40th ANNUAL REPORT 2015-16

GNFC

Fertilizers • Chemicals • IT

Gujarat Narmada Valley Fertilizers & Chemicals Limited

40TH ANNUAL GENERAL MEETING

Date	:	30th September, 2016
Day	:	Friday
Time	:	11:30 AM
Place	:	Open Air Theatre, Sports Complex, Narmadanagar Township, P.O. Narmadanagar-392 015, District : Bharuch.

Contents

GNFC

Fertilizers • Chemicals • IT

Gujarat Narmada Valley Fertilizers & Chemicals Limited

BOARD OF DIRECTORS

(As on 22nd August, 2016)

Shri GR Aloria, IAS, (Retd.) *Chairman*

Dr. JN Singh, IAS

Smt. Mamta Verma, IAS

Shri CS Mani

Prof. Arvind Sahay

Shri Piruz Khambatta

Shri Sunil Parekh

Shri VD Nanavaty

Dr. Rajiv Kumar Gupta, IAS, *Managing Director*

Executive Directors

Shri RT Bhargava

Shri PA Mankad

Shri YB Gandhi

Shri GC Shah

Company Secretary & Executive Director

Shri RB Panchal

Chief Financial Officer & General Manager

Shri Vikram Mathur

Statutory Auditors

M/s Deloitte Haskins & Sells
Chartered Accountants
Ahmedabad.

Cost Auditors

M/s Diwanji & Associates
Vadodara.

Registered Office :

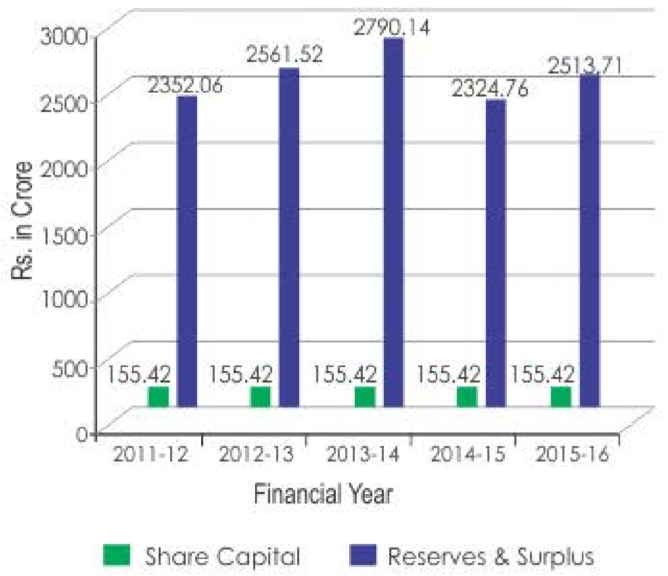
P.O. Narmadanagar – 392 015,
District : Bharuch,
Gujarat, INDIA.
Website : www.gnfc.in

FINANCIALS AT A GLANCE

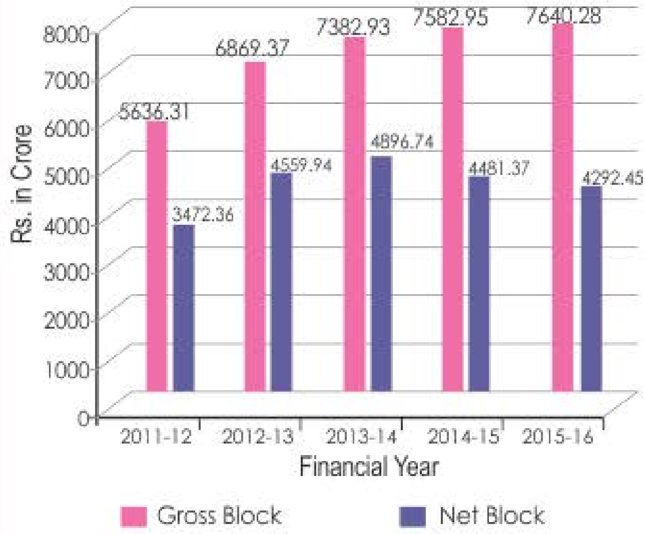
PARTICULARS	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
OPERATING RESULTS										(Rs. in Crore)
GROSS INCOME	**4,956**	4,988	5,196	4,527	4,062	3,129	2,799	3,128	3,713	2,992
PROFIT BEFORE FINANCE COST, DEPRECIATION, EXCEPTIONAL ITEMS AND TAX	**661**	361	662	634	582	523	360	500	698	612
DEPRECIATION	**189**	209	145	149	131	121	117	120	111	110
EXCEPTIONAL ITEMS	**-**	330	-	-	-	-	-	-	-	-
PROFIT/ (LOSS) BEFORE TAX	**226**	(452)	424	422	417	381	220	354	576	489
TAX	**-**	-	132	149	133	114	96	126	203	163
PROFIT/ (LOSS) AFTER TAX	**226**	(452)	292	273	284	267	124	228	373	326
DIVIDEND & DIVIDEND TAX	**37**	-	64	64	63	59	59	59	77	77
RETAINED EARNINGS	**189**	(452)	229	209	221	208	65	169	296	249
AMOUNT PER SHARE										(Rs.)
SALES	**312**	318	331	289	259	192	175	197	235	190
EARNING	**14.56**	(29.09)	18.81	17.57	18.26	17.15	7.97	14.64	23.99	21.01
EQUITY DIVIDEND	**2.00**	-	3.50	3.50	3.50	3.25	3.25	3.25	4.25	4.25
DIVIDEND %	**20.00**	-	35.00	35.00	35.00	32.50	32.50	32.50	42.50	42.50
BOOK VALUE	**171.74**	159.58	189.52	174.81	161.34	147.14	133.77	129.58	118.74	101.04
MARKET PRICE : HIGH	**89.00**	113.95	90.55	89.50	114.20	146.20	135.70	177.20	231.00	144.75
LOW	**50.00**	65.00	59.05	69.80	70.65	88.30	60.00	48.00	86.50	79.00

FINANCIAL HIGHLIGHTS

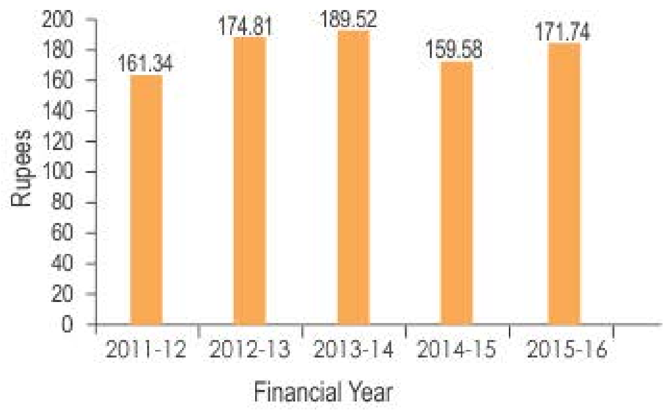
Share Capital - Reserves & Surplus



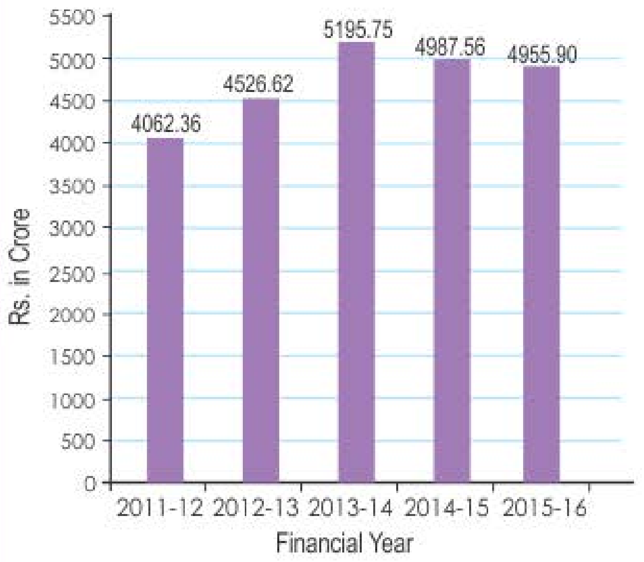
Gross & Net Block



Book Value Per Share



Gross Income



DIRECTORS' REPORT

To

The Members,

Your Directors are delighted to present this 40th Annual Report on Company's business and operations together with Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended 31st March, 2016.

FINANCIAL RESULTS

The Company's financial performance for the year ended 31st March, 2016 is summarized below:

(Rs. in Crore)

Particulars	Standalone	
	2015-16	2014-15
Income from operations	**4,548.30**	4,641.52
Other Income	**113.23**	51.75
Total Income	**4,661.53**	4,693.27
Total Expenditure	**4,000.14**	4,332.07
Profit before Depreciation, Finance Cost and Tax	**661.39**	361.20
Depreciation	**189.28**	208.77
Finance Cost	**245.75**	274.50
Exceptional Item (Impairment of TDI-II Assets)	**-**	330.00
Profit / (Loss) Before Tax	**226.36**	(452.07)
Provision for Tax	**-**	-
Net Profit / (Loss) for the year	**226.36**	(452.07)
Balance brought forward from previous year	**(128.95)**	323.12
Amount available for Appropriation	**97.41**	-
Appropriations :		
Proposed Dividend	**31.08**	-
Tax on Dividend	**6.33**	-
Transferred to General Reserve	**50.00**	-
Surplus / (Deficit) carried to Balance Sheet	**10.00**	(128.95)

PERFORMANCE REVIEW

The year 2015-16 was the outstanding year for your Company. Focused attention and continued thrust on higher productivity, energy conservation and efficiency improvement, innovation / cost reduction, appropriate marketing strategy, all have contributed towards achieving commendable financial and operational performance of the Company.

1. **Financial Performance :**

   Inspite of sluggish market conditions in India and Worldwide, your Company has reported a splendid financial performance on standalone basis by registering a Profit Before Tax of Rs.226.36 Crore for 2015-16 as against a huge loss of Rs.452.07 Crore incurred in the previous year. The Company registered a turnover of Rs.4548.30 Crore for the year 2015-16 as compared to Rs.4641.52 Crore during previous year, a marginal decrease of 2%.

   The Net Profit on consolidated basis amounted to Rs.233.54 Crore against a loss of Rs.443.01 Crore in the previous year.

   The Company achieved highest ever export realization of Rs.212 Crore during 2015-16 against Rs.46 Crore in FY 2011-12 through export of various Industrial Chemical Products and registered a tremendous increase of 358%. TDI was the major contributor in export realization registering sales of Rs.147 Crore and the other Industrial Products viz. Ethyl Acetate, Methyl Format, Acetic Acid, Formic Acid, Aniline, etc., contributed Rs.65 Crore in export realization. The Company exported its products to more than 45 countries across the world particularly in Africa and Middle East Countries.

2. **Operational performance :**

   Your Company has achieved excellent production performance during the year**.** Major plants of the Company performed at high capacity utilization level. Ever highest annual production was achieved in Ammonia 636766 MTs (143%), Urea 766718 MTs (120%), Ammonium Nitrophosphate 209180 MTs (147%), Concentrated Nitric Acid 121621 MTs (105%), Formic Acid 21530 MTs (215%), TDI-I 19166 MTs (137%) and TDI-II 26514 MTs (53%) plants.

   Your Directors are happy to inform that TDI-II Plant at Dahej has been stabilized and currently operating at more than 100% capacity on a consistent basis. During 2015-16, it produced 26514 MTs of TDI against 6316 MTs in the previous year. The Company has increased its share in domestic TDI market from 36% to 54% (in terms of tonnage from 18571 MTs to 32158 MTs) capturing the Indian market and reducing the country's dependency on imported TDI.

   The Company established total 217 Nos. of highest ever production (141 Nos.) and sales (76 Nos.) records during 2015-16 surpassing previous best of total 141 Nos. of records established in 2014-15.

SALES

1. **Industrial Products :**

   The year 2015-16 was successful year for the Company in the sales of Industrial Chemical Products inspite of competitive scenario of Chemicals business in the country and International Market. Almost all Industrial Products performed well in terms of sales and their realization during the year. The Company sold in aggregate 12,05,859 MTs of Industrial Products during 2015-16 as against 10,73,094 MTs in the previous year thereby achieved total sales turnover of Rs.3003.25 Crore as compared to Rs.2931.07 Crore achieved in the previous year. There was all-round increase in quantity sold, price realization and contribution of Industrial Chemical Products during the year compared to previous year.

The Company continued its trading activities in Imported Methanol and Acetic Acid. Highest ever trading of 57,200 MTs of imported Methanol amounting to Rs.108 Crore was handled by your Company during the year.

2. **Fertilizer Business:**

Your Company performed well in the Fertilizer business also inspite of bad monsoon which affected the consumption of Fertilizers in the Country. The Company achieved total sale of Urea (Manufactured and Traded) at 8.1 Lac MTs as compared to 7.4 Lac MTs in the previous year. The sale of Ammonium Nitrophosphate (ANP) was marginally lower at 2.02 Lac MTs compared to 2.07 Lac MTs in the previous year. Out of the total sale of Fertilizers, around 1.2 Lac MTs Fertilizers were sold through its 69 Narmada Khedut Sahay Kendras (NKSKs), including 6 new NKSKs opened during the year. Your Company has decided to expand its network of NKSKs progressively over a period of time.

The trading activities were continued in Imported Urea, Muriate of Potash (MOP), indigenously sourced Di-Ammonium Phosphate (DAP), Single Super Phosphate (SSP), Cattle Feed and Pesticides during the year and total 26900 MTs Fertilizers were sold as a part of trading activities.

3. **(n)Code Solutions – IT Division:**

Apart from achieving excellent performance in the Company's core business of Fertilizers and Chemicals during the year, (n)Code Solutions - IT Division of our Company has also performed extraordinarily well and reported the highest ever sales since its inception. (n)Code posted a total sales turnover of Rs.146.00 Crore against Rs.129.27 Crore in previous year, registering a growth of 12.94%. This division has contributed highest ever profit of Rs.37.00 Crore against Rs.29.52 Crore in previous year, an increase of 25.34% across all its business segments.

(n)Code has been apprised at level 5 of the Capability Maturity Model Integration for Services (CMMI-SVC) by M/s KPMG based on the standard method developed by Carnegie Mellon University, USA. It is a noteworthy achievement for (n)Code as it is amongst the four organizations in Gujarat and 43 organizations globally to whom such certification have been issued.

To achieve sustained growth in IT business, (n)Code has undertaken several new initiatives in the areas of smart cities, intelligent transportation, system integration, Geographical Information Systems, security and surveillance, Digital Mapping and Surveys, business intelligence, Data Analytics etc.

A detailed analysis of Company's operational and financial performance is presented under a separate section on "Management Discussion & Analysis" forming part of this report.

DIVIDEND

Considering the Company's excellent financial performance and to ensure that shareholders get sustained return on their investments, your Directors have recommended a dividend of Rs.2/- per equity share (20%) on 15,54,18,783 equity shares for the year ended 31st March, 2016 for approval by the shareholders at this Annual General Meeting. The dividend payout will work out to Rs.31.08 Crore plus dividend tax of Rs.6.33 Crore and the total outgo works out to around Rs.37.41 Crore. This amounts to 16.53% of the Net Profits of the Company.

APPROPRIATIONS

Your Company has earned Net Profit of Rs.226.36 Crore for the year 2015-16. After deducting therefrom Rs.128.95 Crore being the balance of Statement of Profit & Loss brought forward from the previous year, an amount of Rs.97.41 Crore is available for appropriation. Out of this, Rs.37.41 Crore inclusive of Tax on Dividend is earmarked for dividend. The Company proposes to transfer Rs.50 Crore to General Reserve. The balance amount of Rs.10 Crore is proposed to be carried to Balance Sheet.

FERTILIZER POLICY

International market of fertilizers saw a sharp fall in prices during the year. Looking to the low international prices, Government of India (GoI) reduced subsidy on P&K fertilizers covered under the Nutrient Based Subsidy (NBS) for 2016-17.

A huge outstanding on account of unpaid subsidy and freight payments is creating a heavy interest burden on Fertilizer Industry. GoI is slowly but steadily pursuing its initiatives to transfer subsidy directly to the farmers and is in the process of identifying 16 Districts across the country for undertaking pilot project for payment of fertilizers subsidy as Direct Benefit Transfer (DBT) to the beneficiaries engaged in agriculture production.

GoI has directed fertilizer companies to open 'Model Fertilizer Retail Shops' all over the country. GoI has made it mandatory for all chemical fertilizers suppliers to promote and market City Compost Fertilizers (CCF) by scientifically processing the Urban Solid Waste and has announced a Market Development Assistance of Rs.1,500/- PMT to fertilizers suppliers on its sale. Your Company has started marketing of CCF in Gujarat as per the directive of GoI.

NEW INITIATIVES

1) Di-Calcium Phosphate Project :

It was reported last year that as a part of expansion plan, the Company has initiated actions for setting-up Di-Calcium Phosphate (DCP) Project based on HCl in a joint venture with M/s Ecophos SA, Belgium. Your Directors are happy to inform that the Company has entered into a Joint Venture Agreement with Ecophos and a Company in the name of "EcoPhos GNFC India Private Limited" has been incorporated on 14th March, 2016 for setting-up of the said project at a total estimated cost of Rs.526 Crore with an equity investment of Rs.24 Crore for GNFC and Rs.134 Crore for EcoPhos in the ratio of 15:85 respectively.

With the implementation of this project, entire HCl generated as by-product from TDI-II Plant, Dahej will be utilized for production of DCP, resulting into improvement in the profitability of TDI business. The Company is concentrating on speedy implementation of DCP Project as a downstream integration of TDI-II Dahej Plant.

2) Neem Oil Project :

Government of India (GoI) last year made it mandatory in the Fertilizer Policy to manufacture 100% Neem coated Urea by all Fertilizer Companies. In pursuance of the said policy, your Company has undertaken a Socio-economic Neem Project for captive requirement as well as catering the market requirements with a social-economic objective to generate income for poor rural women / landless labours / farmers. During FY 2015-16, the Company produced around 800 MTs of Neem Oil and 6,000 MTs of Neem Cake by processing about 10,000 MTs of Neem Seeds through Neem Oil producers with a total revenue generation of around Rs.13.61 Crore, which has directly benefitted to the poor rural women / labours / farmers. Neem cake is used as organic fertilizer by farmers.

The Company is planning to set-up its own production facility of Neem Oil by installing an expelling unit in addition to the processing of Neem Seeds through existing Neem Oil producers in Gujarat. During the current year, the Company is planning to process around 20,000 MTs of Neem Seeds for production of Neem Oil and Neem cake.

3) Lime Purification Project:

GNFC is planning to set up a Joint Venture Company with M/s Santosh Agrochem LLP to purify its by product - Lime, to make it more marketable. This will resolve the environmental issues and at the same time add value to the product.

4) Solar Power Generation Project :

Gujarat Electricity Regulatory Commission (GERC), vide gazette notification dated 01-07-2015, has notified that Renewable Purchase Obligation (RPO) will be applicable to the companies consuming electricity generated from conventional Captive Generating Plant for its own use and / or electricity procured from conventional generation through Open Access. As per the notification, minimum quantum of electricity from solar source currently should be 1.75% of total captive power generation and /or procured through Open Access. The percentage share of solar power is expected to increase substantially over a period of time.

RPO will be applicable as Company is having conventional Captive Generating Plant at Bharuch site and procuring electricity from conventional generation through Open Access at Dahej site.

In order to fulfill the RPO as per GERC notification, the Company is planning to set up 5 MW Solar power generation facilities at Bharuch and Dahej Complex.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, your Directors state that –

i) in the preparation of Annual Accounts for the year ended 31st March, 2016, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any, therefrom had been furnished;

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 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 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

There has been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES

The Company does not have any subsidiary Company. However, the Company has an Associate Company namely Gujarat Green Revolution Co. Ltd. (GGRCL). A report on performance and financial position of GGRCL is given in Form No. AOC-1 to the Consolidated Financial Statements and the same has not been repeated here for the sake of brevity.

During the year 2015-16, a Company in the name of “Ecophos GNFC India Private Limited” (EGIL) was incorporated on 14th March, 2016 in joint venture with M/s EcoPhos SA, Belgium for setting up of 2,00,000 MTPA Di-calcium Phosphate Project at Dahej. The first Accounting Year of EGIL is from the date of incorporation i.e. from 14th March, 2016 to 31st March, 2017 and therefore, Report on Performance and Financial Position for FY 2015-16 in respect of EGIL has not been provided in the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

As required under Section 129(3) of the Companies Act, 2013 read with Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has prepared Consolidated Financial Statement in respect of its Associate Company namely Gujarat Green Revolution Co. Ltd., for FY 2015-16 and forms part of this Annual Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year, the Company made an investment in the equity of Ecophos GNFC India Private Ltd., a Joint Venture Company as one of the subscribers to the Memorandum of Association by subscribing 1500 Shares of Rs.10/- each amounting to Rs.15,000/-.

The Company has not given any Loan or Guarantee or provided any Security in connection with a loan to any other Body Corporate or person during the year.

RELATED PARTY TRANSACTIONS

The Company has formulated a Policy for Related Party Transactions (RPTs), which is available on Company’s website. This policy deals with the review and approval of RPTs. The Board of Directors has approved the criteria for granting Omnibus approval by the Audit Committee within the overall framework of policy on RPTs.

The Company has not entered into any materially significant RPTs during the year and do not attract the provisions of Section 188 of the Companies Act, 2013. Accordingly, the disclosure of RPTs as required under Section 134(3)(h) of the Act, in Form AOC-2 is not applicable. Suitable disclosure as required by Accounting Standards (AS-18) relating to RPTs has been made in the Notes to the Financial Statement.

A disclosure on RPTs has also been furnished in the ‘Report on Corporate Governance’ forming part of this report.

MEETINGS OF THE BOARD & COMMITTEES THEREOF

(i) Board Meeting :

Six (6) meetings of the Board were held during the year 2015-16.

(ii) Committees of the Board :

Currently, there are six Committees of the Board as under:

1. Audit Committee;
2. Stakeholders Relationship Committee;
3. Nomination and Remuneration Committee;
4. Corporate Social Responsibility Committee;
5. Project Committee; and
6. Human Resource Development Committee.

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

Details of composition of Board and its Committees, which are mandatorily required to be constituted, major terms of reference of these Committees, the meetings held during the year and attendance of the Directors at such meetings are provided in the ‘Report on Corporate Governance’ forming part of this report.

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 Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The details of remuneration 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 BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

The Company is committed to carry out the annual performance evaluation of the Board, its Committees and Individual Directors by putting in place the framework in line with the criteria formulated in the policy.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, S/Shri HV Patel, IAS (Retd.), Sunil Parekh and Piruz Khambatta were appointed Independent Directors (IDs) at the last AGM held on 26th

September, 2015 for a term of three consecutive years up to 30th September, 2018. They are not liable to retire by rotation. None of the ID is due for reappointment.

In terms of Section 161 of the Companies Act, 2013, Smt. Mamta Verma, IAS and Shri VD Nanavaty were appointed Additional Director with effect from 5th October, 2015 and 5th April, 2016 respectively. They will hold office of Directors upto the date of this AGM. Dr. JN Singh, IAS who was appointed a Director in the casual vacancy caused by the resignation of Dr. Hasmukh Adhia, IAS will hold office up to the date of this AGM. Suitable resolutions proposing the appointment of Smt. Mamta Verma, IAS, Shri VD Nanavaty and Dr. JN Singh, IAS as Rotational Directors are included in the Notice of this AGM for your approval.

Retirement by Rotation:

In terms of Section 152 of the Companies Act, 2013, Dr. Rajiv Kumar Gupta, IAS being Director liable to retire by rotation will retire and is proposed to be reappointed at this AGM.

