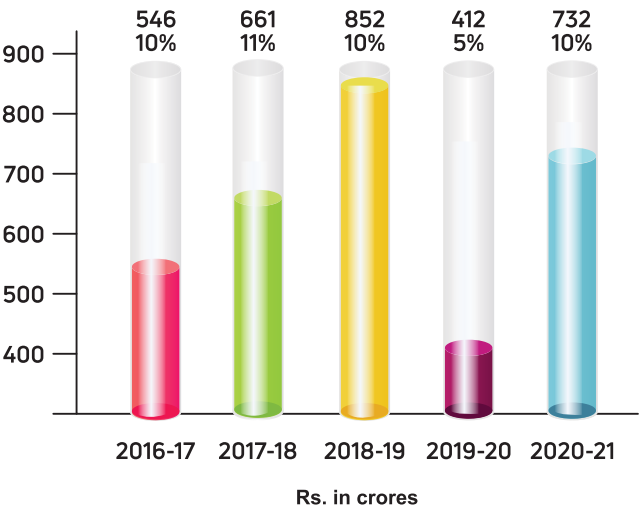
GROSS SALES



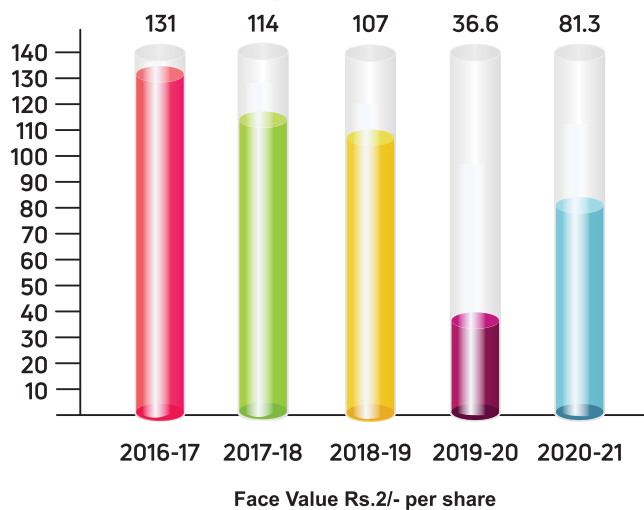
PRODUCTION (CAPROLACTUM)



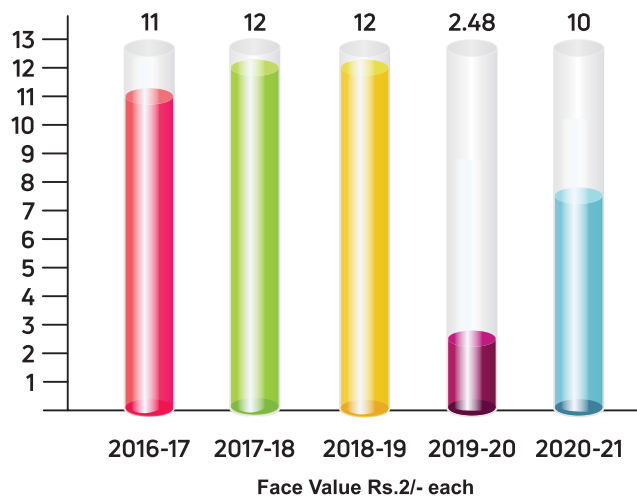
OPERATING PROFIT (%)