Declaration by Independent Directors:

The Company has received necessary declarations from all Independent Directors under Section 149(7) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to the effect that they meet criteria of independence as laid down in the said Act and Listing Regulations.

Change in Directorate :

The information relating to change in other Directorship 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 of the valuable services rendered by the outgoing Directors and take this opportunity to welcome the new Directors.

Key Managerial Personnel :

During the year under review, Shri RA Shah ceased to be Chief Financial Officer (CFO) w.e.f. 02/01/2016 and Shri Vikram Mathur was appointed as CFO effective from that date.

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

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committee / Gender Equality Committee to redress the complaint(s) received, if any, regarding sexual harassment. No complaint was received during the year. A formal Policy against Sexual Harassment of Women at Workplace is in place.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has in place a Risk Management Policy. Under this Policy, various risks pertaining to operations & maintenance, financial and other organizational risks are assessed, evaluated and continuously monitored for taking effective mitigation steps. Risk Management Report, inter-alia, containing major anxiety areas and action plan for their mitigation and noteworthy risk management activities carried out by the Company is periodically reviewed by the Audit Committee and Board of Directors.

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

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 is enclosed as Annexure - I to this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirement of Section 135 of the Companies Act, 2013 read with the Companies (CSR Policy) Rules, 2014, the Company has constituted a Corporate Social Responsibility Committee and formulated a CSR Policy. Annual Report on CSR activities is enclosed as Annexure - II to this Report. As a responsible corporate, the Company has been implementing societal activities directly as well as through its CSR arm – Narmadanagar Rural Development Society (NARDES) in the areas covered in CSR Policy and Schedule-VII to the Companies Act, 2013.

VIGIL MECHANISM-CUM-WHISTLE BLOWER POLICY

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant or material orders were passed by the Regulators or Courts or Tribunals, which impact the going concern status and Company's operations in future.

MANAGEMENT DISCUSSION & ANALYSIS AND REPORT ON CORPORATE GOVERNANCE

The "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 of Code of Conduct.
- Certificate from Practicing Company Secretary with regard to Company's compliance with the conditions of Corporate Governance.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is enclosed as Annexure - III to this Report.

PARTICULARS OF EMPLOYEES AND REMUNERATION

The information required under Section 197(12) of Companies Act, 2013 read with Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure - IV to this Report.

The information as required under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure - V to this Report.

AUDITORS AND AUDITORS' REPORT

M/s. Deloitte Haskins and Sells, Chartered Accountants, the existing Statutory Auditors of the Company were reappointed at the 38th AGM held on 26.09.2014 to hold office till the conclusion of forthcoming 40th AGM for a period of two years. Accordingly, they will retire at this 40th AGM.

In accordance with the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules framed thereunder, it is proposed to appoint M/s. SRBC & Co. LLP, Chartered Accountants, a Member firm of E&Y India, as Statutory Auditor of the Company for a term of five consecutive years at the ensuing 40th AGM till the conclusion of 45th AGM, in place of retiring Auditors M/s. Deloitte Haskins and Sells, Chartered Accountants.

Notes to Financial Statements (Standalone and Consolidated) forming part of Audited Financial Statements are self explanatory and need no further explanation. There are no qualifications or adverse remarks in the Auditor's Report, which require any clarification / explanation.

COST AUDITOR

The Board of Directors has on the recommendations of Audit Committee, appointed M/s Diwanji & Co., Cost Accountants, Vadodara, as the Cost Auditor of the Company for financial year 2016-17.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to Cost Auditor is required to be ratified by the Shareholders at the AGM. A suitable Ordinary Resolution in this regard, is included in the Notice of this AGM for your approval.

The Company has e-filed the Cost Audit Report for the financial year 2014-15 with the Ministry of Corporate Affairs (Cost Audit Branch) on 29th September, 2015. The due date of filing the said report was 30th September, 2015.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed Shri VL Vyas, Practicing Company Secretary to conduct Secretarial Audit of the Company for the financial year ended 31st March, 2016. The Secretarial Audit Report in Form MR-3 is enclosed as Annexure – VI, which does not contain any qualification, reservation or adverse remark.

DETAILS OF FRAUDS, IF ANY, REPORTED BY THE AUDITORS:

During the year, there was no fraud to be reported by Auditors under Section 142(12) of the Act.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposit during the year. No amount on account of principal or interest was outstanding as on the date of Balance Sheet.

INSURANCE

The properties and insurable assets and interest of your Company such as buildings, plants & machineries and stocks amongst others are adequately insured. As required under Public Liability Insurance Act, 1991, your Company has also taken necessary insurance cover.

INDUSTRIAL RELATIONS

Industrial relations during the year under review have remained extremely cordial and harmonious. Your Directors convey their high sense of appreciation for the contribution made by the employees at all levels.

ACKNOWLEDGEMENTS

The Directors wish to place on record their deep sense of gratitude for the support received from Government of India and Government of Gujarat. We take this opportunity of extending our 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. Your Directors are also thankful to the valued Investors for strengthening their bond with the Company.

For and on behalf of the Board of Directors,

Place : Gandhinagar — **G R Aloria**
Date : 22nd August, 2016 — **Chairman**

Annexure - I

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

1.	CIN	L24110GJ1976PLC002903
2.	Registration Date	10th May, 1976
3.	Name of the Company	Gujarat Narmada Valley Fertilizers & Chemicals Limited
4.	Category/Sub-category of the Company	Public Company- Limited by Shares
5.	Address of the Registered office and contact details	P.O: Narmadanagar-392 015, Dist.: Bharuch, Gujarat Tele No. (02642) 247001, Fax No. (02642) 247084, email-investor@gnfc.in
6.	Whether listed company (Yes / No)	Yes
7.	Name, Address and contact details of the Registrar & Transfer Agent, if any.	The Company is carrying out entire work relating to share registration and related activities in-house through its Investor Service Centre at the Registered office of the Company.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the Company)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Urea	20121	31.58%
2	Ammonium Nitro Phosphate	20122	10.58%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held as at 31.03.2016	Applicable Section
1	Gujarat Green Revolution Co. Ltd. Fertilizernagar Township, P.O. Fertilizernagar-391750	U63020GJ1998PLC035039	Associate	47%	Section 2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
1.	**Indian**									
a.	Individual/ HUF	-	-	-	-	-	-	-	-	-
b.	Central Govt.	-	-	-	-	-	-	-	-	-
c.	State Govt(s)	-	-	-	-	-	-	-	-	-
d.	Bodies Corporate	64003713	3000*	64006713	41.18	64006213	500**	64006713	41.18	-
e.	Banks/ FIs	-	-	-	-	-	-	-	-	-
f.	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(1):-	**64003713**	**3000***	**64006713**	**41.18**	**64006213**	**500****	**64006713**	**41.18**	**-**
2.	**Foreign**									
a.	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b.	Other- Individuals	-	-	-	-	-	-	-	-	-
c.	Bodies Corporate	-	-	-	-	-	-	-	-	-
d.	Banks/ FIs	-	-	-	-	-	-	-	-	-
e.	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2) :-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoters (A) = (A)(1)+ (A)(2)	**64003713**	**3000***	**64006713**	**41.18**	**64006213**	**500****	**64006713**	**41.18**	**-**

* Shares held by the Directors/Ex-Directors jointly with promoters (GSIL) as Qualification Shares.

** 500 shares held by Ex-Director jointly with promoters (GSIL) as Qualification Shares.

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B	**Public Shareholding**									
1.	**Institutions**									
a.	Mutual Funds	3300005	10150	3310155	2.13	3616271	10150	3626421	2.33	0.20
b.	Banks/ FIs	21348677	14321	21362998	13.75	21237520	16506	21254026	13.68	(-)0.07
c.	Central Govt.	-	-	-	-	-	-	-	-	-
d.	State Govt.(s)	-	-	-	-	-	-	-	-	-
e.	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f.	Insurance Companies	-	-	-	-	-	-	-	-	-
g.	FIIs	19121025	1250	19122275	12.30	16949907	1250	16951157	10.91	(-)1.39
h.	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i.	Others (FPIs)	170241	-	170241	0.11	1721418	-	1721418	1.11	1.00
	Sub-total (B)(1):-	**43939948**	**25721**	**43965669**	**28.29**	**43525116**	**27906**	**43553022**	**28.03**	**(-)0.26**
2	**Non- Institutions**									
a.	Bodies Corporate									
	(i) Indian	4011772	32102	4043874	2.60	5734420	32052	5766472	3.71	1.11
	(ii) Overseas	-	2885	2885	-	-	700	700	-	-
b.	Individuals									
	(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	22468105	11007418	33475523	21.54	22386354	10758515	33144869	21.33	(-)0.21
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	8806276	232984	9039260	5.82	7687693	217984	7905677	5.09	(-)0.73
c.	Others									
	(i) Trusts	209451	-	209451	0.13	212558	-	212558	0.14	0.01
	(ii) Co-op Societies	-	352226	352226	0.23	600	351892	352492	0.23	-
	(iii) Clearing Members Pool A/c	63032	-	63032	0.04	217238	-	217238	0.14	0.10
	(iv) Unclaimed Suspense A/c	168910	-	168910	0.11	167802	-	167802	0.11	-
	Sub-total (B)(2)	**35727546**	**11627615**	**47355161**	**30.47**	**36406665**	**11361143**	**47767808**	**30.73**	**0.27**
	Total Public shareholding (B) = (B)(1) + (B)(2)	**79667494**	**11653336**	**91320830**	**58.76**	**79931781**	**11389049**	**91320830**	**58.76**	**0.00**
C	**Shares held by Custodian for GDRs**	91240	-	91240	0.06	91240	-	91240	0.06	-
	Grand Total (A+B+C)	**143762447**	**11656336**	**155418783**	**100.00**	**144029234**	**11389549**	**155418783**	**100.00**	**-**

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	Gujarat State Investments Limited	33227546	21.38	-	33227546	21.38	-	-
2	Gujarat State Fertilizers & Chemicals Ltd	30779167	19.80	-	30779167	19.80	-	-
	Total	**64006713**	**41.18**	**-**	**64006713**	**41.18**	**-**	**-**

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	At the beginning of the year	6,40,06,713	41.18	6,40,06,713	41.18
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
3.	At the end of the year	6,40,06,713	41.18	6,40,06,713	41.18

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs):

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Date of Change	Reason	Increase/ Decrease in Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares Decrease	No. of shares Increase	No. of shares	% of total shares of the Company
1	Life Insurance Corporation of India	14083612	9.06	01.04.2015		-	-	14083612	9.06
				31.03.2016	At the end of the year	-	-	14083612	9.06
2	Fidelity Puritan Trust - Low Priced Stock Fund	13541878	8.71	01.04.2015		-	-	13541878	8.71
				31.03.2016	At the end of the year	-	-	13541878	8.71
3	General Insurance Corporation of India	4540053	2.92	01.04.2015		-	-	4540053	2.92
				31.03.2016	At the end of the year	-	-	4540053	2.92
4	Marwadi Shares & Finance Limited	0	0	01.04.2015	Market Purchase	-	-	-	-
				23.10.2015	Market Purchase	-	98500	98500	0.06
				30.10.2015	Market Purchase	-	351500	450000	0.29
				06.11.2015	Market Purchase	-	771000	1221000	0.79
				13.11.2015	Market Purchase	-	222000	1443000	0.93
				27.11.2015	Market Purchase	-	75000	1518000	0.98
				04.12.2015	Market Sale	100000	-	1418000	0.91
				11.12.2015	Market Purchase	-	100000	1518000	0.98
				18.12.2015	Market Purchase	-	125000	1643000	1.06
				30.01.2016	Market Purchase	-	46000	1689000	1.09
				27.02.2016	Market Purchase	-	30999	1719999	1.11
				31.03.2016	Market Purchase	-	531001	2251000	1.45
				31.03.2016	At the end of the year	-	-	2251000	1.45
5	The New India Assurance Company Limited	2090613	1.35	01.04.2015		-	-	2090613	1.35
				31.03.2016	At the end of the year	-	-	2090613	1.35
6	Reliance Capital Trustee Co. Ltd. A/c Reliance Mid-Small Cap Fund	2039975	1.31	01.04.2015		-	-	2039975	1.31
				12.03.2016	Market Purchase	-	250000	2289975	1.47
				31.03.2016	Market Purchase	-	66312	2356287	1.52
				31.03.2016	At the end of the year	-	-	2356287	1.52
7	Fidelity North Star Fund	2000000	1.29	01.04.2015		-	-	2000000	1.29
				31.03.2016	At the end of the year	-	-	2000000	1.29
8	ICICI Prudential Dynamic Fund	1257982	0.81	01.04.2015		-	-	1257982	0.81
				31.03.2016	At the end of the year	-	-	1257982	0.81
9	Dimensional Emerging Markets Value Fund	729530	0.47	01.04.2015		-	-	729530	0.47
				31.03.2016	At the end of the year	-	-	729530	0.47
10	Nordea Emerging Markets Equities Fund	662102	0.43	01.04.2015		-	-	662102	0.43
				31.03.2016	At the end of the year	-	-	662102	0.43

Notes :
1. Date of change is the date of the shareholding statement i.e. the date on which the beneficiary position is downloaded.
2. Database of top ten shareholders at the beginning of the year and at the end of the year has been considered for the above disclosure.

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
KEY MANAGERIAL PERSONNEL					
1	Shri R A Shah, CFO [1]				
	At the beginning of the year	400	-	400	-
	Date wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	400	-	400	-
2	Shri Vikram Mathur, CFO [2]				
	At the beginning of the year	883	-	883	-
	Date wise Increase / Decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	883	-	883	-

Notes: [1] Ceased to be CFO w.e.f. 2-1-2016
[2] Appointed as CFO w.e.f. 2-1-2016

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,17,013.77	1,67,355.23	0.00	3,84,369.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	152.76	1,876.52	0.00	2,029.28
Total (i+ii+iii)	**2,17,166.54**	**1,69,231.74**	**0.00**	**3,86,398.28**
Change in Indebtedness during the financial year				
• Addition	43,390.70	3,45,991.14	0.00	3,89,381.84
• Reduction	34,496.18	4,28,468.84	0.00	4,62,965.02
Net Change	**8,894.52**	**(82,477.70)**	**0.00**	**(73,583.18)**
Indebtedness at the end of the financial year				
i) Principal Amount	2,25,908.29	84,877.53	0.00	3,10,785.82
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	122.20	1,492.01	0.00	1,614.21
Total (i+ii+iii)	**2,26,030.49**	**86,369.54**	**0.00**	**3,12,400.03**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Dr. Rajiv Kumar Gupta, IAS-(MD)*	
1	Gross salary	Nil	Nil
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) Income- Tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission • as % of profit • others, specify…	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (A)	**Nil**	**Nil**
	Ceiling as per the Act	**Not Applicable**	

* Appointment of Managing Director is made by the Board in consultation with the Government of Gujarat and usually he/she is from IAS cadre. Managing Director is paid remuneration as per the terms and conditions prescribed and notified by the Government of Gujarat and as determined by the Board of Directors and in line with the Schedule V and other applicable provisions of the Companies Act, 2013, subject to the approval by Shareholders. Dr. Rajiv Kumar Gupta, IAS, Principal Secretary to GOG is holding the additional charge of the post of Managing Director of the Company. No remuneration was paid to Dr. Gupta for holding the additional charge of Managing Director.

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount in Rs.
1	**Independent Directors**	**Shri CS Mani**	**Prof. Arvind Sahay**	**Shri Piruz Khambatta**	**Shri Sunil Parekh**	**Dr. Manjula Subramaniam[1]**	**Shri H V Patel [2]**	
	Fee for attending board/committee meetings	1,50,000	50,000	-	1,20,000	-	1,50,000	4,70,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	**1,50,000**	**50,000**	**-**	**1,20,000**	**-**	**1,50,000**	**4,70,000**
2	**Other Non-Executive Directors**	**Shri D J Pandian*[3]**	**Shri G R Aloria***	**Dr. JN Singh***	**Dr. SK Nanda [4]**	**Shri GC Murmu * [5]**	**Smt. Mamta Verma***	
	Fee for attending board/ committee meetings	20,000	40,000	50,000	-	-	-	1,10,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	**20,000**	**40,000**	**50,000**	**-**	**-**	**-**	**1,10,000**
	Total (B)=(1+2)							**5,80,000**
	Total Managerial Remuneration							**5,80,000**
	Overall Ceiling as per the Act							**Not Applicable**

Notes:

1. Remuneration to other Directors are paid by way of sitting fees only for attending the meetings of the Board of Directors and Committees thereof.
   *Amount Deposited in Government Treasury
   1 Ceased to be a Director effective 03.08.2015 2 Ceased to be a Director effective 14.04.2016 3 Ceased to be a Director effective 05.06.2015
   4 Ceased to be a Director effective 30.01.2016 5 Ceased to be a Director effective 01.05.2015

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CS (R B Panchal)	**CFO (R A Shah)***	**CFO (Vikram Mathur)****	**Total**
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	14,65,924	12,28,690	3,27,938	30,22,552
	(b) Value of perquisites u/s 17(2) of Income-Tax Act, 1961	1,86,693	33,678	55,152	2,75,523
	(c) Profits in lieu of salary under Section 17(3) of Income-Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	• as % of profit	-	-	-	-
	• others, specify.	-	-	-	-
5	Others, please specify				
	PF Contribution	1,26,732	80,028	30,777	2,37,537
	Pension Contribution	1,26,732	-	30,777	1,57,509
	Total	**19,06,081**	**13,42,396**	**4,44,644**	**36,93,121**

* Ceased to be CFO w.e.f. 2-1-2016
** Appointed as CFO w.e.f. 2-1-2016

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			**NIL**		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			**NIL**		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			**NIL**		
Compounding					

Annexure - II

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2015-16

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

1. Brief outline of Company's CSR policy including overview of the projects or programs proposed to be undertaken and a reference to the web link to CSR policy and projects or programs :

The Board of Directors, upon recommendation of CSR Committee, approved the CSR policy of the company in its meeting held on 30-01-2015.

The CSR Policy of the company provides a guideline of the methodologies and areas for selecting and implementing the Company's CSR projects. The major sectors covered under the said policy include 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.

The above areas are mapped with the activities prescribed in Schedule VII to the Companies Act, 2013. The company's CSR projects / activities are implemented through its CSR arm Narmadanagar Rural development Society (NARDES) a trust established by the company or directly by the company. The CSR policy of the company is displayed on company's website at link - **https://www.gnfc.in/corporate-social-responsibility.html**

2. Composition of CSR Committee:

CSR Committee presently comprises of following 3 (three) Directors:

i.	Prof. Arvind Sahay	:	Chairman (Non Executive and Independent Director)
ii.	Shri Sunil Parekh	:	Member (Non Executive and Independent Director)
iii.	Dr. Rajiv Kumar Gupta, IAS	:	Member / Managing Director (Executive and Non Independent Director)

	Particulars	Amount (Rs. in Lac)
3.	Average Net Profit of the Company for last three Financial Years.	23300.00
4.	Prescribed CSR Expenditure (2% of the average net profit as computed above).	466.00
5.	**Details of CSR Spent during the financial year.**	
	Total amount to be spent for the financial year.	466.00
	(a) Total amount spent for the financial year.	326.00
	(b) Amount unspent, if any.	140.00

(c) Manner in which the amount spent during the financial year is detailed below: (Rs. In Lacs)

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Project or Programs		Amount outlay (Budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure up to the reporting period	Amount spent	
			Local Area or other	State and district where projects or programs was undertaken		Direct expenditure on Projects or programs	Over-heads		Direct	Through implementing agency
(1)	(2)	(3)	(4)		(5)	(6)		(7)	(8)	
1.	Mobile Medical Van Project	Health care Project	Local Area	Bharuch District, Gujarat State	11.00	11.00	--	11.00	--	Narmadanagar Rural Development Society (NARDES)
2.	People Centric Camp	Health care Project	Local Area	Bharuch District, Gujarat State	5.00	5.00	--	5.00	--	
3.	Rahiyad (Dahej) Development Project	Rural Development Projects	Local Area	Bharuch District, Gujarat State	10.00	10.00	--	10.00	--	
4.	Vocational Training Project	Livelihood Enhancement Project	Local Area	Bharuch District, Gujarat State	50.00	50.00	--	50.00	--	
5.	Training Programme for Artisan	Livelihood Enhancement Project	---	Gujarat State as a whole	50.00	50.00	--	50.00	--	
6.	CSR Reserve fund for any other initiative	Rural Development, Preventive Health Care, Education Projects, etc.	---	Gujarat State as a whole	200.00	200.00	--	200.00	--	
	TOTAL				**326.00**	**326.00**		**326.00**		

6. In case, the Company has failed to spend the two percent of average net profits of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report:

Considering the net loss of Rs. 452.07 crores incurred in FY 2014-15 and in order to sustain the CSR expenditure on a consistent basis, the company spent an aggregate amount of Rs. 326 Lacs towards CSR expenditure against the requirement of spending Rs.466 Lacs for FY 2015-16.

7. Responsibility Statement of CSR Committee:

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

Prof. Arvind Sahay
(Chairman - CSR Committee)

Dr. Rajiv Kumar Gupta, IAS
(Managing Director)

Annexure - III

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[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

The Company framed its Energy Policy in the year 2005 in accordance with Energy Conservation Act, 2001 and the same is in force.

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

For the purpose of compliance, Monitoring and Verification Audit as well as Mandatory Energy Audit were carried out with the help of BEE accredited Energy Audit firms and reports were submitted to BEE and Gujarat Energy Development Agency (GEDA).

Details of various energy saving measures/ schemes implemented during the year are as given below:

(a) Ammonia Plant :

- Newly designed tube bundle of quench water cooler was installed for higher heat recovery, resulting in to HP steam saving of 7,280 MT/Year.
- DM water heating in place of cooling water in Water Flash condenser of carbon recovery section, resulted into saving of 27,180 MT of HPSH equivalent steam per year.

(b) Ammonium Nitrophosphate Plant :

- Installation of variable speed drive at Cooling Air Fan in ANP Plant, resulting into annual power savings of 2,83,337 kWh.

(c) Utility Plant :

- Replacement of 4" Plant Air Header with 8" (from Ammonia Plant to Nitrophosphate Plant battery limit) was done to use excess venting air as plant air, resulting into annual power saving of 28,87,500 kWh.
- Refurbishment of Utility Air Compressor C-2202 was carried out resulting into annual power saving of 14,19,000 kWh.
- Conversion of Pressure Control to Flow Control at Utility Air Compressor, resulting into annual power saving of 11,88,000 kWh.
- Laying of new cooling water header from Instrument Air Compressor area to Ammonia Cooling Tower basin resulting into annual power saving of 2,55,000 kWh.
- Operation of Air Compressors in optimum combination was carried out in Aniline – TDI plant, resulting into power saving of 98,700 kWh.

(d) Ethyl Acetate Plant :

- Stoppage of Seal fluid pump, resulted into annual power saving of 75,240 kWh.
- Stoppage of Reactor Recycle Pump resulted into annual power saving of 43,560 kWh.
- Reactive Column Bottom Pump discharge line flow orifice removed and pump operation was stopped, resulted into annual power saving of 43,560 kWh.

(e) Boiler Plant :

- 2 Nos. of Acoustic Horns were installed in Boiler-2 at Platen & Final Super Heater zone, resulting into annual steam saving of 252 MT.

(f) Electrical System:

- Replacement of old lighting fixtures with energy efficient fixtures in various Plants & Switching off Exhaust fans at different locations in sub-station, wherever possible, resulted into annual power saving of 64,000 kWh.

(g) Steam Traps Management:

- Steam trap survey was carried out in various plants for identification of defective traps and corrective actions were initiated.

(h) Energy Measures under implementation :

- Improvement in piping insulation of HPSH steam piping from Methanol-II to Aniline - TDI Complex will reduce heat loss.
- Installation of Ammonia Pre-heater in Urea Plant will result in reduction of MP Steam consumption by 30 kg/ MT of Urea.
- Installation of Energy Conservation Turbine (ECT) in Aniline / TDI Plant at HP letdown station. It has potential of 950 kw power generation.
- Heat recovery from Acetic Acid Off-gas will lead to generation of 31,860 MT/Year of medium pressure steam.
- Installation of Chiller in Instrument Air Dryer will lead to power saving of 25 kw.
- Installation of New Water Pump in Raw Water Plant will lead to power saving of 25 kw.
- Trimming of Impeller of Condensate Pump at ASGP Plant will lead to power saving of 20 kw.

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

- Solar Photo Voltaic power generation systems having total capacity of 300 kW was installed at various locations and total 3,70,937 kWh/year power was generated.
- Total installed capacity of Wind Mill Turbo Generators is 21 MW. During the year, 3,48,50,887 kWh/year power was generated from Wind Mill.

(iii) Capital investment on energy conservation equipments:

The Company made total capital investment of Rs.149 Lacs on energy conservation equipments including accessories.

(B) TECHNOLOGY ABSORPTION:

(i) Efforts in brief, made towards technology absorption:

(a) The Company has successfully implemented various modifications schemes using in-house resources. The modifications have been carried out in various plants for safe and reliable operations, thereby improving the performance of machines / equipments. Energy saving was achieved by reducing utility consumption.

(b) The Company also interact with know how suppliers / Consultants for plant problems and reliability study to sustain productivity and improving plant performance.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution.

As a result of above measures, there has been all round improvement in plant safety, reliability, performance and cost reduction.

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

The Company has not imported any technology during the last three financial years.

RESEARCH & DEVELOPMENT:

1. **Specific areas in which R&D carried out by the company:**

Experiments for scale up of Process & Technology to manufacture TDI based Polyurethane Coating & Adhesive products similar to MNC products were undertaken, where TDI & Ethyl Acetate content will be more than 80%.

Pilot plant studies on the development of green chemistry catalyst for Ethyl Acetate production was carried out. Experiments were performed to stimulate the new process conditions for Ethyl Acetate process by using spare reactor to obtain desired results.

2. **Benefits derived as a result of the above R&D:**

TDI & MDI (TM) Blend Scheme to commercially manufacture & supply Narmada TM blend as import substitute for Indian automotive sector is completed. For Methyl Format Hydrolysis, Resin bed process innovation will be considered for upcoming Formic Acid expansion. Major benefits of In-House development of Process know-how are - (i) the company is sole owner of the knowledge created; (ii) no need to pay royalties to technology providers; and (iii) value addition to existing products.

3. **Future Plan of Action:**

- Studies for scale up of Process & Technology to manufacture TDI based Polyurethane Coating & Adhesive products will be continued.
- The experiments will be carried out to regenerate the precious metal Platinum, Palladium containing spent catalyst, to be used in place of fresh catalyst for Aniline Process.
- The experiments for Development of an additive to reduce the Potassium Format generation are also being carried out, which will reduce consumption of catalyst and also increase conversion of Methyl Format in the carbonylation process of Methanol to Methyl Format using an additive in Formic Acid process.
- Experiment on batch as well as continuous scale are started to develop a Fenton process to treat Red water after recovery of Di-Nitro Toluene (DNT) by cooling Red Water up to ambient temperature.

(iv) Expenditure on Research and Development:

(Rs. in lacs)

No.	Nature of Expenditure	2015-16	2014-15
1	Capital Expenditure	**0.00**	0.00
2	Recurring Expenditure	**23.16**	14.66
3	Salaries to R&D Personnel	**206.42**	160.02
4	Power and Fuel	**5.06**	4.95
	Total	**234.64**	179.63
5	Total R&D expenditure as percentage of total turn-over	**0.0485%**	0.0364%
6	Gross Turn-over	**4,84,267.43**	4,93,581.37

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange used and earned:

(Rs. in lacs)

Particulars	2015-16	2014-15
Foreign Exchange used	**35,070.72**	36,422.91
Foreign Exchange earned	**3,375.36**	2,380.03

Annexure - IV

DISCLOSURE PURSUANT TO RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR FINANCIAL YEAR 2015-16.

Sr. No.	Requirement	Details
1	Ratio of remuneration of each director to the median remuneration of the employees of the company.	Non-Executive Directors are paid remuneration by way of Sitting Fees only for attending the Meetings of the Board of Directors and Committees thereof. Appointment of Managing Director (Executive Director) is made by the Board in consultation with Government of Gujarat (GoG) and he/she is usually from IAS cadre. Managing Director is paid remuneration as per the terms & conditions prescribed and notified by GoG and as determined by the Board, subject to the approval of shareholders, Articles of Association, Companies Act, 2013 and the relevant Rules framed thereunder. Dr. Rajiv Kumar Gupta, IAS, Principal Secretary to GoG 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. Therefore, the ratio of remuneration of each Director to the median remuneration of the employees for the financial year 2015-16 is not applicable.

<table>
<tr><th>Sr. No.</th><th>Requirement</th><th>Details</th></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>Sl. No.</th><th>Director / KMP</th><th>Title</th><th>% increase in remuneration</th></tr>
<tr><td>1</td><td>Dr. Rajiv Kumar Gupta, IAS</td><td>MD / CEO</td><td>---</td></tr>
<tr><td>2</td><td>Shri R A Shah[1]</td><td>CFO</td><td>(-) 26.36%</td></tr>
<tr><td>3</td><td>Shri Vikram Mathur[2]</td><td>CFO</td><td>---</td></tr>
<tr><td>4</td><td>Shri RB Panchal</td><td>CS</td><td>8.71%</td></tr>
<tr><td colspan="4">Non-Executive Directors are paid only sitting fees for attending the Board / Committee Meetings.</td></tr>
</table>
</td></tr>
<tr><td>3</td><td>Percentage increase in the median remuneration of employees.</td><td>0.84%, considering employees who were in employment for the whole of FY 2014-15 & FY 2015-16.</td></tr>
<tr><td>4</td><td>Number of permanent employees on the rolls of Company at the end of the year.</td><td>3048</td></tr>
<tr><td>5</td><td>Explanation on the relationship between average increase in remuneration and company performance.</td><td>The company has achieved total Sales Turnover of Rs. 4548.30 Crores for FY 2015-16 as compared to Rs. 4641.52 Crores for FY 2014-15.
Average increase in remuneration was mainly due to elevation of employees and Annual increment in various grades.</td></tr>
<tr><td>6</td><td>Comparison of the remuneration of the Key Managerial Personnel against the performance of the company</td><td>During the year, the company has earned Net Profit of Rs.226.36 Crore. The average increase in the remuneration of Key Managerial Personnel was 3.26 % during the year mainly on account of elevation.</td></tr>
<tr><td>7</td><td>Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer</td><td>The market capitalization of the company as at 31st March, 2016 was Rs.1268.22 crores as against Rs. 1058.40 crores as at 31st March, 2015, an increase of 19.82% during the year under review.
The price earnings ratio as at 31st March, 2016 was Rs. 5.43, as against Rs. (-) 2.39 as at 31st March, 2015.
The last public offer of equity shares of Rs.10/- each was made in the year 1981. The market quotation of the equity shares of the Company as on 31st March, 2016 was Rs.81.60 per share, representing an increase of 716 % over the period.</td></tr>
<tr><td>8</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>Average percentile increase made in the salary of the employees other than key managerial personnel in FY 2015-16 was (-) 0.62% whereas increase in the key managerial remuneration was 3.26%.</td></tr>
<tr><td>9</td><td>Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company</td><td>
<table>
<tr><th>Sl. No.</th><th>Key Managerial Personnel</th><th>Title</th><th>Remuneration-FY 2015-16 % to total Sales Turnover</th></tr>
<tr><td>1</td><td>Dr. Rajiv Kumar Gupta, IAS</td><td>MD / CEO</td><td>---</td></tr>
<tr><td>2</td><td>Shri RA Shah[1]</td><td>CFO</td><td>0.0030%</td></tr>
<tr><td>3</td><td>Shri Vikram Mathur[2]</td><td>CFO</td><td>0.0010%</td></tr>
<tr><td>4</td><td>Shri RB Panchal</td><td>CS</td><td>0.0042%</td></tr>
</table>
</td></tr>
<tr><td>10</td><td>Key parameters for any variable component of remuneration availed by the directors</td><td>Non Executive Directors are paid only sitting fees for attending the Board / Committee Meetings hence not applicable.</td></tr>
<tr><td>11</td><td>Ratio of remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year</td><td>Not Applicable</td></tr>
<tr><td>12</td><td>Affirmation that the remuneration is as per the remuneration policy of the company.</td><td>The company has various grades for the purpose of remuneration to key managerial personnel, senior management and other employees of the company. The remuneration paid to them is as per the grade in which they are employed and as per the terms of their appointment.</td></tr>
</table>

[1] Ceased to be CFO w.e.f 02-01-2016
[2] Appointed as CFO w.e.f 02-01-2016

Annexure - V

STATEMENT SHOWING THE PARTICULARS OF EMPLOYEES OF THE COMPANY PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULES 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No. (1)	Name (S/Shri) (2)	Age (Yrs.) (3)	Qualification (4)	Total Exp.(Yrs.) (5)	Designation (6)	Remuneration Received (Rs.) (7)	Date of Joining (8)	Last Employment held (9)
A.	**Employee who were employed throughout the financial year and was in receipt of remuneration for the year which in the aggregate was not less than Rs. 60,00,000/-**							
	–							
B.	**Employees who were employed for a part of the financial year and were in receipt of remuneration for any part of that year at the rate which in the aggregate was not less than Rs. 5,00,000/- per month.**							
1	AB Patel	60	BA	40	Sr. Officer	2830093	08/10/1979	Attendant (B&MH) - IFFCO, Kalol
2	AI Patel	60	ITI (Electrician)	39	Sr. Technician (Elect.)	3017058	05/05/1978	Electrician - Star Electronics Pvt. Ltd., Bharuch
3	AI Patel	60	Std.-IV, ITI (Fitter)	26	Technician (M)	1954097	14/08/1992	Asstt. Technician Jr. Trainee - GNFC Ltd., Bharuch
4	AM Panchal	60	B.Com., LL.B., English Typing Exam	37	Sr. Material Officer	3415969	01/10/1980	Clerk/Typist - Taluka Panchayat, Jhagadiya
5	BM Gabhawala	60	M.Sc.	37	Chief Manager	5070547	22/12/1980	Lab. Tech. Trainee - GNFC Ltd., Bharuch
6	BR Patel (Late)	55	Std.-IV	23	Jr. Operator	1099999	01/08/1995	Technical Trainee - GNEL
7	CB Bhoi	60	ITI (Fitter), NCTVT	37	Sr. Technician (M)	3351836	06/11/1979	ITI (Fiiter) Trainee - GNFC Ltd., Bharuch
8	DK Goel	60	B.Com.	40	Sr. Accounts Officer	4169896	22/08/1984	Asstt. Accountant - Kay Iron Works, Ambala
9	DM Yadav	60	B.Com.	35	Sr. Accounts Officer	2897388	16/05/1983	Accounts Clerk - Farmson Mineral Industries, Devgadh Baria (Panchamahals)
10	DO Patil	60	BA, LL.B., English Typing / Stenography Exam	35	Sr. Manager (MD's Secretariat)	3245795	20/06/1983	Steno/Typist - Petrofils Co-Op. Ltd., Vadodara
11	DR Patel	60	B.Sc., NCTVT	37	Sr. Operator	2874811	10/10/1984	Jr. Operator - IFFCO, Kandla
12	GD Joshi	60	NCTVT (Fitter)	38	Foreman	3137648	01/11/1978	Trainee - GSFC Ltd., Vadodara
13	HH Thakore	60	B.Com.	38	Sr. Material Officer	2792170	15/01/1985	Purchase Asstt. - JKBM Ltd., Ankleshwar
14	HI Bhatt	57	BE (Civil)	35	Chief Manager	4404911	14/03/1984	Site Engineer - MS Khurana, Vadodara
15	HJ Shah	60	BE (Mechanical), IPMM	36	Chief Manager	4071301	23/03/1985	Asstt. Engineer - Padmatex Engg. Ltd., Panchamahals
16	HK Tyagi	60	B.Sc. (Agri.)	37	Mktg Manager	3008404	09/04/1983	Sales Represenative - Gem India Ltd., New Delhi
17	HP Raj (Late)	59	B.Com.	36	Sr. Material Officer	3158815	25/10/1982	Asstt. Storekeeper - Vinay Agencies, Bharuch
18	HS Patel	60	B.Sc.	39	Chief Manager	3105795	01/05/1979	Attendant Operator (B.Sc. Chem.) Trainee - GSFC Ltd., Vadodara
19	IA Patel	60	SSC Fail	38	Sr. Operator	3934661	23/05/1979	Driver -Apana Garage, Bharuch
20	JB Vansia	60	B.Sc. (Agriculture)	37	Additional General Manager	4164722	23/10/1982	Jr. Sales Promotion Asstt. - GSFC Ltd., Vadodara
21	JC Bhatt	60	BE (Electrical)	38	Executive Director	6950682	14/08/1978	Asstt. Service Engineer - Jyoti Ltd., Vadodara
22	JG Patel	60	B.Sc.	37	Sr. Manager	3753007	01/11/1980	Chem. Plant. Operator Trainee - GNFC Ltd., Bharuch
23	JN Patel (Late)	59	BA, GCC English Typing / Stenography Exam	38	Personal Secretary	3077201	22/11/1982	Stenographer - Indian Post & Telegraph Deptt., Palanpur
24	JP Gharia	60	B.Sc. (Agriculture), MBA (Mktg.)	36	General Manager	6969950	17/08/1982	Market Research Asstt. - Industrial Consulting Bureau Ltd., Mumbai
25	JP Mistry	60	B.Sc.	37	Sr. Operator	3164063	01/08/1980	Jr. Operator Trainee - GNFC Ltd., Bharuch
26	JS Vora	60	BE (Inst. & Control)	39	General Manager	4194423	01/05/1984	Engineer (Instrument) - Engineers India Ltd., New Delhi
27	KA Mecwan	60	ITI (Fitter)	37	Sr. Stores Asstt.	3408216	01/12/1980	Fitter/Operator Trainee - GNFC Ltd., Bharuch
28	KK Patel	60	B.Sc., Diploma in Industrial Safety	37	Sr. Manager	3277496	22/05/1981	Chem. Plant. Operator Trainee - GNFC Ltd., Bharuch
29	KN Jasani	28	BE (Mechanical)	7	Sr. Mech. Engr.	606100	01/07/2009	GET - GNFC Ltd., Bharuch
30	KN Patil	60	Std.IV	38	Sr. M E O	1812709	01/01/1980	Canteen Bearer (on Daily Wage) - GSFC Ltd., Vadodara
31	KR Pandya	60	SSC	30	Depot Asstt. Jr.	1215234	01/07/1993	Depot Mazdoor (Daily Wages) - GNFC Ltd.
32	KS Rajput	45	Std. VII	29	Office Attendant	1079400	01/07/1993	Peon (Daily Wages) - GNFC Ltd., Bharuch
33	KT Patel	60	ITI (Inst. Mech.)	36	Foreman	2786605	20/06/1984	Instrument Technician - Ashok Organic Industries Ltd., Ankleshwar
34	LK Bhagat	60	B.Sc.(Agri.), Diploma in Mktg. & Sales Mgt.	37	Sr. Manager	4138478	14/04/1983	Jr. Mktg. Representative - GSFC Ltd., Vadodara
35	MD Upadhyay (Late)	40	B.Com., IRPM, GCC Typing / Stenography Exam	19	Steno	1389921	14/10/2002	Marketing Co-ordinator - Matrix Telecom Pvt. Ltd., Vadodara
36	MH Patel	60	B.Sc.	39	Sr. Manager	3798160	01/05/1979	Attendant Operator (B.Sc. Chem.) Trainee - GSFC Ltd., Vadodara
37	MK Suthar	60	ITI (Fitter), NCTVT, ATC(M)	38	Manager	3335345	01/11/1978	Trainee - GSFC Ltd., Vadodara
38	MM Mansuri	60	B.Com.	35	Sr. Accounts Officer	2876416	02/10/1982	Registration Clerk (on Daily Wage) - GNFC Ltd., Bharuch

Sr. No. (1)	Name (S/Shri) (2)	Age (Yrs.) (3)	Qualification (4)	Total Exp.(Yrs.) (5)	Designation (6)	Remuneration Received (Rs.) (7)	Date of Joining (8)	Last Employment held (9)
39	MV Gaikwad	60	Std.-X	40	Sr. Operator	1976731	24/11/1982	Heavy Vehicle Operator - Gujarat State Land Development Corporation Ltd., Vadodara
40	NC Modi	60	BE (Mechanical)	36	Chief Manager	4118173	01/07/1987	Industrial Engineer - Action Associates, Ahmedabad
41	NG Patel	60	B.Sc.	37	Sr. Officer	2742350	01/09/1980	Attendant Operator (B.Sc. Chem.) Trainee - GSFC Ltd., Vadodara
42	NL Patel	60	SSC, ITI (Fitter)	26	Technician (M)	1643608	01/01/1992	Asstt. Technician Jr. Trainee - GNFC Ltd., Bharuch
43	NS Acharya	60	M.Sc., Dip in Mktg. & Sales Mgt., NCSE	40	Sr. Manager	4193225	08/10/1979	Plantman - Dhrangadhra Chemical Works. Ltd., Dhrangadhra
44	NV Ratnani	60	BE (Mechanical), Diploma in Materials Management	34	Additional General Manager	4872156	01/04/1984	GET - GNFC Ltd., Bharuch
45	PB Rathod	60	BA, LL.B., IRPM	42	Sr. Manager (HR)	4748554	28/08/1981	Timekeeper - Gujarat State Machine Tools Corp. Ltd.,
46	PG Parihar	27	BE (Electrical)	5	Elect. Engr.	578949	06/01/2013	GET - GNFC Ltd., Bharuch
47	PN Solanki	60	Diploma in Petrochemicals	39	Sr. Manager	3624081	01/06/1983	Plant Operator - Deepak Nitrite Ltd., Vadodara
48	PS Patel	60	Std.-IX	27	Depot Asstt. Jr.	1439787	01/07/1994	Depot Mazdoor (Daily Wages) - GNFC Ltd.
49	SH Patel	60	B.Sc.	37	Sr. Manager	3713986	01/11/1980	Chem. Plant. Operator Trainee - GNFC Ltd., Bharuch
50	SJ Patel	54	DME	33	Manager	4236963	16/02/1984	Jr. Technician (M) Trainee - GNFC Ltd., Bharuch
51	SM Patel (Late)	58	B.Sc.	37	Sr. Manager	3994365	01/11/1980	Chem. Plant. Operator Trainee - GNFC Ltd., Bharuch
52	S Mukherjee	60	B.Com., English Typing / Stenography Exam	37	Sr. Accounts Officer	3239394	26/09/1984	Typist-Clerk - Giri Institute of Development Studies, Lucknow
53	SN Mishra	60	BA, Diploma in IRPM	33	Sr. Adm. Officer-Cum-Secretary	2578137	16/04/1983	Stenographer - U P Rajya Vidyut Utpadan Nigam Ltd., Lucknow
54	SP Tikkiwal	60	B.Sc., English Typing / Stenography Exam	38	Sr. Adm. Officer-Cum-Secretary	3383095	03/05/1985	Personal Assistant - ESI Corporation, Jaipur
55	SW Yadav	60	MA, English Typing / Stenography Exam	37	Sr. Adm. Officer-Cum-Secretary	2315239	02/05/1983	Stenographer - Hindustan Aeronautics Ltd., Lucknow
56	TS Patel	60	ITI (Fitter), NCTVT	37	Sr. Technician (M)	2688791	06/11/1979	ITI (Fiiter) Trainee - GNFC Ltd., Bharuch
57	UB Bakane (Dr.)	60	B.Sc., (Agri.), M.Sc. (Agri.), Ph.D.	37	Sr. Mktg. Manager	3254826	28/07/1983	Technical Sales Representative - Motilal Pesticides (India) Ltd., Ahmedabad
58	VK Nema	60	BE (Chemical), Dip. In EDP & Computer Mgt.	37	General Manager	5551540	24/01/1979	GET - GSFC Ltd., Vadodara
59	VP Patel	60	B.Sc., NCTVT	39	Sr. Operator	4043747	01/08/1980	B.Sc. (Attendant Optr.) Trainee - GSFC Ltd., Vadodara
60	VT Barot (Late)	57	BA	30	Sr. Excise Officer	1657995	15/10/1994	Store Incharge - Gufic Pharma Pvt. Ltd., Bharuch
61	Vimal H Shah	60	BA	39	Sr. Officer	3777772	29/05/1985	Sr. Clerk - Kaira District Co-op. Milk Producers Union, Kaira

NOTES :

1. The total remuneration includes salaries, allowances, special pay, leave salary, ex-gratia payment, leave travel concession, medical aids, gratuity, company contribution to provident fund, where applicable, etc. The perquisites have been evaluated in accordance with the Income Tax Rules.
2. The employees as shown in Statement 'B' are either retired, resigned or expired from the services of the Company.
3. None of the above employees is a relative of any Director of the Company.

Annexure - VI

To,
The Members,
GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED
P.O. NARMADANAGAR, DIST. BHARUCH PIN: 392015

My attached Secretarial Audit report for the year 2015-16 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I 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. My 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 of effectiveness with which the management has conducted the affairs of the company.

CS VIJAY L VYAS
COMPANY SECRETARY IN PRACTICE
FCS NO.: 1602; C.P. No.: 13175

Date : 5th July, 2016
Place : VADODARA

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[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
P.O. NARMADANAGAR
DIST. BHARUCH PIN: 392015

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Gujarat Narmada Valley Fertilizers & Chemicals Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2016, 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.

I 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, 2016 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 ('FEMA') and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(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 ('SAST');

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. ('PIT');

   (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. ('LODR');

   (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - *Not applicable as the Company did not issue any security during the financial year under review;*

   (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ; - *Not applicable as the Company has not granted any Options to its employees during the financial year under review;*

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - *Not applicable as the Company did not issue any debt securities during the financial year under review;*

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 ('R&T'), regarding the Companies Act and dealing with shareholders;- *The Company is registered with Securities and Exchange Board of India as an in-house Share Transfer Agent – Category II;*

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;- *Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review; and*

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998; - *Not applicable as the Company has not bought back any of its securities during the financial year under review.*

(6) Based on the compliance mechanism established by the Company and on the basis of the information provided by the officers of the company and the Compliance Certificate(s) issued by the Company Secretary of the Company and taken on record by the Board of Directors at their meeting(s), I am of the opinion that the management has:-

a) adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines; and

b) complied with the following laws specifically applicable to the Company:-

(i) Environment Protection Act, 1986 and other environmental laws;

(ii) Ammonium Nitrate Rules, 2012;

(iii) Petroleum Act, 1934;

(iv) Explosives Act, 1884 and Explosives Rules, 2002;

(v) Fertilizers (Control) Order, 1985 under the Essential Commodities Act, 1955;

(vi) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008; and

(vii) Legal Metrology Act, 2009 and Rules and Regulations there under.

I have also examined compliance with the applicable clauses of the following:

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

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

I further report that-

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

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

Ø Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

(i) Public / Rights / Preferential issue of shares /debentures / sweat equity.

(ii) Redemption / Buy-back of securities.

(iii) Merger / Amalgamation / Reconstruction etc.

(iv) ForeignTechnical Collaborations.