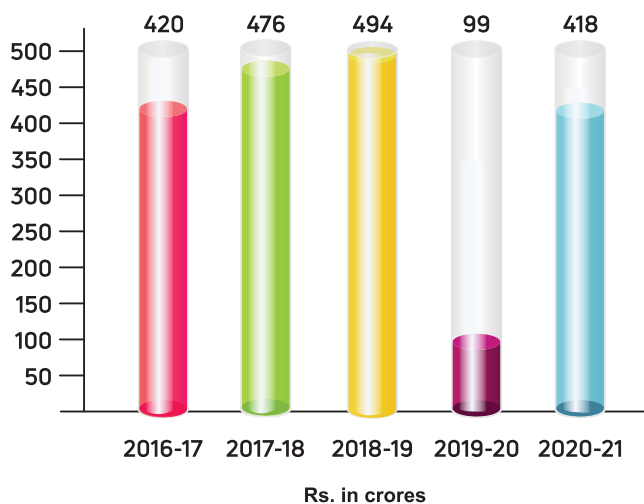
MARKET PRICE PER SHARE



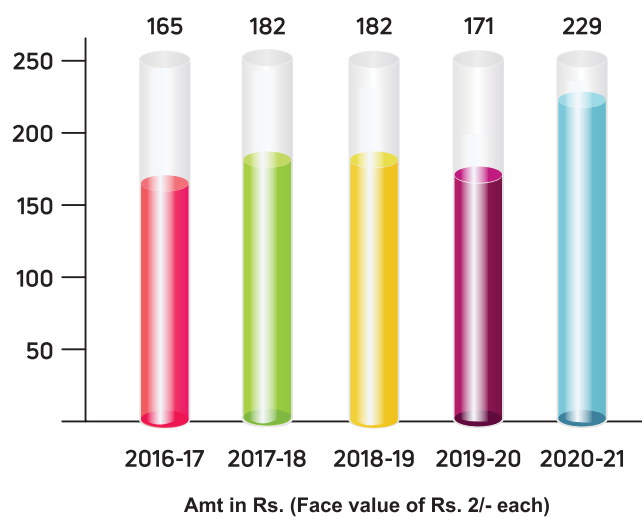
EARNING PER SHARE



PROFIT AFTER TAX



BOOK VALUE PER SHARE



GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

[Corporate Identity Number (CIN) : L99999GJ1962PLC001121]

59TH ANNUAL GENERAL MEETING

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

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

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

EXECUTIVE DIRECTOR (FINANCE) & CFO

SHRI V D NANAVATY

EXECUTIVE DIRECTORS

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

SR. VICE PRESIDENTS

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

COMPANY SECRETARY & SR. VICE PRESIDENT (LEGAL)

CS V V VACHHRAJANI

VICE PRESIDENT / CHIEF

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

BANKERS

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

LEGAL ADVISORS AND ADVOCATES

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

STATUTORY AUDITORS

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

COST AUDITORS

M/s Diwanji & Company, Vadodara

SECRETARIAL AUDITORS

Niraj Trivedi, Vadodara

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REGISTRARS & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

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

NOTICE

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

Ordinary Business

1. To receive, consider and adopt:
 - a) the Audited Financial Statements of the Company for the financial year ended March 31, 2021, the reports of the Board of Directors and Auditors thereon; and
 - b) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 and report of the Auditors thereon.
2. To declare Dividend on Equity Shares for the financial year ended 31st March, 2021.
3. To appoint a Director in place of Shri Pankaj Joshi, IAS (DIN 01532892), who retires by rotation and being eligible offers himself for re-appointment.

Special Business

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

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

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

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

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

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

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

NOTES (Contd..)

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

By Order of the Board
For Gujarat State Fertilizers & Chemicals Limited
Sd/-

CS V. V. Vachhrajani
Company Secretary &
Sr. Vice President (Legal)

Place : Fertilizernagar
Date : 11/08/2021

EXPLANATORY STATEMENT

PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 04

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

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

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

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

ITEM NO 05

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

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

Smt. Jayaben Thakkar was the member of the 14th Lok Sabha of India. She represented the Vadodara constituency of Gujarat and is a member of the Bharatiya Janata Party. She was appointed as member of member of consumer

NOTES (Contd..)

disputes redressal commission, Vadodara for a period of five years. She had also been appointed as chairperson of GNFC. She also held the key positions as Member at Joint Committee for Women Empowerment and its Sub-Committee on Education and Health Programmes for Women. She was also appointed as Member of Consultative Committee, Ministry of Tourism, Gujarat State.

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

Item No. 06:

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

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

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

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

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

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

By Order of the Board
For Gujarat State Fertilizers & Chemicals Limited
Sd/-

CS V. V. Vachhrajani
Company Secretary &
Sr. Vice President (Legal)

Place : Fertilizernagar
Date : 11/08/2021

Notes:

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

NOTES (Contd..)