I further report that during the financial year 2015-16, the Company has passed a Special Resolution pursuant to Sections 5 and 14 of the Companies Act, 2013 for adoption of a new set of Articles of Association at the 39th Annual General Meeting held on 26th September, 2015.

CS VIJAY L VYAS
COMPANY SECRETARY IN PRACTICE
FCS No.: 1602; C P No.: 13175

Place: VADODARA
Date: 5th July, 2016

MANAGEMENT DISCUSSION AND ANALYSIS

1.0 Overview of Company:

Gujarat Narmada Valley Fertilizers and Chemicals Limited ('the Company' or 'GNFC') operates businesses mainly in the Industrial Chemicals, Fertilizers and Information Technology ('IT') Products space. Serving a diverse set of customers, the Company is now an established leader in most of its chosen lines of business.

GNFC today is one of the leaders in fertilizer industry. The company is engaged in manufacturing and selling fertilizers such as Urea and Ammonium Nitro-phosphate under the brand name of "NARMADA". The company has initiated a unique and first of its kind, socio economic project of collection of neem seeds through the rural poor especially women to supplement their income and encourage them for organic farming.

The company has set up core chemical and petrochemical plants such as Methanol, Formic Acid, Nitric Acid, Acetic Acid, Toluene Di - Isocyanate, Aniline, Ammonium Nitrate, Ethyl Acetate, Methyl Formate etc. GNFC is one of the largest producers of formic Acid and Acetic Acid in the country. The company has India's largest single stream plant of Aniline. The company is only manufacturer of Toluene Di-Isocyanate in South East Asia and Indian Sub Continent. The company's chemicals enjoy high brand value in niche market.

The company provides several cutting-edge IT services and solutions covering System integration, Digital Signatures Certificate (DCS), E-procurement, E-Governance projects, Data centres, Cloud storage and CCTV surveillance systems etc. under Brand name of (n)code solutions. It remains the market leader in Digital Certificate business maintaining healthy market share despite tough competition. The company continues to be preferred partner for cloud based Electronic Procurement services and other E-governance projects like Mukhya Mantri Ammrutam Yojna, Integrated Leasing and Mining Solutions (ILMS) awarded on nomination bases.

2.0 INDUSTRY STRUCTURE AND DEVELOPMENT:

2.1 Industry Structure:

Due to importance of fertilizer for sustained agricultural growth and in attaining self sufficiency in foodgrain for the country, Fertilizer industry is one of the priority and regulated sector. Fertilizer Industry is characterized by high dependence on Government policies with respect to subsidy and control. Historically, fertilizer sector has not been able to attract new investment due to regulated return on Investment through subsidy and price control. Further, the industry's other woes are mounting subsidy Bills and lack of clarity in policies particularly with respect to allocation of feedstock.

The Chemical industry is one of the most diversified and growing industrial sector of the country covering thousands of commercial products. Imports of various chemicals are on a rise, as increased/enhanced capacities are not able to cope up with the increasing demand. This Industry occupies a pivotal position in meeting basic needs and improving quality of life. The Indian chemical sector accounts for 9-10% of total exports and 8-9 % of total imports of India. Currently, per capita consumption of products of the Indian chemical industry is one-tenth of the world average, which reflects the huge potential for growth.

Information Technology (IT) industry is characterized by constant innovation in product and service offerings required to meet rapidly changing customer needs coupled with challenges in talent acquisition and retention.

2.2 Recent Developments :

1. Government has directed Fertilizers companies to open Model Fertilizers Retail Shops all over the country as per announcement in the budget Session 2016-17. Model Fertilizers Retail Shops should facilitate in testing of soil samples to be provided by the farmers at their respective centers.
2. Government has made it mandatory for all chemical fertilizers suppliers to promote and market City Compost alongwith chemical fertilizers. For this purpose, Government has announced a Market Development Assistance of Rs. 1500/- PMT on sale of City Compost to fertilizers suppliers.

3.0 OVERVIEW OF PERFORMANCE:

3.1 Production/ Operational Performance:

Chemicals & Fertilizers:

- The company was able to do reasonably well in the depressed market conditions, through its operational excellence, higher efficiency and well executed strategies around input sourcing and marketing. The operation strategy of the company was driven by continuous adjustment of manufacturing/ trading pattern based on relative economics.
- Continuing its emphasis on product innovation, the company has added Water Soluble Fertilizer and Technical Grade urea in its product portfolio during the year.
- The ability to operate at high utilisation levels and switch product slate to suit market conditions enabled the company to capture margin optimisation opportunities in the market. The ability to operate at high utilisation levels is core strength of the company. Most plants of the Company were operated at over 100% capacity utilization:

Plant	Production (MT)	Capacity Utilization (%)
Ammonia	6,36,766	142.93
Urea (including Technical Grade)	7,66,718	120.38
Ammonium Nitro phosphate (ANP)	2,09,180	146.79
Acetic Acid	1,57,905	157.91
Formic Acid	21,530	215.30
Aniline	39,401	112.57
Toluene Di-Isocyanate (TDI-I)	19,166	136.90
Toluene Di-Isocyanate (TDI-II)	26,514	53.03
Ethyl Acetate	50,638	101.28
Weak Nitric Acid (WNA) - I	2,96,244	119.70
Weak Nitric Acid (WNA) - II	1,24,616	124.62
Concentrated Nitric Acid (CNA) - I/II/III	1,21,621	104.85

- During the year, the company has been appointed as Fertilizer Marketing Entity (FME) for three years from October, 2015 for handling and distribution of Urea imported by the Government of India.
- 50,000 MTPA TDI plant at Dahej, which is in operation since March 2014, was facing operational stabilization problems due to complex technology. By proper synchronization of all related upstream sections, the production of TDI was 26,514 MT. The plant is currently running at 100% capacity.
- During the year, the company has achieved highest ever production of Ammonia, Urea, ANP, CNA, Formic acid and TDI.
- Due to lower sales realization and non availability of Natural Gas at economical rate, production capacities of Methanol were operated only when market conditions were favourable.
- The company constantly focuses on technology, product innovation, cost improvements and safe practices. During the year, various modifications & energy saving schemes were implemented resulting into considerable monetary and energy savings. Further, various initiatives in operation and maintenance of plants like use of alternate materials, diversion of excess gases / steam to other potential uses, changes in catalyst design, changes in fuel or raw material mix, change in timings of shutdown, have resulted into recurring benefits with added advantage of flexibility in operations and reduced dependencies.
- During the year, the company's office located at GIFT City, Gandhinagar has been awarded the prestigious "PLATINUM" rating by IGBC (Indian Green Building Council) for its designing, Interior decoration, Fire and Safety system, Waste management, etc. GNFC is the first company of Gujarat and second at national level to get such PLATINUM rating.

IT Operations:

- The company has maintained its leadership position in DSCs Business with Digital Signature based solutions for secured transactions and Aadhar based biometric authentication.
- During the year, the Company has made remarkable achievements in the domain of "system integration" by receiving two major orders from two different States of India despite facing competition from established players.
- The company has maintained its turnkey projects business in area of Data Centre, CCTV surveillance systems Business, E-governance projects amid tough competition.
- The company's IT division, n(code) Solutions, has been certified for CMMI level 5 for Capability Maturity Model Integration for Services (CMMI-SVS) by CMMI Institute - USA.

3.2 Financial Performance:

The Financial Highlights for year 2015-16 is as under:

(Rs. in Crores)

Particulars	2015-16	2014-15
Net Sales Turnover	**4,548.30**	4,641.52
Total Income	**4,661.53**	4,693.27
Earnings before Interest, Depreciation, Exceptional items and Tax	**661.39**	361.20
Exceptional item	**0.00**	(330.00)
Profit before Tax (PBT)	**226.36**	(452.07)
Profit After Tax (PAT)	**226.36**	(452.07)
Book Value per Share (Rs.)	**171.74**	159.58
Earnings per Share (EPS) (Rs.)	**14.56**	(29.09)
Return on Capital employed (ROCE) (%)	**11.28**	(4.12)
Return on Equity (ROE) (%)	**8.48**	(18.23)

- From other than TDI Dahej operations of the company, there was a profit of Rs. 578 Crore.
- During the year, (n) Code, the IT division of the company has made highest ever profit of Rs. 37 Crore and highest ever turnover of Rs. 146 Crore.

3.3 Marketing Performance:

The company has done reasonably well in the depressed market conditions through its marketing excellence. The marketing strategy was driven by continuous adjustment of manufacturing and trading pattern based on relative economics. Depending upon market dynamics, the company has explored trading opportunities in both chemicals and fertilizers business to meet the growing needs of its valued customers. The major marketing initiatives during the year include:

➢ In fertilizer business, the company has done a very good business even though there was a bad monsoon. Further, the company has ensured sales of quality fertilizers at fair prices in addition to extension activities including soil testing facilities. During the year, the company has extracted 800 MT Neem Oil and 6000 MT Neem Cake from the neem seeds collected.

➢ In chemical business more thrust has been given on export. Export turnover has increased to Rs. 212.52 Crore in FY 2015-16 from Rs. 81.44 Crore in FY 2014-15.The Company is one of the leading suppliers of TDI in markets of Middle East & Africa. Company's products have been exported to 45 countries. Further, the Company has increased its share in the Indian market from 36% to 54%.

➢ In IT Business, the Company has identified untapped markets which mainly includes Education, e- sign solutions, Data Analytics, Smart city consultancy, GIS based solution for various government agencies, Intelligent Transport Management System and Mining and has prepared action plan to foray into them.

4.0 OUTLOOK:

In the short run, growth will receive a boost from lower oil prices and likely monetary policy easing. Further, the policy reforms of the new Government, on reviving investment and business, are creating historic opportunity for economic growth of the country.

Fertilizers:

Government's intent of incentivizing fertilizer sector is evident from major initiatives taken in the fertilizer policy by the Government in 2014-15. Further, strong brand image and an excellent marketing network of Fertilizer products will help our company in maintaining its Fertilizer business. A good monsoon has been forecasted for the year. Accordingly, outlook for company's fertilizer business is positive.

Chemicals:

The current low per capita consumption in India and strong growth outlook for the key end usage are the key growth drivers for this industry. Key concern areas in Chemical business of the company are operation of 50,000 MTPA TDI plant at Dahej and tough competition in the sector. Based on growth history of the sector, outlook for company's chemical business is positive.

Information Technology (IT):

Recognizing the need for greater penetration of IT services domestically, Digital India has been envisioned by Government as an ambitious umbrella programme to prepare India for knowledge-based transformation. An increasing acceptance that digital technologies will impact business models, processes, new products and services offerings, access to new markets, new customer base etc. has resulted into increased spending on technology. This offers huge growth opportunities for company's IT Business. Accordingly, outlook for company's IT business is positive.

5.0 OPPORTUNITIES AND STRENGTHS:

1. Brand image of company's fertilizers continues to be in the premium segment. This will further help in consolidating markets in the Primary Marketing Zone in the decontrol scenario.
2. Huge gap of demand and supply of various chemicals and Fertilizers offers a business opportunity of trading by the company.
3. Increased capacity in Chemical segment particularly TDI and Ethyl Acetate offer a good opportunity for export.
4. The company is planning to market TDI-MDI blend. This will open a new avenue for business. Production of TM80 [TDI/MDI blend] on regular basis is envisaged for supply in automobile, insulation sectors.
5. The ability to operate at high utilisation levels by innovative modifications, production enhancement scheme as well as effective upkeep and maintenance offer benefits of higher business volumes.
6. Oil and other petroleum products are significant inputs in productions of fertilizer & chemicals and lower prices may improve profit margins.
7. The company has also entered into long-term/ annual contracts for supplies of most of the critical raw materials like oil, Natural Gas, Rock phosphate, Benzene, Coal, Toluene, packing material etc. to ensure continuous production.
8. Increased emphasis on E-governance and Internal Security by Government offer a lot of business opportunities for the company in E-governance, Data Centre and CCTV surveillance system projects.
9. Strategic alliance with new partner for managing IT Business offers benefit of innovation and new ideas.
10. Following its policy of growth based diversification; the company has developed a diversified basket of products that helps the company to sail through cyclical changes in business.

6.0 THREATS, RISKS & CONCERNS:

1. Fertilizer being highly controlled and subsidized sector, company's fertilizer business is largely dependent on Government's policies with respect to subsidies, availability and pricing of feedstock, marketing of fertilizers, etc. Changes in such policies may impact fertilizer business.
2. Poor monsoon or high import of fertilizers could trigger a price war bringing prices and profitability of fertilizers under pressure.
3. Chemical business is largely dependent upon domestic market which is highly competitive.
4. The prices of TDI were the lowest in the decade due to increased new capacities worldwide. However, it is achieving normalcy in the year 2016-17.
5. Frequent interruptions in operation of 50,000 MTPA TDI plant at Dahej on account of complex technology resulting into higher costs of production is the key anxiety.
6. Availability and pricing of key raw materials like Natural Gas, Rock Phosphate and other petroleum based products is limiting factor and have potential to impact profitability and operations.
7. Key raw materials are purchased at import parity prices. Further, Company is largely dependent on foreign vendors for critical machineries, spares and technical services. Therefore, currency fluctuations may impact operations or results of the company.

8. Certain long term contracts entered into by the company contain clauses, which if triggered, have potential of resulting into adverse financial implications to the company.
9. The company has certain litigations, representations and applications etc. pending before Courts, Tribunals, Government Departments and Agencies, Regulators etc. which, if adversely decided, could impact business and operating results.
10. Company's IT Business to a certain extent depend upon ability to compete for firm priced and/or cost plus contracts with tight execution deadlines.
11. Recruitment and retention of talented human resource particularly at senior level is a matter of concern.
12. Changes in the policies of Government, Regulations and Laws which have potential of impacting business in India generally, could also impact business of the company.

7.0 NEW PROJECTS:

1. The company has adopted a very unique multifaceted and people-centric approach in Neem Project. The company has embarked upon the Neem Project as a backward integration project to manufacture its own requirement of Neem oil, selling excess Neem oil and also to make organic Neem cake fertilizer, with the main objective of women empowerment and uplifting of poor rural masses by providing additional income.
2. The company has entered into a Joint venture Agreement with M/s. Ecophos SA, Belgium for setting up Di-Calcium Phosphate project, based on Hydrochloric Acid generated as by-product from 50,000 MTPA TDI plant at Dahej. This would enhance the profitability of TDI , Dahej plant.
3. GNFC is planning to set up a Joint Venture company with M/s Santosh Agrochem LLP to purify its by product – Lime, to make it more marketable. This will resolve the environmental issues and at the same time add value to the product.
4. The company is exploring opportunities of projects in countries where there is availability of raw materials like Natural Gas, rock phosphate and other petroleum products at economic prices.
5. To fulfil renewable purchase obligation (RPO) as per Gujarat Electricity Regulatory Commission (GERC) notification dated 01.07.2015, company is planning to set up 5 MW Solar power generation facilities at Bharuch and Dahej Complex.

8.0 HUMAN RESOURCE MANAGEMENT:

One of the strengths of your Company lies in its skilled and professional manpower. This could be achieved by adopting good HR policies and undertaking training and development of all employees. The Company makes continuous and concerted efforts to groom its human resources to meet with the present and future challenges in the field of Technology and Management functions in the rapidly changing Industrial scenario. Remaining conscious & focused about the importance of safety, environment and health aspects, the company conducted in-house training programmes on safety awareness, environmental aspects, health awareness, etc. during the year. The company's proactive actions have resulted into good, harmonious, cordial and healthy industrial relations throughout the year which has helped in sustaining production levels and economical operations. The total strength of human asset of the company as on 31st March, 2016 was 3048.

9.0 INTERNAL CONTROLS SYSTEM, INTERNAL AUDIT AND ITS ADEQUACY:

The company has adequate internal controls for its operational processes across the business segments to ensure efficient operations, compliance with internal policies, applicable laws and regulations, protection of resources and assets and accurate reporting of financial transactions.

The Company has internal audit system which is conducted by a reputed firm of Chartered Accountants so as to cover various operations on continuous basis. The internal audit plans and reports are reviewed by the Management and Audit committee and necessary actions plans are decided, wherever needed.

The company has exhaustive operational as well as procurement budget system in place. Throughout the year, actual expenses are monitored against budgeted. Variances are analysed and timely corrective actions are taken, when needed.

The company has sound Management Information system in place to ensure availability of qualitative and quantitative information on operations of the company. This helps to keep operations on its targets.

10.0 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 events.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS

Composition of the Board

Your Company is managed by a professional Board comprising Nine (9) Directors, of which eight (8) Directors are the Non-executive Directors, constituting more than half of the total strength of the Board. Managing Director is the only Executive Director on the Board of Company. Composition of the Board is in confirmity with Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Composition and category of Directors on the Board of the Company.

Sr. No.	Name of Director	DIN	Category
1	Shri G R Aloria,IAS Chairman	02913711	Promoter, Non-Executive, Non-Independent
2	Dr. JN Singh, IAS	00955107	Non-Executive, Non Independent
3	Smt. Mamta Verma, IAS	01854315	Non-Executive, Non-Independent
4	Prof. Arvind Sahay	03218334	Non-Executive, Independent
5	Shri C S Mani	00031968	Non-Executive, Independent
6	Shri Sunil Parekh	06992456	Non-Executive, Independent
7	Shri Piruz Khambatta	00502565	Non-Executive, Independent
8	Shri V D Nanavaty	07431075	Non-Executive, Non-Independent
9	Dr. Rajiv Kumar Gupta, IAS, Managing Director	03575316	Promoter, Executive, Non-Independent

Changes occurred in the Board of Directors since 1st April, 2015.

Sr. No.	Name of Director	Particulars
1.	Shri DJ Pandian, IAS (Retd.)	Nominated as Govt. Nominee Director w.e.f 8.04.2015 and appointed as Chairman effective from the said date.Tendered resignation as Director and Chairman effective 5.06.2015
2.	Shri G C Murmu, IAS	Tendered resignation as Director w.e.f 1.05.2015
3.	Shri G R Aloria, IAS	Nominated as Govt. Nominee Director w.e.f 28.07.2015 and appointed as chairman effective from the said date.
4.	Dr. Manjula Subramaniam, IAS (Retd.)	Tendered resignation w.e.f. 3.08.2015
5.	Shri Piruz Khambhatta	Appointed Independent Director at the last AGM held on 26.09.2015
6.	Shri Sunil Parekh	Appointed as an Independent Director at the last AGM held on 26.09.2015
7.	Shri H V Patel, IAS (Retd.)	Appointed Independent Director at the last AGM held on 26.09.2015.Tendered resignation as Director w.e.f 14.04.2016
8.	Smt. Mamta Verma, IAS	Appointed Additional Director w.e.f. 5.10.2015
9.	Dr.S K Nanda, IAS (Retd.)	Ceased to be a Director w.e.f. 30.01.2016
10.	Shri V D Nanavaty	Appointed Additional Director w.e.f. 5.04.2016

Number of Board Meetings.

During 2015-16, Six meetings of the Board of Directors were held with a time-gap of not more than 120 days between any two meetings. The dates on which the said meetings were held are : 21.05.2015, 28.05.2015, 11.08.2015, 26.09.2015, 03.11.2015 and 27.01.2016. Requisite quorum was present for all the meetings.

Directors' Attendance Record.

Attendance of Directors at the Board Meetings during 2015-16 and at the last Annual General Meeting held on 26th September, 2015.

Sr. No.	Name of Director	No. of Board Meetings held during the tenure of Directorship	No. of Board Meetings Attended	Attendance at last AGM
1	Shri G R Aloria,IAS[1]	4	4	Attended
2	Dr. Rajiv Kumar Gupta,IAS	6	6	Attended
3	Dr. J N Singh,IAS	6	4	Not Attended
4	Smt. Mamta Verma,IAS[2]	2	0	–
5	Prof. Arvind Sahay	6	3	Not Attended
6	Shri C S Mani	6	5	Attended
7	Shri Sunil Parekh	6	4	Not Attended
8	Shri Piruz Khambhatta	6	4	Not Attended
9	Shri H V Patel, IAS (Retd.)[3&4]	6	6	Attended
10	Shri G C Murmu, IAS[5]	0	0	–
11	Shri D J Pandian, IAS (Retd.)[6]	2	2	–
12	Dr. Manjula Subramaniam, IAS (Retd.)[7]	2	2	–
13	Dr. S K Nanda, IAS (Retd.)[8]	6	0	Not Attended

1. Appointed as Chairman w.e.f 28.07.2015
2. Appointed as Director w.e.f 05.10.2015
3. Appointed as Director w.e.f 08.04.2015
4. Ceased to be a Director w.e.f 14.04.2016
5. Ceased to be a Director w.e.f. 01.05.2015
6. Ceased to be a Director w.e.f. 5.06.2015
7. Ceased to be a Director w.e.f. 3.08.2015
8. Ceased to be a Director w.e.f. 30.01.2016

Other Directorship / Committee position of Directors

Number of Directorship and Committee position held by the Directors as on 31st March, 2016.

Name of Director	No. of other Directorships*	No. of Committee position held in other Companies**	
		As Chairman	As Member
Shri G R Aloria, IAS	6	None	None
Dr. J N Singh, IAS	10	2	6
Prof. Arvind Sahay	1	None	1
Shri C S Mani	2	None	2
Smt. Mamta Verma, IAS	8	None	1
Shri Sunil Parekh	1	None	None
Shri Piruz Khambhatta	–	None	None
Dr. Rajiv Kumar Gupta, IAS	8	None	None
Shri H V Patel, IAS (Retd.)***	2	None	None

In accordance with Regulation 26(1) of Listing Regulations:

* Other Directorship include directorship of all public companies whether listed or not and do not include directorship of all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013; and

** Chairmanship/ Membership of only Audit Committee and Stakeholders Relationship Committee.

*** Ceased to be Director w.e.f 14.04.2016

Notes:

(i) None of the Directors on the Board is related to any other Director.

(ii) None of the Directors has any material pecuniary relationship or transaction with the Company.

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

Information supplied to the Board

Requisite information as specified in Part - A of Schedule II of Regulation 17 of the Listing Regulations are made available to the Board of Directors, whenever applicable, for discussions and consideration at the Board Meeting. Agenda Papers are circulated to Directors in advance so as to have the focussed and meaningful discussion thereon. At every Board Meeting, a presentation is made on the matters covering finance, marketing, operations and any other material/ significant developments. Some urgent matters are approved by passing a Circular Resolution and the same is put-up to the Board / Committee in the next meeting for taking note thereof. Action Taken Report in respect of the decisions taken at the Board / Committee Meetings are placed at their succeeding Meetings for noting.

As required under the Companies Act, 2013 and Listing Regulations, the Board has constituted mandatory committees viz. Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibilty Committee and Stakeholders Relationship Committee. In addition to this, the Board has also constituted Project Committee and Human Resource Development Committee. These Committees have been delegated powers and duties by the Board for specific purposes. Meetings of the Committees are held, 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 laws applicable to the Company as also the steps taken to rectify non-compliances, if any.

Membership of the Committees of the Board

None of the Directors holds membership in more than 10 Committees or act as Chairman of more than 5 Committees across all Companies in which he/she is a Director. Necessary disclosures regarding Committee positions held in other public limited companies as on 31st March, 2016 have been made by the Directors.

Disclosure regarding appointment/ reappointment of Director(s)

Information as required under Regulation 36(3) of the Listing Regulations is annexed to the Notice of the Annual General Meeting.

Code of Conduct

The Board has laid down a Code of Conduct for all Board Members *inter alia* incorporating the duties of Independent Directors as laid down in the Companies Act, 2013. The Board has also laid down the Code of Conduct for Senior Management Personnel of the Company. Code of Conduct sets ethical standards for the Directors and Senior Management Personnel of the Company. Both the Codes are available on Company's website. All Board Members and Senior Management Personnel have affirmed their compliance with the Code of Conduct. A declaration to this effect signed by the Managing Director of the Company for FY 2015-16 is annexed to this Report.

AUDIT COMMITTEE

Constitution & Composition

Audit Committee seeks to ensure better Corporate Governance and provides assistance to the Board of Directors in fulfilling the Board's overall responsibilities. Audit Committee is constituted in accordance with Regulation 18 of the Listing Regulations read with Section 177 of the Companies Act, 2013.

Audit Committee presently comprises Four (4) Directors viz. Shri C S Mani, Dr. JN Singh, IAS, Shri Piruz Khambatta and Shri Sunil Parekh. Shri C S Mani is the Chairman of the Committee, who is an Independent Director. Dr. Rajiv Kumar Gupta, IAS, Managing Director, who is an Executive Director is a permanent invitee to the Audit Committee. All the members of the Committee possess good knowledge of finance and accounts. The Company Secretary acts as Secretary to the Audit Committee.

Terms of Reference

The terms of reference of the Audit committee is as per the Listing Regulations read with Section 177 of the Companies Act. The terms of reference *interalia* include:

(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 the adequacy of Internal Control Systems and procedures;

(iv) Evaluation of internal financial controls and Risk Management Systems; and

(v) Review of reports furnished by the Internal Auditors.

Number of Meetings

During 2015-16, four Meetings of the Audit Committee were held with a time-gap of not more than 120 days between any two meetings. The dates on which the said meetings were held are : 21.05.2015, 11.08.2015, 3.11.2015 and 27.01.2016. Requisite quorum was present for all the meetings.

Attendance at the Meetings

Statutory Auditors, Internal Auditors and Senior Management Personnel also attend the meetings by invitation. Cost Auditor attend 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.

Attendance of each Member at the Audit Committee Meetings held during 2015-16.

Name of Member	No. of Meetings held during the tenure of Membership	No. of Meetings Attended
Shri CS Mani	4	3
Dr. JN Singh, IAS[1]	3	1
Shri Sunil Parekh	4	3
Shri Piruz Khambhatta	4	3
Shri GC Murmu, IAS[2]	—	—
Dr. Rajiv Kumar Gupta, IAS[3]	4	4

1. Inducted as Member w.e.f. 21.05.2015.
2. Ceased to be a Member w.e.f. 01.05.2015.
3. Attended meetings as permanent invitee.

Shri CS Mani, Chairman of the Audit Committee was present at the last AGM to answer Shareholders' queries.

NOMINATION AND REMUNERATION COMMITTEE

Constitution & Composition

The Board has constituted the "Nomination and Remuneration Committee" in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations. The Nomination and Remuneration Committee presently comprises Three (3) Directors viz. Shri Piruz Khambatta, Prof. Arvind Sahay and Shri CS Mani. All Members of the Committee are Non-Executive and Independent Directors. Shri Piruz Khambatta is the Chairman of the Committee. One of the members of the Committee was present at the last AGM to answer shareholders' query.

Terms of Reference

The terms of refrence of the Committee, inter-alia, include - (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 their appointment and removal; and (ii) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remmuneration of the directors, key managerial personnel and other employees.

Number of Meetings and Attendance

During 2015-16, the Committee transacted the business by passing four Circular Resolutions on 1.04.2015, 8.08.2015, 01.10.2015 and 30.03.2016.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Constitution & Composition

The Board has constituted the "Corporate Social Responsibility Committee" in compliance with Section 135 and Schedule VII of the Companies Act, 2013. The Corporate Social Responsibility Committee presently comprises three (3) Directors. Prof. Arvind Sahay and Shri Sunil Parekh are Non-Executive and Indepedent Directors and Dr. Rajiv Kumar Gupta, IAS, is Executive and Non-Independent Director. Prof. Arvind Sahay is the Chairman of the Committee.

Terms of Reference

The terms of reference of the Committee, *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 of the Act; (ii) Developing the process of monitoring the 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.

Number of Meetings and Attendance

During the year 2015-16, One meeting of the Committee was held on 23.11.2015. The meeting was attended by all the Members of the Committee.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Constitution & Composition

The Stakeholders Relationship Committee was constitued in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. This Committee presently comprises two Directors viz. Shri CS Mani and Dr. Rajiv Kumar Gupta, IAS. Shri CS Mani is a Non-Executive and Independent Director and is the Chairman of the Committee. Dr. Rajiv Kumar Gupta is Executive and Non-Independent Director.

Terms of Reference

The Committee amongst others specifically looks into the issues relating to shareholders such as registration of transfer of shares, issue of share certificates, redressal of shareholders' complaints relating to transfer of shares, non-receipt of Annual Reports / Dividend, etc. This Committee has been delegated authority by the Board to approve transfer / transmission of shares, issue of share certificates etc. With a view to expediting the process of share transfers, the Board has in addition to the Stakeholders Relationship Committee, delegated the power to Company Secretary to approve transfer / transmission of shares.

Number of Meetings and Attendance

During the year 2015-16, Seven meetings of the Committee were held. Dates on which the said meetings were held are - 15.05.2015, 02.07.2015, 08.09.2015, 26.10.2015, 19.12.2015, 27.01.2016 and 25.02.2016. Requisite quorum was present for all the meetings.

Details of meetings attended by the Members during the year 2015-16.

Name of Member	Category of Director	No. of meetings held during the tenure of membership	No. of meetings attended
Shri C S Mani	NED & ID	7	6
Dr. Rajiv Kumar Gupta, IAS	ED & NID	7	7
Shri H V Patel, IAS (Retd.)*	NED & ID	6	6

* Ceased to be Member w.e.f. 14.4.16
NED = Non-Executive Director ED = Executive Director
ID = Independent Director NID = Non-Independent Director

COMPLIANCE OFFICER

Shri RB Panchal, Company Secretary & Executive Director is the Compliance Officer of the Company for complying with the requirements of Listing Regulations as also of SEBI (Prohibition of Insider Trading) Regulations, 2015.

INVESTORS' GRIEVANCE REDRESSAL

Total number of complaints received and replied to the shareholders during the year under review were 563. As on 31st March, 2016, no complaint was pending redressal, no share transfer was pending for registration and no request for dematerialization of shares was pending for confirmation.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and Members of Management was held on 30.3.2016 as required under Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations.

FAMILARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

A system is in place to familiarize the Independent Directors about the company by way of providing a Director's pact covering the details about the company, their role, rights & responsibility and liabilities, the nature of industry in which the company operates, business model of the company, etc. While considering the quarterly and Annual Financial Results of the Company, a presentation is made to the Board inter alia covering operational and financial performance of the company.

The familiarization programme for Independent Directors is disclosed on Company's website and can be accessed at – *http://www.gnfc.in/PDFandWORD/Familarisation-of-IDs.pdf*

REMUNERATION OF DIRECTORS/KEY MANAGERIAL PERSONNEL / SR. MANAGEMENT PERSONNEL AND PERFORMANCE EVALUATION OF DIRECTORS

Based on the recommendation of Nomination & Remunaration Committee, the Board has approved the "Nomination, Remunation & Evaluation" Policy of the Company. The said policy, *interalia,* 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 various grades for the purpose of remuneration to its employees including Senior Executives. The Key Managerial Personnel and Senior Management Executives draw the remuneration of their respective grade and as per the terms of their appointment.

Details of remuneration paid to the Directors

Managing Director

Dr. Rajiv Kumar Gupta, IAS, Principal Secretary to Government of Gujarat (GoG), Labour & Employment Department, GoG, is holding additional charge of the post of Managing Director of the Company w.e.f. 02.05.2013. No remuneration was paid to Dr. Gupta for holding the additional charge of Managing Director for FY 2015-16.

Non-Executive Directors

Remuneration of Non-Executive Directors is decided by the Board. Non-Executive Directors are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and Committees thereof. They are paid sitting fees @ Rs.10,000/- per meeting attended by them.

Details of Sitting Fees paid to the Non-Executive Directors during 2015-16

(Amount in Rs.)

Sr. No.	Name of Director	Sitting Fees paid
1.	Shri GR Aloria, IAS	40,000/-*
2.	Dr. JN Singh, IAS	50,000/-*
3.	Shri CS Mani	1,50,000/-
4.	Prof. Arvind Sahay	50,000/-
5.	Shri Sunil Parekh	1,20,000/-
6.	Shri DJ Pandian, IAS (Retd.)[1]	20,000/-*
7.	Shri HV Patel, IAS (Retd.)[2]	1,50,000/-

* Amount Deposited in Government Treasury

1 Ceased to be Director & Chairman w.e.f. 05.06.2015

2 Ceased to be Director w.e.f 14.04.2016

Details of equity shares held in the Company by Non-Executive Directors as on 31st March, 2016

None of the Non-Executive Directors was holding equity shares of the Company as on 31st March, 2016. The Company has not issued any convertible instruments. Besides, the Company has also not granted any stock option to its Directors.

General Body Meetings

(a) Annual General Meeting

Details as to the date, time and venue of last three Annual General Meetings of the Company held as also the Special Resolutions passed thereat are as under:

Year & Date of AGM	Time	Venue	Special Resolution passed
2014-15 26.09.2015	3:00 PM	Regd. Office of the Company at Open Air Theatre, Sports Complex, Narmadanagar Township, P.O. Narmadanagar - 392 015, Dist. Bharuch.	Adoption of new set of Articles of Association of the Company in confirmity with the Companies Act, 2013.
2013-14 26.09.2014	2:30 PM	Same as above	(i) Increase in the Borrowing Limits of the Company (ii) Authorization for creation of mortgage(s)/ hypothecation / charge(s)
2012-13 21.09.2013	4:00 PM	Same as above	Reappointment of Statutory Auditors

All resolutions moved at the last Annual General Meeting were passed with requisite majority.

(b) Extra-ordinary General Meeting

No Extra-ordinary General Meeting of the Members was held during the year 2015-16.

Postal Ballot

No postal ballot was conducted during the year 2015-16. No resolution is proposed to be passed through postal ballot at the forthcoming Annual General Meeting.

DISCLOSURES

Related Party Transactions

The Company has formulated a policy on Related Party Transactions which is available on the Company's website and can be accessed at link - *http://www.gnfc.in/PDFandWORD/Related-Party-Transactions-Policy.pdf*

During the year 2015-16, the Company has entered into with related party transactions, which were in the ordinary course of business as set out in the Notes on Financial Statements and are not likely to have conflict with the interest of the Company at large. During the year, no material transactions were entered into with related parties. The Audit Committee, has, after obtaining approval of Board of Directors, laid down the criteria for granting omnibus approval which forms part of the policy for Related Party Transactions. In terms of Omnibus approval granted by the Audit Committee, all related party transactions, which are routine and repetitive in nature and are in the ordinary course of business are periodically placed before the Audit Committee for review and approval.

Accounting treatment

The Company has followed with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

Details of Non-compliance

The Company has complied with the requirements of Regulatory Authorities. No penalty / stricture was imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter relating to the capital market during last three 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 Audit Committee / Board.

Reconciliation of Share Capital Audit

In compliance with SEBI (Depositories & Participants) Regulations, 1996, reconciliation of Share Capital Audit was carried out by a qualified Practicing Company Secretary on a Quarterly basis for the purpose of reconciliation of share capital held in dematerialized form with NSDL & CDSL and those held in physical form with the total issued and listed capital of the Company. The Audit Report issued by the Practicing Company Secretary confirms that the total issued / listed capital is in agreement with the total number of shares held in physical form and in dematerialized form with NSDL & CDSL. Audit Report of reconciliation of share capital for each quarter is submitted to BSE & NSE, where the company's equity shares are listed and is also placed before the Board.

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) Regulations, 2015. With a view to regulate trading in securities by the designated persons of the Company, the Code lays down the guidelines, which advises the designated persons mentioned in the code, on the procedures to be followed and disclosures to be made by them, while dealing with the shares of the Company and cautioning them of the consequences of violations.

The Company has adopted the Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information, as required under the said Regulations.

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 concerns about the unethical behaviour, actual or suspected fraud, etc. The Policy 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 - *http://www.gnfc.in/PDFandWORD/Vigill-Mechanism-Cum-Whistle%20Blower Policy_21102014.pdf*

CEO / CFO Certification

The Managing Director (CEO) and the General Manager & Chief Financial Officer (CFO) have given Annual Certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. CEO and CFO have also given quarterly certification on financial results while placing the financial results before the Board in terms of Regulations 33(2) of the Listing Regulations.

Subsidiary Companies

The Company does not have a subsidiary company.

Disclosure on Commodity price risk or foreign exchange risk and hedging activities during the financial year.

During the year 2015-16, the Company managed the foreign exchange risk 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.

Disclosure on compliance with Corporate Governance Requirements specified in Listing Regulations

The Company has complied with the requirements of Part C (Corporate Governance report) of sub-paras (2) to (10) of Schedule V of the Listing Regulations.

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance report.

Management Discussion & Analysis

Management Discussion & Analysis Report forms part of the Annual Report and include discussions on various matters specified under Regulation 34(3) and Schedule-V of the Listing Regulations.

Means of Communication

The Company has its own fuctional website viz., www.gnfc.in which provides information about the Company. A section on "Shareholders" contained therein gives useful information and allows the investors to access information at their convenience.

The Quarterly, Half-yearly and Annual Financial Results are regularly submitted to the Stock Exchanges, published in prominent English and Gujarati daily news-papers and are displayed on the Company's Website. The quarterly Shareholding Pattern, Corporate Governance Report, Annual Reports, official press releases and significant development, if any about the Company and other information as required to be disclosed under Regulation 30(8) and Regulation 46 of Listing Regulations are also displayed on the Company's Website.

All disclosures like Shareholding Pattern, Corporate Governance Report, Financial Results, etc., are filed to BSE and NSE electronically on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.

COMPLIANCE

Mandatory Requirement

The Company is fully compliant with the applicable mandatory requirements of the Listing Regulations.

Adoption of Discretionary requirements

- Financial Statements of the Company are free from any qualification by the Auditors.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Day : Friday

Date : 30th September, 2016

Time : 11.30 AM

Venue : At the Registered Office of the Company at - Open Air Theatre, Sports Complex, Narmadanagar Township, P.O. Narmadanagar-392 015, Dist. Bharuch, Gujarat.

Financial Year : 1st April to 31st March.

Financial Calendar : (Tentative)

Results for the Quarter ending on	will be announced by
- 30th June, 2016	14th August, 2016
- 30th September, 2016	14th November, 2016
- 31st December, 2016	14th February, 2017
- 31st March, 2017	30th May, 2017

Book Closure

Closure of Register of Members and Share Transfer Books : Saturday, the 27th August, 2016 to Wednesday, the 31st August, 2016. (both days inclusive)

Dividend Payment Date : Dividend of Rs.2.00 per equity share will be paid on or after 7th October, 2016, subject to the approval by the Shareholders at the Annual General Meeting.

Corporate Identity No. (CIN) : L24110GJ1976PLC002903

Listing :

Equity shares of the Company are presently listed with the following two Stock Exchanges:

1) National Stock Exchange of India Limited (NSE), Mumbai
2) BSE Limited, Mumbai.

GDRs issued by the Company in the International Market are listed on Luxembourg Stock Exchange.

Listing Fees to Stock Exchanges

The Company has already made payment of Annual Listing Fees for the year 2016-17 to NSE and BSE.

Custodial Fees to Depositories

The Company has paid custodial fees for the year 2016-17 to National Securities Depository Ltd., and Central Depository Services (India) Ltd.

OTHER DETAILS

Details of Security

ISIN for the Company's equity shares is : **INE113A01013**. The Scrip Code of the Company's equity shares at the BSE Ltd., Mumbai is **"500670"** and at the National Stock Exchange of India Ltd., Mumbai, is **"GNFC EQ"**.

Stock Market Price Data:

Monthly High & Low quotation on BSE Limited and National Stock Exchange of India Ltd.

(Amount in Rs.)

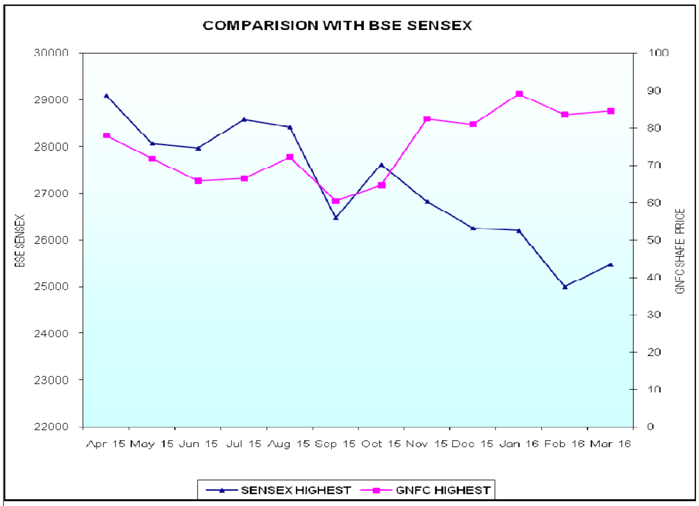
MONTH	BSE		NSE	
	HIGH	LOW	HIGH	LOW
April, 2015	78.00	68.20	77.45	68.40
May, 2015	71.80	64.05	71.50	64.30
June, 2015	65.75	57.50	65.60	57.20
July, 2015	66.40	59.00	66.35	59.00
August, 2015	72.15	50.00	72.40	53.40
September, 2015	60.45	54.50	60.60	55.00
October, 2015	64.60	57.20	64.60	57.30
November, 2015	82.45	60.00	82.45	59.70
December, 2015	80.95	74.10	82.70	74.10
January, 2016	89.00	74.00	89.00	74.00
February, 2016	83.50	65.45	83.40	65.05
March, 2016	84.50	67.00	84.60	66.85

Stock Performance : 2015-16

STOCK PERFORMANCE VS BSE SENSEX

MONTH	SENSEX HIGHEST	GNFC HIGHEST (in Rs.)
April, 2015	29094.61	78.00
May, 2015	28071.16	71.80
June, 2015	27968.75	65.75
July, 2015	28578.33	66.40
August, 2015	28417.59	72.15
September, 2015	26471.82	60.45
October, 2015	27618.14	64.60
November, 2015	26824.30	82.45
December, 2015	26256.42	80.95
January, 2016	26197.27	89.00
February, 2016	25002.32	83.50
March, 2016	25479.62	84.50

Performance of the Company's shares on BSE in comparison to BSE Sensex

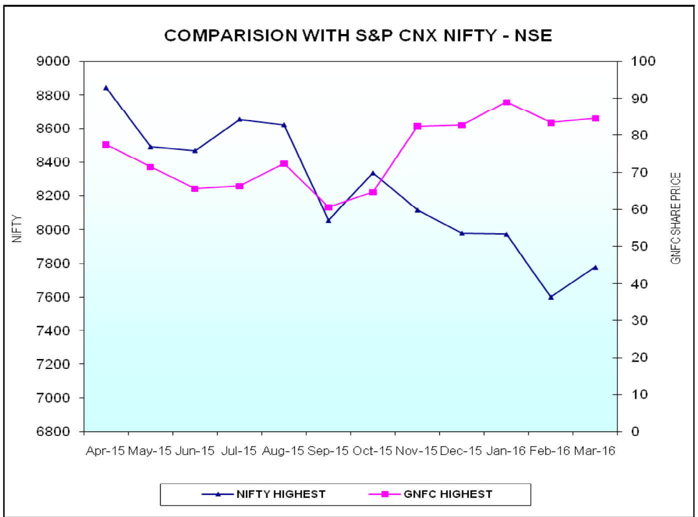


Stock Performance : 2015-16

STOCK PERFORMANCE VS S&P CNX NIFTY

MONTH	NIFTY HIGHEST	GNFC HIGHEST (in Rs.)
April, 2015	8844.80	77.45
May, 2015	8489.55	71.50
June, 2015	8467.15	65.60
July, 2015	8654.75	66.35
August, 2015	8621.55	72.40
September, 2015	8055.00	60.60
October, 2015	8336.30	64.60
November, 2015	8116.10	82.45
December, 2015	7979.30	82.70
January, 2016	7972.55	89.00
February, 2016	7600.45	83.40
March, 2016	7777.60	84.60

Performance of the Company's shares on NSE in comparision to S&P CNX NIFTY



Investors' Services

The Company is registered with the Securities & Exchange Board of India (SEBI) as an in-house Share Transfer Agent - Category - II. Entire work relating to registration of physical transfer of shares as well as dematerialisation / rematerialisation of securities is handled by the Company in-house.

Share Transfer System

Equity shares lodged for transfer with the Company are processed within 15 days from the date of lodgement. All requests for dematerialisation of shares are processed within 15 days from the date of lodgement. The complaints received from investors and other miscellaneous correspondence regarding change of address, particulars of bank account, dividend payment mandate etc., are processed generally within 15 days from the receipt thereof.

The Board has delegated the power to approve transfer / transmission of shares, etc., to the Company Secretary of the Company. A summary of transfer / transmission of shares, etc., so approved by the Company Secretary is placed before the Stakeholders Relationship Committee. The Company obtains from a Company Secretary in Practice a certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations on half-yearly basis and files a copy of the said certificate with BSE and NSE.

Distribution of Shareholding as on 31st March, 2016

Category of Equity Shares	No. of Share holders	% to total Share holders	No. of Shares	% to Total Equity Capital
1 to 250	2,18,642	91.29	1,53,03,804	9.85
251 to 500	11,617	4.85	43,78,931	2.82
501 to 1000	5,017	2.09	39,42,566	2.53
1001 to 2000	2,191	0.92	33,31,452	2.14
2001 to 3000	687	0.29	17,57,918	1.13
3001 to 4000	303	0.13	10,83,739	0.70
4001 to 5000	242	0.10	11,45,094	0.74
5001 to 10000	404	0.17	29,33,075	1.89
10001 and above	392	0.16	12,15,42,204	78.20
Total	**2,39,495**	**100.00**	**15,54,18,783**	**100.00**

Shareholding Pattern of the Company as on 31st March, 2016

Sr. No.	Category of Shareholders	Total no. of Shares	% of Total Equity Capital
1.	Promoters & Promoters Group	6,40,06,713	41.18
2.	Mutual Funds & UTI	36,26,421	2.33
3.	Banks/ Financial Institutions & Insurance Companies	2,12,54,026	13.68
4.	Foreign Institutional Investors (FIIs)	1,69,51,157	10.91
5.	Foreign Portfolio Investors (FPIs)	17,21,418	1.11
6.	NRIs / OCBs	28,47,328	1.83
7.	Bodies Corporate	61,46,832	3.95
8.	Co-operative Societies	3,52,492	0.23
9.	Indian Public	3,82,03,918	24.58
10.	Shares in Pool A/c (As reported by Depositories)	2,17,238	0.14
11.	Shares held by Custodians and against which Depository Receipts have been issued	91,240	0.06
	Total	**15,54,18,783**	**100.00**

Dematerialization of Shares & Liquidity

As on 31st March, 2016, 92.67% of the shares were held in dematerialized form and remaining shares in physical form. The equity shares of the Company are permitted to be traded only in dematerialized form, as notified by SEBI.

Unclaimed Shares held in Unclaimed Suspense Account

In compliance of Regulation 34(3) of the Listing Regulations, the details of shares held in Unclaimed Suspense Account as on 31st March, 2016 are mentioned below:

Sr. No.	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.	4,122	1,68,910
(ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	25	1,141
(iii)	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	24	1,108
(iv)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	4,098	1,67,802

The Unclaimed Suspense Account is being held by the Company purely on behalf of the shareholders entitled for these shares. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Outstanding GDRs

As on 31st March, 2016, 18,248 GDRs were outstanding, which represent 91,240 equity shares. There are no other outstanding instruments convertible into equity shares in future.