2. Since, this AGM is being conducted through VC/OAVM, Physical attendance of Members is not required and has been dispensed with. Accordingly, facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip and Route Map are not annexed to this Notice. Members can attend the meeting through login credentials provided to them to connect AGM.
3. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of 59th AGM along with Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice along with Annual Report 2020-21 has been uploaded on the website of the Company at www.gsfclimited.com and on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and on the website of CDSL at www.evotingindia.com.
4. Members attending AGM through VC/OAVM shall be counted for the purpose of reckoning quorum under Section 103 of the Act.
5. Since the AGM will be held through VC/OAVM, the route map of the venue of the meeting is not annexed hereto.
6. A Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respects of special business to be transacted at the meeting is annexed hereto.
7. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, the 13th September, 2021 to Monday, the 27th September, 2021 (both days inclusive).
8. The dividend on equity shares, if declared at the AGM, will be paid on or after 8th October, 2021 to those shareholders holding shares in physical form and whose names appear on the Register of Members of the Company on 27th September, 2021. In respect of shares held in electronic form, the dividend will be payable to those who are the beneficial owners of shares after close of business hours on the 11th September, 2021 as per details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Dividend Warrants/Demand Drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details.
9.
 - (a) Members holding shares in electronic form may note that their bank details as may be furnished to the Company by respective Depositories will only be considered for remittance of dividend through NECS/ ECS or through Dividend Warrants. Beneficial Owners holding Shares in demat form are requested to get in touch with their Depository Participants (DP) to update / correct their NECS/ ECS details - Bank Code (9 digits) and Bank Account No. (11 to 16 digits) to avoid any rejections and also give instructions regarding change of address, if any, to their DPs. It is requested to attach a photocopy of a cancelled cheque with your instructions to your DP.
 - (b) The Company has appointed Link Intime India Pvt. Ltd. as Registrar and Share Transfer Agent (R&T Agent). Members are requested to send all correspondence to Link Intime India Pvt. Ltd. at B-102 & 103, Shangrila Complex, 1st Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara 390 020. Members holding shares in physical mode are requested to notify immediately any change in their addresses, the Bank mandate or Bank details along with photocopy of the cancelled cheque or bank passbook/statement attested by the bank to the R&T Agent of the Company.
 - (c) Shareholders of the Company holding shares in physical mode are requested to register their E-mail address with Registrar and Share Transfer Agent (RTA) of the Company viz. Link Intime India Pvt. Ltd. at https://www.linkintime.co.in/EmailReg/Email_Register.html by entering the details of Folio No./ Demat A/ c. No., Certificate No. (for Physical Folios only), Shareholder Name, PAN, Mobile No. and E-mail address with OTP Verification or Shareholders may send such details through E-mail at vadodara@linkintime.co.in. While uploading/ sending the said details, self-certified copy of PAN and copy of Aadhar Card or valid Passport are required to be attached for verification purpose. Shareholders who hold shares in dematerialised form can also register their e-mail address, PAN, Mobile Number etc. with their Depository Participant or with the RTA of the Company on the aforesaid link.
10. In addition to the updation of E-mail address of the shareholders of the Company, those shareholders who hold shares in physical mode may also register / update their Bank Account details at the aforesaid link or can send an E-mail, mentioning the Folio No. to the RTA of the Company by attaching copy of their cancelled cheque or bank passbook/ statement attested by the bank.

NOTES (Contd..)

11. The Shareholders are advised to encash their dividend warrants within validity period. Thereafter, the payment of unencashed dividend warrants shall be made only after receipt of final list of unclaimed dividend warrants and reconciliation of Dividend Account from Bank. The payment of unclaimed dividend will be made by electronic bank transfer or in case of failure, by issuing banker's cheque or Demand Draft incorporating the bank account details of security holder upon furnishing Indemnity-cum-Request letter by the Shareholder and verification by the Company.
12. (a) Pursuant to the provisions of Section 205A (5) and 205C of the erstwhile Companies Act, 1956 and the corresponding provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the amount of dividend unclaimed dividend upto FY 2011-12 have been transferred from time to time on respective due dates to Investor Education and Protection Fund (IEPF). Details of unpaid/unclaimed dividend lying with the Company as on March 31, 2021 is available on the website of the Company at www.gsfclimited.com.
- (b). Attention of the Members is drawn to the provisions of Section 124 (6) of the Act read with the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, which requires a Company to transfer all Shares in respect of which dividend has not been paid or claimed for seven (07) consecutive years or more to IEPF Authority. In compliance with the aforesaid provision of the Act the Company has transferred the underlying shares in respect of which dividends remained unclaimed for a consecutive period of seven years.
- (c). The Members who have not encashed dividend warrant(s) for the years 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 are requested to claim payment immediately by writing to the Company's R&T Agent, Link Intime India Pvt. Ltd. at the address given above. After seven years, unclaimed dividend shall be transferred to the Investor Education and Protection Fund. Pursuant to provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the details of unclaimed dividend amount lying with the Company as on 31.03.2020 has been uploaded on the Company's website (www.gsfclimited.com) and also filed with the Ministry of Corporate Affairs.
- 13 Any person, whose unclaimed dividend or shares have been transferred to the IEPF Authority may claim back the same by making an application in web Form IEPF 5 to the IEPF Authority, which is available on Website of IEPF Authority at www.iepf.gov.in.
14. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Shareholders are entitled to make nomination in respect of the shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH-13 to the R&T Agent, Link Intime India Pvt. Ltd. at the address given above.
15. Members who have not registered their e-mail addresses so far, are requested to register their email address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
16. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance latest by 19th September, 2021 by mentioning their name, demat account number/folio number, email id, mobile number at vishvesh@gsfcld.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance latest by 19th September, 2021 mentioning their name, demat account number/folio number, email id, mobile number at vishvesh@gsfcld.com. These queries will be replied to by the company suitably by email. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Inspection of documents:

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

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