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 Project 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 at 14th Floor, GIFT One Road, 5-C Zone-5, Gandhinagar - 382 355.

Address for Correspondence

All correspondence relating to the equity shares of the Company should be forwarded to:

Investor Service Centre
Secretarial & Legal Department
Gujarat Narmada Valley Fertilizers & Chemicals Ltd
'Narmada House', Corporate Office,
P.O. Narmadanagar - 392 015, Dist. Bharuch.
Phone : 02642-247007 (Extn : 2208), 662227 / 662240 / 662282
Telefax : 02642-247084, E-mail : investor@gnfc.in

Exclusive E-mail ID for redressal of Investors' Complaints

The Company has designated E-mail ID "investor@gnfc.in" exclusively for the purpose of registering complaints by investors.

Declaration regarding compliance by the Board Members and Senior Management Personnel with the Company's Code of Conduct

To the Shareholders of Gujarat Narmada Valley Fertilizers & Chemicals Ltd.

Sub : Compliance with Code of Conduct - Financial Year 2015-16

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors.

Place : Gandhinagar
Date : 23rd May, 2016

DR. RAJIV KUMAR GUPTA, IAS
MANAGING DIRECTOR

CERTIFICATE BY PRACTICING COMPANY SECRETARY ON COMPLIANCE OF CORPORATE GOVERNANCE UNDER CORPORATE GOVERNANCE CLAUSE OF LISTING AGREEMENT/LISTING REGULATIONS, AS APPLICABLE

TO THE MEMBERS OF GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED

We have examined the compliance of conditions of Corporate Governance by **GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED** ('the company') for the year ended on 31st March, 2016 as stipulated in clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchange for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of 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 and based on the representations made by the Directors and the Management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

We state that as at 31st March, 2016, no investor grievance was pending for a period of one month against the Company as per the records maintained by the Company and presented to 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.

For Arvind Gaudana & Company,
(Company Secretaries)

Date : 23rd July, 2016
Place: Ahmedabad

Arvind D. Gaudana
C.P. No. 2183

ADDITIONAL INFORMATION FOR SHAREHOLDERS

Green Initiative

To support the Green Initiative of Govt. of India, from FY 2010-11, the Company sends Annual Report in electronic form to the shareholders whose e-mail addresses are made available by the Depositories and / or Members. Members are requested to register / update their e-mail address with their Depository Participant (DP) (for shares held in demat form) or with the Company (for shares held in physical form).

Nomination Facility

The Companies Act, 2013, provides facility for making nomination by shareholders in respect of their shares. Such nomination facilitates transmission of shares from the name of deceased shareholder to his / her nominee without going through the time consuming and cumbersome process of obtaining succession certificate / probate of the Will. **It would be in the interest of shareholders holding shares in single name to make such nomination without delay**. Nomination will have to be made in Form No SH-13, which is available on Company's website. In respect of shares held in electronic form, nomination may be directly registered with DP.

Unclaimed Dividend

In accordance with the provisions of Section 124 and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules made thereunder, 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 Financial Years 1994-95 to 2007-08 to Investor Education & Protection Fund (IEPF), set up by the Central Government. **No claim shall lie against the Company or IEPF in respect of amount of unclaimed or unpaid dividend transferred to IEPF.** The details relating to the unclaimed and unpaid dividend for the years 2007-08 to 2013-14 have been uploaded on the company's website : www.gnfc.in

Dividend to be transferred to Investor Education & Protection Fund (IEPF)

The dividend for the following years remaining unclaimed for 7 years from the respective date of transfer to "Unpaid Dividend Account" will be transferred by the Company to IEPF as under;

Particulars of Dividend	Date of declaration of dividend	Due for transfer to IEPF
26th unpaid dividend - 2008 - 2009	24-09-2009	October, 2016
27th unpaid dividend - 2009 - 2010	24-09-2010	October, 2017
28th unpaid dividend - 2010 - 2011	17-09-2011	September,2018
29th unpaid dividend - 2011 - 2012	22-09-2012	October, 2019
30th unpaid dividend - 2012 - 2013	21-09-2013	October, 2020
31st unpaid dividend - 2013 - 2014	26-09-2014	October, 2021

The Company has individually intimated to all concerned shareholders regarding non-encashment of their dividend warrants. Members, who have so far not encashed their dividend warrant(s) of above years, are requested to claim their dividend from the Company. Such Members may write to the Company Secretary at the Registered Office of the company for payment of unclaimed dividend amount.

Furnishing Bank Mandate to the Company

Members are requested to provide ECS Bank Mandate to the Company, in case shares held in physical form and to DP, in case shares held in demat form. Members may ensure that correct particulars of their Bank Account are furnished to the Company / DP. This would facilitate them in receiving direct credit of dividend thereby avoiding postal delay / loss of dividend warrants in postal transit. ECS Mandate Form is available on Company's website: www.gnfc.in.

E-Voting

Pursuant to Section 108 of the Companies Act, 2013 and Regulation 44 of SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015, the Company is providing facility to its Members to exercise their vote by electronic means through CDSL in respect of the business to be transacted at this AGM. The Company has fixed **23rd September, 2016 as cut-off date** for determining the voting rights of shareholders. The remote e-voting will commence at 9.00 AM on 27-09-2016 and will close at 5.00 PM on 29-09-2016.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with Accounting Standards prescribed under Section 133 of the Act, as applicable.
   e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) 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, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

(Gaurav J. Shah)
(Partner)
(Membership No. 35701)

Place: Ahmedabad
Date: 26th April, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 and Chemicals Limited ("the Company") as of 31st March, 2016 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control 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 control 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, 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.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

(Gaurav J. Shah)
(Partner)
(Membership No. 35701)

Place: Ahmedabad
Date: 26th April, 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed /transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans, guarantees, etc., are held in the name of the Company based on the confirmations received from lenders / parties. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(II) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(III) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(IV) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(V) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(VI) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(VII) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31st March, 2016 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount Involved (Rs. In lacs)	Amount Unpaid (Rs. In lacs)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	A.Y. 2003-2004	208.66	-
			A.Y. 2004-2005	49.46	-
			A.Y. 2005-2006	59.28	-
			A.Y. 2006-2007	17.33	-
			A.Y. 2008-2009	18.04	-
			A.Y. 2009-2010	173.60	-
			A.Y. 2010-2011	306.65	-
		Commissioner of Income tax Appeals	A.Y. 2008-2009	18.03	-
			A.Y. 2012-2013	945.77	-
Central Excise Act, 1944	Excise Duty	Commissioner Appeals	2011 to 2014	77.42	74.61
			2010 to 2011	9.65	9.30
			2010 to 2011	8.37	8.37
		CESTAT	1997 to 2002	192.71	118.99
			2002 to 2005	5.73	1.01
			2004-2005	0.53	0.18
			2000 to 2003	2,304.11	-
			2003 to 2007	4.06	4.06
		High Court	2000 to 2003	136.27	-
		Supreme Court	2003-2004	1,188.47	558.98
			2004-2005	25.21	10.44

Name of Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount Involved (Rs. In lacs)	Amount Unpaid (Rs. In lacs)
Cutsoms Act, 1962	Customs Duty	CESTAT	2002-2003	212.98	212.98
			2011-2012	93.54	93.54
			2012-2013	253.71	250.91
		Commissioner - Custom Appeals	2005-2008	10,987.17	10,487.17
Finance Act, 1994	Service Tax	CESTAT	2011-2012	496.39	256.21
			2013	1,106.32	1,054.74
Central Sales Tax Act, 1994/ Gujarat Value Added Tax Act, 2003	Value Added Tax / Central Sales Tax	Gujarat Value Added Tax Tribunal	2006-2007	1,088.04	1,038.04
			2007-2008	1,531.03	1,481.03
		Joint Commissioner of Commercial Tax	2008-2009	1,408.41	1,383.41
			2009-2010	640.32	11.63
			2010-2011	511.94	352.85
			2011-12	1,228.58	-

(VIII) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(IX) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (IX) of the CARO 2016 Order is not applicable.

(X) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(XI) In our opinion and according to the information and explanations given to us, the Company has not paid / provided managerial remuneration during the year and hence reporting under clause (XI) of the CARO 2016 Order is not applicable.

(XII) The Company is not a Nidhi Company and hence reporting under clause (XII) of the CARO 2016 Order is not applicable.

(XIII) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(XIV) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (XIV) of CARO 2016 is not applicable to the Company.

(XV) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(XVI) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

(Gaurav J. Shah)
(Partner)
(Membership No. 35701)

Place: Ahmedabad
Date: 26th April, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

(Rs. in Lacs)

	NOTE NO.		As at 31-03-2016	As at 31-03-2015
EQUITY AND LIABILITIES:				
Shareholders' Funds:				
Share Capital	1	15,541.88		15,541.88
Reserves and Surplus	2	2,51,370.67		2,32,475.59
			2,66,912.55	2,48,017.47
Deferred Income:				
Grant from Government of India	3		1,06,823.71	1,12,598.48
Non-current Liabilities:				
Long-Term Borrowings	4	1,03,732.14		1,52,684.61
Deferred Tax Liabilities (Net)	5	32,955.19		32,955.19
Long-Term Provisions	6	11,300.74		10,316.16
			1,47,988.07	1,95,955.96
Current Liabilities:				
Short-Term Borrowings	7	1,42,591.18		1,64,756.88
Trade Payables	8	30,225.95		29,644.14
Other Current Liabilities	9	89,148.92		93,229.43
Short-Term Provisions	10	10,187.81		4,600.85
			2,72,153.86	2,92,231.30
TOTAL			7,93,878.19	8,48,803.21
ASSETS:				
Non-current Assets:				
Fixed Assets:				
Tangible Assets	11	4,25,752.11		4,44,258.19
Intangible Assets	11	2,596.14		2,552.79
Capital Work-in-Progress		896.57		1,325.95
		4,29,244.82		4,48,136.93
Non-Current Investments	12	14,535.82		14,535.90
Long-Term Loans and Advances	13	20,671.96		19,738.18
Other Non-current Assets	14	35,229.91		60,789.58
			4,99,682.51	5,43,200.59
Current Assets:				
Inventories	15	73,165.62		74,976.87
Trade Receivables	16	1,49,251.49		1,35,523.69
Cash and Bank Balances	17	989.00		1,594.31
Short-Term Loans and Advances	18	29,943.73		20,318.43
Other Current Assets	19	40,845.84		73,189.32
			2,94,195.68	3,05,602.62
TOTAL			7,93,878.19	8,48,803.21
Significant Accounting Policies				
See accompanying Notes forming part of the Financial Statements	1 to 54			

For and on behalf of the Board of Directors,

Vikram Mathur	**R.B. Panchal**	**Dr. Rajiv Kumar Gupta**	**G. R. Aloria**
General Manager & CFO	Company Secretary	Managing Director	Chairman

Place : Gandhinagar
Date : 26.04.2016

AS PER OUR REPORT OF EVEN DATE
For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

Gaurav J. Shah
Partner
Membership No. 35701

Place : Ahmedabad
Date : 26.04.2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(Rs. in Lacs)

	NOTE NO.		Year ended 31-03-2016	Year ended 31-03-2015
INCOME:				
Revenue from Operations:				
Sale of Products		**4,77,384.70**		4,83,275.19
Sale of Services		**6,882.73**		10,306.18
Revenue from Operations (Gross):	**44 - 45**	**4,84,267.43**		4,93,581.37
Less: Excise Duty		**29,437.42**		29,429.71
Revenue from Operations (Net)			**4,54,830.01**	4,64,151.66
Other Income	**20**		**11,323.01**	5,175.15
Total Revenue			**4,66,153.02**	4,69,326.81
EXPENSES:				
Cost of Materials Consumed	**21**	**2,13,511.12**		2,49,840.82
Purchases of Stock-in-Trade	**45**	**26,859.76**		18,686.04
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	**22**	**(1,531.51)**		9,911.41
Employee Benefits Expense	**23**	**36,250.58**		37,728.20
Finance Costs	**24**	**24,575.32**		27,449.96
Depreciation and Amortization Expense	**25**	**18,927.68**		20,876.98
Other Expenses	**26**	**1,24,923.82**		1,17,040.21
Total Expenses			**4,43,516.77**	4,81,533.62
Profit / (Loss) Before Exceptional Items and Tax			**22,636.25**	(12,206.81)
Exceptional Items	**41**		**0.00**	33,000.00
Profit / (Loss) Before Tax			**22,636.25**	(45,206.81)
Tax Expense:				
Current Tax		**262.00**		0.00
MAT Credit Entitlement		**(262.00)**		0.00
Deferred Tax		**0.00**		0.00
Net Tax Expense			**0.00**	0.00
Profit / (Loss) for the year			**22,636.25**	(45,206.81)
Earnings per Equity Share of face value of Rs. 10 each				
Basic and Diluted (in Rs.)	**27**		**14.56**	(29.09)
Significant Accounting Policies				
See accompanying Notes forming part of the Financial Statements	**1 to 54**			

For and on behalf of the Board of Directors,

Vikram Mathur	**R.B. Panchal**	**Dr. Rajiv Kumar Gupta**	**G. R. Aloria**
General Manager & CFO	Company Secretary	Managing Director	Chairman

Place : Gandhinagar
Date : 26.04.2016

AS PER OUR REPORT OF EVEN DATE
For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

Gaurav J. Shah
Partner
Membership No. 35701

Place : Ahmedabad
Date : 26.04.2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(Rs. in Lacs)

	Particulars		Year ended 31-03-2016		Year ended 31-03-2015
A.	**Cash Flow from Operating Activities:**				
	Net Profit / (Loss) before Tax		**22,636.25**		(45,206.81)
	Adjustments for:				
	- Depreciation and Amortisation Expense	**24,702.45**		26,651.74	
	- Foreign exchange loss/(gain)	**345.78**		(785.01)	
	- Premium on Forward Contracts	**455.57**		333.93	
	- Interest income	**(3,867.90)**		(639.64)	
	- Dividend income	**(570.57)**		(454.91)	
	- Finance costs	**24,575.32**		27,449.96	
	- Loss / (Profit) on sale of Fixed Assets (Net)	**(10.52)**		3.07	
	- Provision for Impairment of Fixed Assets	**0.00**		33,000.00	
	- Provision for Doubtful Trade Receivables / Advances	**60.16**		0.00	
	- Investment witten off (Net of Provisions)	**0.08**		0.00	
			45,690.37		85,559.14
	Operating Profit before Working Capital Changes		**68,326.62**		40,352.33
	Adjustment for:				
	- Trade and other receivables	**33,673.00**		6,421.71	
	- Inventories	**1,811.25**		7,481.77	
	- Trade and other payables	**(4,078.39)**		(6,646.29)	
	- Provisions	**1,237.84**		2,106.57	
			32,643.70		9,363.76
	Cash Generated from Operations		**1,00,970.32**		49,716.09
	- Net Income Tax (Paid) / Refunds		**1,401.84**		(707.65)
	Net Cash Flow from Operating Activities		**1,02,372.16**		49,008.44
B.	**Cash Flow from Investing Activities:**				
	- Capital expenditure on Fixed Assets, including Capital Advances	**(6,558.81)**		(28,334.80)	
	- Proceeds from sale of Fixed Assets	**42.84**		61.70	
	- Interest received	**3,867.90**		639.64	
	- Dividends received	**570.57**		454.91	
	- Purchase of Long Term Investments	**0.00**		(1,321.00)	
	- Decrease/ (Increase) in Unclaimed Dividend Accounts	**118.29**		(33.50)	
	- Investment in bank deposits (having original maturity of more than three months)	**0.00**		(1.50)	
	- Maturity of bank deposits (having original maturity of more than three months)	**0.00**		151.50	
	Net Cash Flow Used in Investing Activities		**(1,959.21)**		(28,383.05)
C.	**Cash Flow from Financing Activities:**				
	- Proceeds from Short Term Borrowings	**3,12,131.10**		3,14,046.87	
	- Repayment of Short Term Borrowings	**(3,34,647.02)**		(3,17,743.60)	
	- Proceeds from Long Term Borrowings	**0.00**		56,300.00	
	- Repayment of Long Term Borrowings	**(52,820.80)**		(55,393.22)	
	- Finance Costs paid	**(24,990.39)**		(26,800.39)	
	- Dividend paid (Including Dividend Tax)	**(118.29)**		(6,331.30)	
	- Premium on Forward Contracts	**(455.57)**		(333.93)	
	Net Cash Flow used in Financing Activities		**(1,00,900.97)**		(36,255.57)
Net decrease in cash and cash equivalents			**(488.02)**		(15,630.18)
Cash and cash equivalents at the beginning of period			**816.63**		16,446.81
Cash and cash equivalents at the end of period			**328.61**		816.63

Notes : 1 The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard -3 "Cash Flow Statement".
2 For Components of cash and cash equivalents, refer Note-17.

For and on behalf of the Board of Directors,

Vikram Mathur	**R.B. Panchal**	**Dr. Rajiv Kumar Gupta**	**G. R. Aloria**
General Manager & CFO	Company Secretary	Managing Director	Chairman

Place : Gandhinagar
Date : 26.04.2016

AS PER OUR REPORT OF EVEN DATE
For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

Gaurav J. Shah
Partner
Membership No. 35701

Place : Ahmedabad
Date : 26.04.2016

SIGNIFICANT ACCOUNTING POLICIES:

1. Basis for Accounting and preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared under the historical cost convention on an accrual basis except otherwise stated. In the preparation of the financial statements, the accounting policies have been consistently applied with those in the previous year.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2. Fixed Assets and Capital Work-in-Progress:

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of qualifying fixed assets which take substantial period of time to get ready for their intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at balance sheet date.

Intangible assets are stated at the consideration paid for acquisition less accumulated amortization and impairment losses, if any.

In the absence of availability of specific original cost in respect of a part of assets acquired under turnkey contracts, cost of such asset is taken based on estimation arrived on the basis of price schedule forming part of such turnkey contracts and technical advice.

3. Depreciation and Amortization:

Depreciation on tangible fixed assets (other than leasehold land) has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or shorter useful life assessed based on technical advice and after taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc.

Leasehold land is amortized at flat rates equally spread over the duration of the lease.

Acquired Goodwill is amortized over the period of 5 years commencing from the financial year in which the amalgamation is effected and accounted for.

Software is amortized over its estimated useful life of six years.

License acquired and used along with and directly related to the plant and machinery is amortized at flat rates equally spread over useful life of the related plant and machinery.

4. Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the rate of risk adjusted weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

5. Research and Development Expense:

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured.

6. Leases:

Finance Lease:

Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the IRR method. The principal amount received reduces the net investment in the lease and interest is recognized as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

Operating Lease:

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

7. Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on investment category basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

8. Inventories:

Inventories are valued as follows:

(A) At Plant:		
1	Stores and Spares (including coal)	At Weighted Average Cost.
2	Raw Materials and Finished Goods and Stock-in-Process	At lower of Weighted Average Cost or Net Realisable Value. Annual cost is computed on full absorption costing method including material cost and conversion costs.
3	Fertilizers of sub-standard quality	At lower of Weighted Average Cost or Net Realisable Value as estimated by the Company. Annual cost is computed on full absorption costing method including material cost and conversion costs.
(B) At Field:		
1	Finished Goods	At lower of Weighted Average Cost or Net Realisable Value. Annual cost is computed on full absorption costing method including material cost and conversion costs. Cost of field stocks includes freight to the destination.
2	Fertilizers of sub-standard quality	At lower of Weighted Average Cost or Net Realisable Value as estimated by the Company.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

9. Foreign currency Transactions:

a. Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b. Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c. Exchange Differences:

The net gain or loss on account of exchange rate differences arising on settlement or restatement of foreign currency transactions for foreign currency monetary items are recognized as income or expenses of the period in which they arise except exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset which are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the Company treats a foreign currency monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

d. Forward Exchange Contracts not intended for trading or speculation purposes:

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognized as income or as expense for the year. Any gain/ loss arising on forward contracts which are long-term foreign currency monetary items are recognized in accordance with c. above.

10. Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

a. Sale of goods:

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Sales, net of sales tax/ VAT and discounts, comprise of sale of goods and services, excise duty and claims preferred on the Government of India for retention price reimbursement on fertilizers and admissible claims for change in retention price on account of variation in the costs. The excise duty collected on sales is shown by way of further deduction from sales.

Urea and ANP Product Subsidy:

Urea Subsidy under the New Pricing Scheme-III (extension) and ANP Subsidy under Nutrient Based Subsidy (NBS) Scheme w.e.f. 01-04-2010 is allowed by the Government of India (GoI) for the quantity received at the destination, as per the rate prescribed by GoI, at the time of dispatch in case of Urea and at the time of receipt in case of ANP. Urea Subsidy is further adjusted for input price escalation/ de-escalation as estimated by the Management based on the prescribed norms. The Company accounts for the same on sales quantity basis.

Urea and ANP Freight Subsidy:

Freight Subsidy is recognized for the quantity received at the destination based on the rates approved by the Government of India in case of Urea and on the normative rates approved by the Government of India or the actual freight whichever is lower in case of ANP.

b. Sale of Services:

Income from services rendered is recognized as and when the services are rendered based on the agreement/ arrangement with the concerned parties.

c. Other Income:

Interest:

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends:

Revenue is recognized when the right to receive the dividend is established.

Other Income:

The amounts receivable from various agencies are accounted on accrual basis to the extent it is possible to ascertain the income with reasonable accuracy.

Insurance claims:

Revenue is recognized on actual receipt basis.

11. Government Grants:

Government Grant is recognized when there is reasonable assurance that the conditions attached to them will be complied with. Government Grant received/ receivable related to depreciable assets are treated as deferred income which is recognized in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the related asset. Such allocation to income is made over the period and in proportion in which depreciation on related asset is charged.

12. Borrowing Costs:

Interest and other costs in connection with the borrowing of the funds to the extent related/ attributed to the acquisition/ construction of qualifying assets are accumulated and capitalized upto the date when such assets are ready for their intended use. Other borrowing costs are charged to Statement of Profit and Loss.

13. Export Benefits:

Export benefits under Duty Exemption Advance License Scheme, Duty Exemption Pass Book Scheme and Duty Drawback Scheme are accounted for in the year of export of goods.

14. Retirement Benefits:

a. Retirement benefits in the form of Provident Fund and Pension Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

b. Gratuity liability and Post employment Medical Benefit liability are defined benefit obligations and are provided for on the basis of actuarial valuation made at the end of each financial year on project unit credit method.

c. Short term compensated absences are provided for on basis on estimates. Long term compensated absences are provided for based on actuarial valuation on project unit credit method.

d. Actuarial gains / losses are immediately taken to Statement of Profit and Loss and are not deferred.

15. Taxation:

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has carried forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period i.e., the period for which MAT Credit is allowed to be carried forward. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

16. Provisions and Contingent Liabilities:

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require outflow of resources. Where there is a possible or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

17. Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss after tax 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.

18. Cash and Cash Equivalents:

Cash and cash equivalents in balance sheet comprise cash at bank and in hand and fixed deposits with banks.

19. Segment Reporting Policies:

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products. Majority of the Company's products are sold within India and hence geographical segment is not identified. There are no intersegment transfers.

Allocation of Common Costs:

To the extent the costs can be directly identified, they are allocated to the related segment. Common allocable costs are allocated to each segment according to the relative production tonnage, sales tonnage/ value and other related basis.

Unallocated items:

Other segment includes Information Technology activity and general corporate income and expense items which are not allocated to any business segment.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE - 1

(Rs. in Lacs)

	As at 31-03-2016	As at 31-03-2015
SHARE CAPITAL:		
Authorised:		
25,00,00,000 Equity Shares of Rs.10/- each (31-03-2015: 25,00,00,000 Equity Shares)	**25,000.00**	25,000.00
Issued:		
15,54,18,783 Equity Shares of Rs.10/- each fully paid (31-03-2015: 15,54,18,783 Equity Shares)	**15,541.88**	15,541.88
Subscribed and Paid up:		
15,54,18,783 Equity Shares of Rs.10/- each fully paid up (31-03-2015: 15,54,18,783 Equity Shares)	**15,541.88**	15,541.88
TOTAL	**15,541.88**	15,541.88

(I) Terms / Rights attached to Equity shares:
The Company has only one class of shares, i.e. equity shares which rank *pari passu* in all respects. All the equity shares are fully paid up and no restrictions are attached to equity shares. The Dividend proposed by Board of Directors is subject to approval of Shareholders in the ensuing Annual General Meeting.

(II) Details of Shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at 31-03-2016 No. of Shares	As at 31-03-2016 % of total Equity Capital	As at 31-03-2015 No. of Shares	As at 31-03-2015 % of total Equity Capital
Gujarat State Investments Ltd.	**3,32,27,546**	**21.38**	3,32,27,546	21.38
Gujarat State Fertilizers & Chemicals Ltd.	**3,07,79,167**	**19.80**	3,07,79,167	19.80
Life Insurance Corporation of India	**1,40,83,612**	**9.06**	1,40,83,612	9.06
Fidelity Puritan Trust-Fidelity Low Priced Stock Fund	**1,35,41,878**	**8.71**	1,35,41,878	8.71

(III) Reconciliation of the number of shares outstanding:

	As at 31-03-2016 No. of Shares	As at 31-03-2016 Amount (Rs. in Lacs)	As at 31-03-2015 No. of Shares	As at 31-03-2015 Amount (Rs. in Lacs)
Equity Shares at the beginning of the year	**15,54,18,783**	**15,541.88**	15,54,18,783	15,541.88
Add: Equity Shares issued during the year	**0**	**0.00**	0	0.00
Less: Equity Shares cancelled during the year	**0**	**0.00**	0	0.00
Equity Shares at the end of the year	**15,54,18,783**	**15,541.88**	15,54,18,783	15,541.88

NOTE - 2

(Rs. in Lacs)

		As at 31-03-2016	As at 31-03-2015
RESERVES AND SURPLUS:			
Capital Reserve:			
(Amount received under Central / State Subsidy Scheme and amount received / transferred on Shares / Debentures Forfeited)			
As per the last Balance Sheet		**63.83**	63.83

NOTE - 2 (Continued)

(Rs. in Lacs)

		As at 31-03-2016	As at 31-03-2015
Securities Premium Account:			
As per the last Balance Sheet		**31,330.67**	31,330.67
General Reserve:			
As per the last Balance Sheet	**2,13,976.13**		2,15,308.14
Add : Transferred from Surplus in the Statement of Profit and Loss	**5,000.00**		0.00
Less: Transitional Depreciation (*)	**0.00**		1,331.33
Less: Rounding Difference of Dividend	**0.00**		0.68
		2,18,976.13	2,13,976.13
Surplus in the Statement of Profit and Loss:			
As per the last Balance Sheet	**(12,895.04)**		32,311.77
Add : Profit / (Loss) for the year	**22,636.25**		(45,206.81)
Less: Appropriations:			
Transfer to General Reserve	**5,000.00**		0.00
Proposed Equity Dividend (per share Rs. 2 (previous year: Rs. Nil))	**3,108.38**		0.00
Tax on Proposed Equity Dividend	**632.79**		0.00
		1,000.04	(12,895.04)
TOTAL		**2,51,370.67**	2,32,475.59

(*) In the previous year 2014-15, Transitional Depreciation on tangible fixed assets with Nil remaining useful life pursuant to Schedule II of the Companies Act, 2013 (Net of deferred tax of Rs. 685.53 lacs) (Refer Note - 25)

NOTE - 3

		As at 31-03-2016	As at 31-03-2015
DEFERRED INCOME:			
Grant from Government of India			
As per the last Balance Sheet	**1,12,598.48**		1,18,373.24
Add: Addition during the year	**0.00**		0.00
Less: Depreciation transferred to Statement of Profit and Loss	**5,774.77**		5,774.76
		1,06,823.71	1,12,598.48
TOTAL		**1,06,823.71**	1,12,598.48

The capital grant from Govt. 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 since the conditions attached to the grant have been fulfilled by the Company. The grant has been accordingly accounted for as contemplated under para 6.1 of Accounting Standard -12 on 'Accounting for Government Grants'. The Government would reimburse the above grant over a period of 5 Years. The project cost that would be disbursed shall be admitted after scrutiny by a team constituted by the Government. The variations, if any, in the amount involved in the grant to be disbursed shall be accounted for by the Company in the year scrutiny of project cost is completed by the Government appointed team.

NOTE - 4

(Rs. in Lacs)

	As at 31-03-2016	As at 31-03-2015
LONG-TERM BORROWINGS:		
Rupee Term Loans From Banks (Secured)	**78,686.71**	1,10,525.60
Foreign Currency Term Loan From Bank (Secured)	**10,045.43**	12,159.01
Rupee Term Loan From other (Unsecured)	**15,000.00**	30,000.00
TOTAL	**1,03,732.14**	1,52,684.61

a. **Security details:**

(i) Rupee term loans from banks are secured by way of first mortgage on all immovable properties, both present and future for which charge is created and are further secured by way of hypothecation created on all non-current assets and second charge by way of hypothecation created on all current assets including stocks and book debts.

(ii) Foreign currency term loan from bank is secured by way of first mortgage on all immovable properties, both present and future for which charge is created and is further secured by way of hypothecation created on all movable fixed assets.

(iii) The above charges are ranking pari-passu among the lenders.

b. **Repayment details:**

(i) Rupee term loans from banks of Rs. 1,15,453 lacs carries interest @ 10.80% ~ 11.50% p.a. (floating) payable on monthly basis. The loan is repayable in quarterly installments starting from 30.09.2012 and ending on 30.06.2017.

(ii) Rupee term loans from banks of Rs. 1,03,600 lacs carries interest @ 9.65%~10.40% p.a. (floating) payable on monthly basis. The loan is repayable in quarterly installments starting from 31.12.2013 and ending on 30.09.2021.

(iii) Foreign currency term loan from bank carries interest @ 6 month Euribor plus 1.98% payable on half yearly basis. The loan is repayable in half yearly installments starting from 01.10.2014 and ending on 01.04.2020.

(iv) Unsecured rupee term loan from other of Rs. 20,000 lacs carries interest @ 9.50% p.a. (floating) payable on quarterly basis. Outstanding amount of Rs. 12,000 Lacs as on 31-03-2016 is payable on 23.12.2016 in single installment.

(v) Unsecured rupee term loan from other of Rs. 30,000 lacs carries interest @ 9.50% p.a. (floating) payable on quarterly basis. The loan is repayable in two yearly equal installments of Rs. 15,000 lacs each on 10.03.2017 and 09.03.2018.

NOTE - 5

		As at 31-03-2016	As at 31-03-2015
DEFERRED TAX:			
Liabilities:			
Arising on account of timing differences:			
Between book balance and tax balance of Fixed Assets		**40,442.46**	37,317.35
Less: Assets:			
Arising on account of timing differences:			
On Provision for Doubtful Debts/ Advances/Loans	**602.24**		306.27
On Provision for Leave Encashment & Bonus	**4,203.25**		4,055.89
On unabsorbed Depreciation carried forward	**2,681.78**		0.00
		7,487.27	4,362.16
TOTAL		**32,955.19**	32,955.19

Due to carried forward business losses and unabsorbed depreciation of the earlier year, the deferred tax assets have been recognised to the extent of the corresponding deferred tax liability during the year. However, in absence of virtual certainty, no deferred tax assets have been recognised on carried forward losses and unabsorbed depreciation during the year.

NOTE - 6

		As at 31-03-2016	As at 31-03-2015
LONG-TERM PROVISIONS:			
Provision for Employee Benefits:			
Provision for Compensated Absences	**9,832.27**		9,331.03
Provision for Post Retirement Medical Benefits	**1,468.47**		985.13
		11,300.74	10,316.16
TOTAL		**11,300.74**	10,316.16

NOTE - 7

(Rs. in Lacs)

		As at 31-03-2016	As at 31-03-2015
SHORT-TERM BORROWINGS:			
Loans Payable on Demand:			
From Bank-Cash Credit and Overdraft Accounts	**88,771.13**		57,401.65
From Other	**305.00**		305.00
		89,076.13	57,706.65
Deposits:			
Short-Term Deposit from Other		**20,000.00**	30,000.00
Other Loans and Advances:			
Short-Term Loans and Advances from Banks	**10,000.00**		60,000.00
Commercial Papers	**15,000.00**		10,000.00
Buyers' Credit in Foreign Currency from Banks	**7,572.53**		7,050.23
PCFC Export Credit in Foreign Currency from Banks	**942.52**		0.00
		33,515.05	77,050.23
TOTAL		**1,42,591.18**	1,64,756.88
Out of the above:			
Secured Borrowings		**99,713.65**	57,401.65
Un-secured Borrowings		**42,877.53**	1,07,355.23

Short term borrowings from banks as Cash Credit and Overdraft accounts of **Rs. 88,771.13 lacs** (31-03-2015: Rs. 57,401.65 lacs), Short-Term Loans and Advances from Banks of **Rs. 10,000 lacs** (31-03-2015: Rs. Nil) and PCFC Export Credit in Foreign Currency from Banks of **Rs. 942.52 lacs** (31-03-2015: Rs. Nil) are secured by first charge by way of hypothecation of stocks and book debts and all other movables, 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.

NOTE - 8

	As at 31-03-2016	As at 31-03-2015
TRADE PAYABLES:		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note-35)	**646.98**	814.38
Total outstanding dues of Creditors other than Mirco Enterprises and Small Enterprises	**29,578.97**	28,829.76
TOTAL	**30,225.95**	29,644.14

NOTE - 9

		As at 31-03-2016	As at 31-03-2015
OTHER CURRENT LIABILITIES:			
Current Maturities of Long-Term Borrowings:			
Rupee Term Loans From Banks (Secured)	**33,945.60**		33,410.60
Foreign Currency Term Loan From Bank (Secured)	**3,516.91**		3,516.91
Rupee Term Loan From other (Unsecured)	**27,000.00**		30,000.00
(Refer Note - 4 a. (i) and 4 a. (ii) for details of Security)		**64,462.51**	66,927.51
Interest Accrued but not Due on Borrowings		**1,614.21**	2,029.28
Investor Education and Protection Fund: (*)			
Unclaimed Dividends		**659.38**	777.68
Other Payables:			
Statutory Remittances	**758.56**		354.48
Advances from Customers	**2,888.53**		3,514.51
Payables on purchase of Fixed Assets	**15,098.85**		15,959.09
Others	**3,666.88**		3,666.88
		22,412.82	23,494.96
TOTAL		**89,148.92**	93,229.43

(*) There are no amounts due and outstanding to be credited to the Investor Education Protection Fund.

NOTE - 10

(Rs. in Lacs)

		As at 31-03-2016	As at 31-03-2015
SHORT-TERM PROVISIONS:			
Provision for Employee Benefits:			
Provision for Compensated Absences	**3,592.13**		3,667.58
Provision for Post Retirement Medical Benefits	**72.84**		42.17
Provision for Gratuity	**298.04**		0.00
		3,963.01	3,709.75

NOTE - 10 (Continued)

(Rs. in Lacs)

		As at 31-03-2016	As at 31-03-2015
Other Provisions:			
Provision for Taxation	**1,57,266.96**		1,57,076.27
Less: Advance Tax and Tax Deducted at Source	**1,54,783.33**		1,56,185.17
		2,483.63	891.10
Provision for Proposed Equity Dividend	**3,108.38**		0.00
Provision for Tax on Proposed Equity Dividend	**632.79**		0.00
		3,741.17	0.00
TOTAL		**10,187.81**	4,600.85

NOTE - 11
FIXED ASSETS :

(Rs. in Lacs)

		COST				DEPRECIATION / AMORTIZATION					IMPAIRMENT			NET BLOCK	
Sr. No.	Fixed Assets	As on 01-04-2015	Additions / Adjustments	Deductions / Adjustments	As on 31-03-2016	Upto 01-04-2015	For the year	Transitional Adjustment	Deductions / Adjustments	Upto 31-03-2016	Upto 01-04-2015	For the Year	Upto 31-03-2016	As on 31-03-2016	As on 31-03-2015
I	**Tangible Assets:**														
(a)	Lease Hold Land	22,241.62	**0.00**	**0.00**	**22,241.62**	698.72	**220.32**	**0.00**	**0.00**	**919.04**	1,052.94	**0.00**	**1,052.94**	**20,269.64**	20,489.96
(b)	Free Hold Land	11,103.17	**0.00**	**0.00**	**11,103.17**	0.00	**0.00**	**0.00**	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**11,103.17**	11,103.17
(c)	Buildings	43,488.66	**866.69**	**0.00**	**44,355.35**	6,683.47	**1,029.45**	**0.00**	**0.00**	**7,712.92**	3,571.05	**0.00**	**3,571.05**	**33,071.38**	33,234.14
(d)	Plant and Equipment	6,48,715.03	**4,707.33**	**8.51**	**6,53,413.85**	2,56,880.80	**21,738.80**	**0.00**	**6.33**	**2,78,613.27**	26,398.13	**0.00**	**26,398.13**	**3,48,402.45**	3,65,436.10
(e)	Furniture and Fixtures	2,940.87	**162.02**	**39.53**	**3,063.36**	1,458.72	**185.26**	**0.00**	**38.33**	**1,605.65**	79.60	**0.00**	**79.60**	**1,378.11**	1,402.55
(f)	Vehicles	565.44	**86.75**	**56.24**	**595.95**	202.97	**61.32**	**0.00**	**28.94**	**235.35**	8.35	**0.00**	**8.35**	**352.25**	354.12
(g)	Office Equipment	1,077.19	**51.88**	**5.23**	**1,123.84**	865.27	**74.78**	**0.00**	**3.58**	**936.47**	0.00	**0.00**	**0.00**	**187.37**	211.92
(h)	Roads, Culverts & Compound Wall	6,003.82	**130.38**	**0.00**	**6,134.20**	1,543.04	**420.75**	**0.00**	**0.00**	**1,963.79**	603.75	**0.00**	**603.75**	**3,566.66**	3,857.03
(i)	Railway Sidings	376.99	**0.00**	**0.00**	**376.99**	358.14	**0.00**	**0.00**	**0.00**	**358.14**	0.00	**0.00**	**0.00**	**18.85**	18.85
(j)	Water Supply & Drainage System	12,125.50	**0.00**	**0.00**	**12,125.50**	2,786.55	**741.90**	**0.00**	**0.00**	**3,528.45**	1,532.76	**0.00**	**1,532.76**	**7,064.29**	7,806.19
		7,48,638.29	**6,005.05**	**109.51**	**7,54,533.83**	2,71,477.68	**24,472.58**	**0.00**	**77.18**	**2,95,873.08**	33,246.58	**0.00**	**33,246.58**	**4,25,414.17**	4,43,914.03
II	**Intangible Assets:** (Other than internally generated)														
(a)	Goodwill	1,688.99	**0.00**	**0.00**	**1,688.99**	1,688.99	**0.00**	**0.00**	**0.00**	**1,688.99**	0.00	**0.00**	**0.00**	**0.00**	0.00
(b)	Softwares	1,884.33	**267.00**	**0.00**	**2,151.33**	1,673.57	**80.82**	**0.00**	**0.00**	**1,754.39**	0.00	**0.00**	**0.00**	**396.94**	210.76
(c)	Licences	3,426.76	**0.00**	**0.00**	**3,426.76**	853.35	**142.83**	**0.00**	**0.00**	**996.18**	231.38	**0.00**	**231.38**	**2,199.20**	2,342.03
		7,000.08	**267.00**	**0.00**	**7,267.08**	4,215.91	**223.65**	**0.00**	**0.00**	**4,439.56**	231.38	**0.00**	**231.38**	**2,596.14**	2,552.79
III	**Tangible Assets given on Lease:**														
(a)	Buildings	391.42	**0.00**	**0.00**	**391.42**	94.23	**6.22**	**0.00**	**0.00**	**100.45**	0.00	**0.00**	**0.00**	**290.97**	297.19
(b)	Plant and Equipment	939.37	**0.00**	**0.00**	**939.37**	892.40	**0.00**	**0.00**	**0.00**	**892.40**	0.00	**0.00**	**0.00**	**46.97**	46.97
		1,330.79	**0.00**	**0.00**	**1,330.79**	986.63	**6.22**	**0.00**	**0.00**	**992.85**	0.00	**0.00**	**0.00**	**337.94**	344.16
	TOTAL	7,56,969.16	**6,272.05**	**109.51**	**7,63,131.70**	2,76,680.22	**24,702.45**	**0.00**	**77.18**	**3,01,305.49**	33,477.96	**0.00**	**33,477.96**	**4,28,348.25**	4,46,810.98
	As on 31-03-2015	7,35,967.48	21,195.16	193.48	7,56,969.16	2,48,140.33	26,651.74	2,016.86	128.71	2,76,680.22	477.96	33,000.00	33,477.96	4,46,810.98	

Notes:

1 Additions to Fixed Assets during the year include **Rs. Nil** (previous year: Rs. Nil) used for research and development.

2 Leasehold Land pertains to the costs incurred for Leasehold Land in possession of the Company as a Licensee, pending completion of formalities for execution of the lease agreement for a term of 99 years.

3 Feed Stock Conversion Projects from 'LSHS /FO ' to 'Gas' acquired under Government's policy for reimbursement of project cost to the Company over a period of five years from the date of commercial production, have been capitalized on 01.10.2013. Accordingly, Fixed Assets include assets amounting to Rs. 1,30,108.27 Lacs represented by capital grant of Rs.1,21,574.00 Lacs as contemplated in Note- 3 earlier.

NOTE - 12

(Rs. in Lacs)

			As at 31-03-2016	As at 31-03-2015
NON-CURRENT INVESTMENTS:				
(at cost unless otherwise stated)				
(a) Investments in Equity Instruments:				
Non-Trade Investments:				
(In fully paid up Equity Shares-Quoted)				
75,00,000	Gujarat State Fertilizers & Chemicals Ltd. of Rs.2/- each (31-03-2015: 75,00,000 shares)	**1,503.75**		1,503.75
17,59,996	Gujarat Alkalies & Chemicals Ltd. of Rs.10/- each (31-03-2015: 17,59,996 shares)	**2,427.28**		2,427.28
80,00,000	Gujarat State Petronet Ltd. of Rs.10/- each (31-03-2015: 80,00,000 shares)	**1,000.00**		1,000.00
53,289	Gujarat Gas Ltd. of Rs. 10/- each ** (31-03-2015: Nil shares)	**5.00**		0.00
			4,936.03	4,931.03
(In fully paid up Equity Shares-Unquoted)				
2,15,43,200	Gujarat State Petroleum Corporation Ltd. of Re.1/- each (31-03-2015: 2,15,43,200 shares)	**1,349.99**		1,349.99
42,000	Bharuch Enviro Infrastructure Ltd. of Rs.10/- each (31-03-2015: 42,000 shares)	**4.20**		4.20
20,000	Gujarat Venture Finance Ltd. of Rs.10/- each (31-03-2015: 20,000 shares)	**2.00**		2.00
12,50,000	Gujarat Green Revolution Co. Ltd. of Rs. 10/- each # (31-03-2015: 12,50,000 shares)	**125.00**		125.00
Nil	GSPC Gas Co. Ltd. of Rs. 10/- each ** (31-03-2015: 50,000 shares)	**0.00**		5.00
18,39,60,000	Gujarat Chemical Port Terminal Co. Ltd. of Re. 1/- each (31-03-2015: 18,39,60,000 shares)	**4,941.00**		4,941.00
4,92,60,000	Bhavnagar Energy Co. Ltd. of Rs. 10/- each @ (31-03-2015: 4,92,60,000 shares)	**4,926.00**		4,926.00
1,35,30,000	Bharuch Dahej Railway Co. Ltd. of Rs. 10/- each (31-03-2015: 1,35,30,000 shares)	**1,353.00**		1,353.00
			12,701.19	12,706.19
(b) Investments in Mutual Funds:				
Non-Trade Investments:				
(In fully paid up Units - Quoted)				
Nil	UTI-Equity Fund of Rs.10/-each (31-03-2015: 46,200 units)		**0.00**	7.02
			17,637.22	17,644.24
Less: Provision for Diminution in Value of Investments			**3,101.40**	3,108.34
TOTAL			**14,535.82**	14,535.90
Aggregate Book Value of Unquoted Investments (net of provision)			**9,599.79**	9,604.79
Aggregate Book Value of Quoted Investments (net of provision)			**4,936.03**	4,931.11
Aggregate Market Value of Quoted Investments			**19,125.84**	18,952.30

\# Associate Company

@ Refer Note - 33 regarding restrictions on disposal.

** During the year, Company has received 53,289 Equity Shares of Gujarat Gas Ltd. of Rs. 10/- each in lieu of 50,000 Equity Shares of GSPC Gas Co. Ltd. of Rs. 10/- each, pursuant to the composite scheme of Amalgamation and Arrangement.

NOTE - 13

(Rs. in Lacs)

		As at 31-03-2016	As at 31-03-2015
LONG-TERM LOANS AND ADVANCES:			
Unsecured- Considered Good:			
Capital Advances	**961.19**		1,105.29
Security Deposits	**1,957.23**		1,964.31
MAT Credit Entitlement	**5,957.00**		5,695.00
Loans to Employees	**10,737.51**		9,888.25
Loans to Other Companies (Refer Note-34)	**40.00**		200.00
Balance with Central Excise, Customs and Other Government Departments	**994.71**		881.10
Other Loans and Advances	**24.32**		4.23
		20,671.96	19,738.18
Unsecured- Considered Doubtful:			
Amount recoverable from Employees	**157.27**		157.27
Advances to Suppliers	**189.41**		163.74
	346.68		321.01
Less: Provision for Doubtful of Recovery	**346.68**		321.01
		0.00	0.00
Balance with Central Excise, Customs and Other Government Departments	**200.00**		200.00
Less: Provision for Doubtful of Recovery	**200.00**		200.00
		0.00	0.00
TOTAL		**20,671.96**	19,738.18

Loans to Employees include amounts due from:		
(i) Employees who have mortgaged/ hypothecated their Buildings and Vehicles to the Company	**8,575.20**	8,169.60
(ii) An officer of the Company	**0.00**	0.45
Balance with Central Excise, Customs and Other Government Departments includes:		
Amounts deposited / lying towards pending disputes	**941.76**	815.18

NOTE - 14

OTHER NON-CURRENT ASSETS:			
Capital Grant Recoverable from Government of India (*)		**35,228.34**	60,787.00
Long-Term Trade Receivables (Unsecured- Considered Doubtful):			
Outstanding for period exceeding six months from due date:			
Receivables	**88.00**		53.51
Less: Provision for Receivables	**88.00**		53.51
		0.00	0.00
Bank Deposits with more than 12 months original maturity (**)		**1.57**	2.58
TOTAL		**35,229.91**	60,789.58

(*) Represents the grant to be disbursed by Government of India for feed stock conversion project 'LSHS/FO' to 'Gas' as contemplated in Note - 3 referred to earlier.

(**) Pledged with Government Authorities	**1.57**	2.58

NOTE - 15

(Rs. in Lacs)

		As at 31-03-2016	As at 31-03-2015
INVENTORIES:			
(Valued at lower of Cost and Net Realisable Value)			
Raw Materials		**6,926.97**	14,443.51
(Includes in transit **Rs. 1,130.70 lacs** 31-03-2015: Rs. 4,379.62 lacs)			
Stock-in-Process		**2,281.00**	1,925.69
Finished Goods		**9,728.05**	9,673.86
(Includes in transit **Rs. Nil lacs** 31-03-2015: Rs. 1,340.21 lacs)			
Stock-in-Trade		**1,769.71**	647.70
Stores and Spares (including coal)		**52,459.89**	48,286.11
(Includes in transit **Rs. 609.88 lacs** 31-03-2015: Rs. 222.57 lacs)			
TOTAL		**73,165.62**	74,976.87

NOTE - 16

TRADE RECEIVABLES:			
(Unsecured- Considered Good)			
Outstanding for a period exceeding six months from the due date:			
Receivables	**1,416.17**		1,356.00
Subsidy and other Claims Receivables	**49,400.40**		31,965.58
		50,816.57	33,321.58
Outstanding for a period not exceeding six months from the due date:			
Receivables	**30,893.08**		21,043.23
Subsidy and other Claims Receivables	**67,541.84**		81,158.88
		98,434.92	1,02,202.11
TOTAL		**1,49,251.49**	1,35,523.69

NOTE - 17

CASH AND BANK BALANCES:			
Cash and Cash Equivalents			
Balances with Banks:			
Current Accounts	**311.95**		799.80
Cash on hand	**16.66**		16.83
		328.61	816.63
Other Bank Balances			
Unclaimed Dividend Accounts		**659.38**	777.68
Bank Deposits (*):			
With more than 12 months original maturity	**1.01**		0.00
		1.01	0.00
TOTAL		**989.00**	1,594.31
(*) Pledged with Government Authorities		**1.01**	0.00

NOTE - 18

(Rs. in Lacs)

		As at 31-03-2016	As at 31-03-2015
SHORT-TERM LOANS AND ADVANCES:			
(Unsecured- Considered Good)			
Advances with Suppliers		**9,868.96**	3,275.42
Loans to Employees		**2,252.83**	2,144.15
Prepaid Expenses		**732.07**	861.77
Balance with Central Excise, Customs and Other Government Departments:			
CENVAT Credit Receivable	**6,112.53**		5,529.43
VAT Credit Receivable	**1,875.51**		1,672.19
Service Tax Credit Receivable	**3,467.23**		3,008.63
Deposits	**3,451.14**		3,250.51
		14,906.41	13,460.76
Other Loans and Advances		**2,183.46**	576.33
TOTAL		**29,943.73**	20,318.43
Loans to Employees include amount due from:			
(i) Employees who have mortgaged/ hypothecated their Buildings and Vehicles to the Company		**1,217.52**	1,094.35
(ii) An officer of the Company		**5.26**	0.29

NOTE - 19

OTHER CURRENT ASSETS:		
Capital Grant Recoverable from Government of India (*)	**38,248.36**	60,787.00
Interest and other charges Recoverable from Government of India	**2,597.48**	12,402.32
TOTAL	**40,845.84**	73,189.32

(*) Represents the Grant to be disbursed by Government of India for feed stock conversion project from 'LSHS/ FO' to 'Gas' as contemplated in Note -3 referred to earlier.

NOTE - 20

(Rs. in Lacs)

		Year ended 31-03-2016	Year ended 31-03-2015
OTHER INCOME:			
Interest Income:			
On Bank Deposits	**5.44**		14.63
On Employee Loans	**426.38**		387.06
On Insurance Claim (*)	**3,031.03**		0.00
Others	**405.05**		237.95
		3,867.90	639.64
Income from Long Term Investments: Dividend		**570.57**	454.91
Rent		**868.17**	689.32
Gain on Foreign Currency Transactions and Translations (Net)		**0.00**	785.01
Profit on Sale of Fixed Assets (Net)		**10.52**	0.00
Recovery of Bad Debts		**8.00**	8.71
Insurance Claims (*)		**3,486.21**	5.88
Miscellaneous Income		**2,511.64**	2,591.68
TOTAL		**11,323.01**	5,175.15

(*) Includes Rs. 3,458.14 lacs towards Insurance Claim and Rs. 3,031.03 lacs towards Interest thereon, received and recognised based on an arbitration award received by the Company in its favour in respect of an insurance claim of Loss of Profit (LoP) upon failures of Air Compressure C-101 in Ammonia plant in the year 2008.

NOTE - 21

COST OF MATERIALS CONSUMED:		
Raw Materials Consumed (Refer Note - 46)	**2,13,511.12**	2,49,840.82
TOTAL	**2,13,511.12**	2,49,840.82

NOTE - 22

(Rs. in Lacs)

		Year ended 31-03-2016	Year ended 31-03-2015
CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE:			
Opening Stock:			
Finished Goods	**9,673.86**		11,466.75
Stock-in-Process	**1,925.69**		10,380.47
Stock-in-Trade	**647.70**		311.44
		12,247.25	22,158.66
Less : Closing Stock:			
Finished Goods	**9,728.05**		9,673.86
Stock-in-Process	**2,281.00**		1,925.69
Stock-in-Trade	**1,769.71**		647.70
		13,778.76	12,247.25
TOTAL		**(1,531.51)**	9,911.41

NOTE - 23

		Year ended 31-03-2016	Year ended 31-03-2015
EMPLOYEE BENEFITS EXPENSE:			
Salaries, Wages and Bonus	**26,538.15**		26,781.76
Contribution to provident and other funds	**4,638.84**		6,832.41
Staff Welfare Expenses	**5,297.43**		4,290.61
		36,474.42	37,904.78
Less:			
Salary Recoveries from outside Agencies	**17.42**		16.56
Employee Benefits Expense relating to R & D Activities	**206.42**		160.02
		223.84	176.58
TOTAL		**36,250.58**	37,728.20

NOTE - 24

	Year ended 31-03-2016	Year ended 31-03-2015
FINANCE COSTS:		
Interest Expense on Borrowings	**24,173.22**	26,924.95
Bank Charges & Commission	**262.93**	243.98
Exchange Difference considered as an adjustment to Borrowing Cost	**40.55**	168.00
Other Borrowing Costs	**98.62**	113.03
TOTAL	**24,575.32**	27,449.96
Finance costs does not include amounts: treated as receivable from Govt. of India under Government policy for feed stock conversion project from LSHS/FO to Gas	**4,813.53**	7,633.86

NOTE - 25

		Year ended 31-03-2016	Year ended 31-03-2015
DEPRECIATION AND AMORTIZATION EXPENSES:			
Depreciation/Amortization on Tangible Assets	**24,478.80**		28,459.00
Amortization on Intangible Assets	**223.65**		209.60
	24,702.45		28,668.60
Less: Transfer to General Reserve and Deferred Tax (*)	**0.00**		2,016.86
		24,702.45	26,651.74
Less: Transfer from Deferred Income		**5,774.77**	5,774.76
TOTAL		**18,927.68**	20,876.98

(*) Effective from 1st April, 2014, the company has charged depreciation based on the remaining useful life of the assets as per the requirements of Schedule II of the Companies Act, 2013 ("the Act"). Consequent to this, in previous FY 2014-15, in respect of assets having completed their useful life, an amount of Rs. 1,331.33 lacs (net of Deferred Tax of Rs. 685.53 lacs) had been adjusted against the opening balance of retained earnings in accordance with the transitional provisions provided in Note 7(b) of Schedule II of the Act.

NOTE - 26

(Rs. in Lacs)

		Year ended 31-03-2016	Year ended 31-03-2015
OTHER EXPENSES:			
Power, Fuel and Other Utilities		**67,554.00**	63,879.74
Consumption of Stores, Chemicals and Catalysts		**8,411.82**	6,734.86
Consumption of Packing Materials		**8,008.41**	6,579.34
Insurance		**2,268.12**	3,721.54
Repairs and Maintenance to:			
Buildings	**1,332.72**		1,516.89
Plant and Machinery	**11,887.31**		9,397.76
Others	**462.77**		583.87
		13,682.80	11,498.52
Materials Handling Expenses at Factory		**854.27**	763.73
Laboratory Expenses		**109.55**	114.02
Research & Development Expenses:			
Personnel Expenses	**206.42**		160.02
Consumables and Spares	**23.16**		14.66
Power and Fuel	**5.06**		4.95
		234.64	179.63
(Increase)/ Decrease of Excise Duty on Inventory		**(42.38)**	(37.00)
Other Operating Expenses		**2,712.86**	5,350.01
Outward Freight and Other Charges		**11,148.46**	8,661.64
Selling Expenses		**162.92**	154.63
Selling Commission to Other Selling Agents		**53.93**	81.22
Consignment and Entry Tax		**1,096.48**	1,223.58
Rates and Taxes		**453.41**	306.79
Rent		**816.17**	784.38
Printing, Stationery, Postage,Telephones & Advertisement		**542.56**	496.31
Travelling and Conveyance Expenses		**346.39**	366.70
Vehicle Running and Maintenance Expenses		**354.73**	319.45
Fire fighting, Safety and Security Expenses		**735.44**	643.68
Conference, Seminar, Subscription & Membership Fees		**83.95**	71.81
Professional and Consultation Charges		**501.69**	399.79
Purchase of Services		**352.69**	292.67
Miscellaneous Expenses		**3,585.43**	3,033.60
Loss on Sale of Fixed Assets (Net)		**0.00**	3.07
Directors' Sitting Fees		**6.82**	3.43
Auditors' Fees (Refer Note - 31 (b))		**46.85**	37.67
Donations & Contributions towards Corporate Social Responsibility		**326.00**	1,041.47
Premium on Forward Contracts		**455.57**	333.93
Investment Written Off	**7.02**		0.00
Less: Provision made in earlier years	**6.94**		0.00
		0.08	0.00
Provision for Doubtful Trade Receivables/Advances		**60.16**	0.00
TOTAL		**1,24,923.82**	1,17,040.21

27. Earnings Per Share:

	Unit	Year ended 31-03-2016	Year ended 31-03-2015
Net profit/(loss) after tax	Rs. in Lacs	**22,636.25**	(45,206.81)
Weighted average number of equity shares of nominal value of Rs. 10 each in calculating basic Earnings Per Share	Nos.	**15,54,18,783**	15,54,18,783
Basic and Diluted Earnings Per Share	Rs.	**14.56**	(29.09)

(Rs. in Lacs)

	As at 31-03-2016	As at 31-03-2015
28. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances):	**772.76**	946.39

(Rs. in Lacs)

	As at 31-03-2016	As at 31-03-2015

29. Other Commitments:

(i) The Company is committed to invest a further sum of **Rs. Nil** (31-03-2015: Rs. 999 lacs) in the equity share capital of Bhavnagar Energy Co. Ltd. (BECL) as per the terms of the Shareholders' Agreement. The Company is also committed to grant subordinate debt of **Rs. 540 lacs** (31-03-2015: Rs. 540 lacs) to BECL in the manner and in the form as may be finalized by the promoters with BECL.

(ii) Export obligation on account of benefit of concessional rate of Custom duty availed under EPCG license scheme on imports of capital goods is **Rs. 26,924 lacs** (31-03-2015: Rs. 48,653 lacs).

30. Contingent Liabilities not provided for:

	As at 31-03-2016	As at 31-03-2015
(i) Claims against the Company not acknowledged as debts	**18,751.03**	12,021.23
(ii) Claims in respect of employees' / contract labour matters	**Amount not ascertainable**	
(iii) Income tax assessment orders contested	**1,796.82**	1,816.37
(iv) Demands in respect of Central Excise Duty, Custom Duty, Service Tax and VAT as estimated by the Company	**20,109.12**	19,157.13

In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute.

31. Statement of Profit and Loss includes:

	Year ended 31-03-2016	Year ended 31-03-2015
(a) In the item of Sales (which is net of Rebate and Discounts): Subsidy from Government of India under the Retention Price Scheme and Nutrient Based Subsidy (NBS) Scheme	**1,15,464.47**	1,38,352.66
(b) Payments to Statutory Auditors comprise: (Net of Service Tax Input Credit, where applicable)		
(i) Statutory Audit Fees	**23.09**	20.79
(ii) Tax Audit Fees	**3.41**	3.37
(iii) Other services for Certification work etc.	**14.90**	9.51
(iv) Reimbursement of Expenses	**2.83**	2.01
(v) Income Tax Assessment work & Retainership	**2.62**	1.99
(c) Payments to Cost Auditor comprise: (Net of Service Tax Input Credit, where applicable)		
(i) Cost Audit Fees	**4.29**	3.37
(ii) Reimbursement of Expenses	**0.47**	1.10
(d) Foreign Exchange Rate Differences-Loss/(Gain)	**345.78**	(785.01)

32.(a) Under the conversion policy of Government of India, the feed stock of Ammonia Plant was converted from LSHS to Natural Gas. After conversion, energy consumption norms for production of Urea were reduced from 7.989 GCAL/ MT of Urea to 6.965 GCAL/ MT of Urea. The Draft Feasibility Report (DFR) submitted by Project and Development India Limited (PDIL) has calculated the energy norms of 6.301 GCAL/ MT for production of Urea. The actual consumption norms achieved during the actual operations of the plant comes to 6.876 GCAL/ MT of Urea. The Company has made various representations to the Department of Fertilizers (DOF) for revision in norms with the support of PDIL. The matter is under review and consideration by DOF. The Company, based on the above facts, is confident that the energy norms for production of Urea shall be raised by DOF to 6.965 GCAL / MT of Urea. Considering the above facts, revenue has been recognized based on actual norms for production of Urea.

(b) Subsidy on Ammonium Nitro Phosphate (ANP) is allowed by Government of India (GoI) under Nutrient Based Subsidy (NBS) Scheme w.e.f. 01-04-2010 for Nitrogen, Phosphorus, and Potassium (NPK) fertilizers at the rate prescribed by GoI. A separate additional compensation on ANP was also allowed by GoI for FY 2010-11 and 2011-12 to GNFC and two other companies producing complex fertilizers from Naphtha / Fuel Oil / LSHS based Ammonia to compensate the higher cost of production of Nitrogen "N". GNFC has requested to the GoI for extension of additional compensation on ANP for three more years. Considering the request, the GoI has initiated a study through the Tariff Commission for determining additional compensation for complex fertilizers produced by using expensive feed stock. GNFC has, from time to time, submitted the data as requested and has been making regular follow up with the GoI. Considering the fact that in similar case, one of the other fertilizer production companies has received the additional compensation for an extended period, the Company is confident that the GoI will consider the Company's case favourably for allowing the additional compensation for which revenue has been recognised in the books of account in FY 2013-14.

33. The Company has entered into a Shareholders' Agreement for its investments in the equity share capital of Bhavnagar Energy Co. Ltd. (BECL). The agreement with regard to the equity investment in BECL, inter alia, includes terms whereby the Company's investment in the equity share capital of BECL is subject to restrictions as regards transfer of shares up to the date of successful commercial operations of BECL.

34. Long-Term Loans and Advances include interest bearing unsecured loan of **Rs. NIL** (31-3-2015: Rs. 160.00 lacs) to Gujarat Chemical Port Terminal Company Ltd.

35. As per the provisions of "The Micro, Small And Medium Enterprises Development Act, 2006", the principal amount payable to Micro, Small and Medium enterprises is **Rs. 646.98 Lacs** (31-3-2015: Rs. 814.38 Lacs). The payments to Micro, Small and Medium undertakings have been made within the prescribed time limit/ date agreed upon with supplier and hence no interest is payable for delayed payments. These amounts have been included in Trade Payables.

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

36. Related Party Disclosures:

Related party disclosures, as required by AS-18, "Related Party Disclosures", are given below:

Key Management Personnel: (Rs. in Lacs)

Name of the Person	Designation	Remuneration Year ended 31-03-2016	Remuneration Year ended 31-03-2015
Dr. Rajiv Kumar Gupta, IAS	Managing Director	-	-

Company under Significant Influence: (Rs. in Lacs)

Name of the Company	Nature of Transactions	Amount Year ended 31-03-2016	Amount Year ended 31-03-2015
Gujarat Green Revolution Co. Ltd.	Sale of Goods & Services	**12.10**	9.09
	Receipts towards Outstanding	**11.92**	9.09
	Closing Balance	**1.18**	1.01

37. Disclosures Related to Accounting Standard 15 – Employee Benefits:

(Rs. in Lacs)

	Year ended 31-03-2016	Year ended 31-03-2015
(A) The Amounts recognized in respect of unfunded obligations:		
Amount recognized in the Balance Sheet in respect of leave liability	**13,424.40**	12,998.61
Amount recognized in Salary, Wages and Employee Benefits in the Statement of Profit and Loss in respect of leave liability	**425.79**	1,880.35
Principal Actuarial Assumptions at the Balance Sheet date:		
Discount rate	**8.23%**	7.97%
Future Salary escalation	**4.00%**	3.00%
Mortality Table	**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate

(Rs. in Lacs)

	Year ended 31-03-2016	Year ended 31-03-2015
(B) Defined Contribution Plan:		
Amount recognized as an expense as Contribution to Provident Fund and Pension Fund	**3,143.99**	2,933.72

(C) Defined benefit plans - As per actuarial valuation on Balance Sheet Date:

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. The Scheme is funded with Gratuity Trust.

(Rs. in Lacs)

Sr. No.	Particulars	Gratuity		Post Employment Medical Benefit	
		Year ended 31-03-2016	Year ended 31-03-2015	**Year ended 31-03-2016**	Year ended 31-03-2015
I	**Expense recognized in the Statement of Profit & Loss for the year**				
1	Current Service Cost	**791.10**	604.89	**61.22**	57.90
2	Interest Cost	**1,448.60**	1,256.15	**81.67**	74.26
3	Expected return on plan assets	**(1,449.28)**	(1,364.93)	**-**	-
4	Actuarial (Gain) / Losses	**712.41**	3,394.14	**484.49**	184.50
5	Total expenses	**1,502.83**	3,890.25	**627.38**	316.66
II	**Net Assets/ (Liabilities) recognized in the Balance Sheet**				
1	Present value of Defined Benefit Obligation as at Balance Sheet Date	**19,154.27**	18,175.72	**1,541.31**	1,027.30
2	Fair value of plan assets as at Balance Sheet Date	**18,856.23**	18,184.16	**-**	-
3	Funded status [Surplus/ (Deficit)]	**(298.04)**	8.44	**(1,541.31)**	(1,027.30)
4	Net assets / (Liability) as at Balance Sheet Date	**(298.04)**	8.44	**(1,541.31)**	(1,027.30)
III	**Change in Obligation during the year**				
1	Present value of Defined Benefit Obligation at the beginning of the year	**18,175.72**	14,972.04	**1,027.30**	801.08
2	Current Service Cost	**791.10**	604.89	**61.22**	57.90
3	Interest Cost	**1,448.60**	1,256.15	**81.67**	74.26
4	Actuarial (Gains) / Losses	**717.37**	3,388.28	**484.49**	184.50
5	Benefit Payments	**(1,978.52)**	(2,045.64)	**(113.37)**	(90.44)
6	Present value of Defined Benefit Obligation at the end of the year	**19,154.27**	18,175.72	**1,541.31**	1,027.30
IV	**Change in fair value of plan Assets during the year**				
1	Plan assets at the beginning of the year	**18,184.16**	15,688.85	**-**	-
2	Expected return on plan assets	**1,449.28**	1,364.93	**-**	-
3	Contribution by employer	**1,196.34**	3,181.88	**-**	-
4	Actual benefit paid	**(1,978.52)**	(2,045.64)	**-**	-
5	Actual Gains / (Losses)	**4.97**	(5.86)	**-**	-
6	Plan assets at the end of the year	**18,856.23**	18,184.16	**-**	-
7	Actual return on plan assets	**1,454.25**	1,359.07	**-**	-
V	**Actuarial Assumptions:**				
1	Discount Rate	**8.23%**	7.97%	**8.30%**	7.95%
2	Expected rate of return on plan assets	**8.23%**	7.97%	**-**	-
3	Mortality / pre-retirement	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
4	Medical Inflation rate	**-**	-	**4.00%**	4.00%
5	Salary Escalation	**4.00%**	3.00%	**-**	-
6	Attrition Rate	**1.00%**	1.00%	**-**	-

Estimates of future salary increases has been done considering the general trend in inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Sr. No.	Particulars	Gratuity		Post Employment Medical Benefit	
		Year ended 31-3-2016	Year ended 31-3-2015	**Year ended 31-3-2016**	Year ended 31-3-2015
VI	**Nature and extent of investment details of plan assets:**				
	Insurer managed fund	**100%**	100%	**–**	–

(Rs. in Lacs)

Sr. No.	Particulars	Post Employment Medical Benefit	
		1 % Increase	**1 % Decrease**
1	Positive/ (Negative) effect on Defined Benefit Obligation, if Medical Inflation rate is changed	**(196.53)**	**162.17**

(Rs. in Lacs)

Sr. No.	Particulars	Gratuity				
		2015-16	2014-15	2013-14	2012-13	2011-12
1	Defined Benefit Obligation	**19,154.27**	18,175.72	14,972.04	15,753.31	13,169.15
2	Plan Assets	**18,856.23**	18,184.16	15,688.85	13,386.42	13,170.01
3	Surplus/(Deficit)	**(298.04)**	8.44	716.81	(2,366.89)	0.86
4	Experience adjustment on plan liabilities (gain) / loss	**(157.96)**	3,790.03	13.05	1,166.87	148.15
5	Experience adjustment on plan assets (loss) / gain	**4.97**	(5.86)	194.76	60.60	135.65

(Rs. in Lacs)

Sr. No.	Particulars	Post Employment Medical Benefit				
		2015-16	2014-15	2013-14	2012-13	2011-12
1	Defined Benefit Obligation	**1,541.31**	1,027.30	801.08	761.82	600.82
2	Experience adjustment on plan liabilities (gain) / loss	**35.03**	39.73	87.87	134.66	(12.46)

The Company expects to contribute **Rs. 1,152.13 lacs** towards Gratuity Benefit in the year 2016-17.

38. Operating Lease:

The Company has given office premises on operating lease. The lease term is for three to four years. There are no restrictions imposed by lease arrangements.

(Rs. in Lacs)

	As at 31-03-2016	As at 31-03-2015
Future minimum lease payments:		
Not later than one year	**18.68**	37.36
Later than one year and not later than five years	**0.00**	18.68
Later than five years	**0.00**	0.00
TOTAL	**18.68**	56.04

39. Capitalization of exchange differences:

The Ministry of Corporate Affairs (MCA) has issued an amendment dated 29th December, 2011 to AS 11 'The Effects of Changes in Foreign Exchange Rates', to allow companies deferral/ capitalization of exchange differences arising on long-term foreign currency monetary items.

In accordance with the above stated amendment to AS 11, the Company has capitalized exchange difference gain, arising on long-term foreign currency loan and payables, amounting to **Rs. 2,639.22 lacs** (Previous year: Gain of Rs. 4,204.62 lacs). The Company has also capitalized exchange difference loss, arising on long-term foreign forward contract, undertaken to fully hedge the foreign currency loan, amounting to **Rs. 2,467.03 lacs** (Previous year: Loss of Rs. 3,870.37 lacs).

40. 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 Rs. 6 crore, was sanctioned by Hon'ble High Court of Gujarat 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 31st January, 2013 which are still pending for approval before DOT.

As per the legal opinion obtained from Legal 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 GNFC 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 for the year ended 31.03.2016.

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.

41. The Company, in pursuance of Accounting Standard (AS 28) – 'Impairment of Assets', had assessed impairment loss of Rs. 33,000 lacs in respect of the TDI Dahej plant in the year 2014-15.

The assumptions on which the assessment was made are being monitored on a periodic basis by the management.

42. Confirmations of certain parties and banks for amounts due to them/ amounts due from them as per accounts of the Company are not received. Necessary adjustments, if any, will be made when the confirmations are received, reconciled and settled.

43. Segment Information:

Based on the guiding principles given in Accounting Standard on 'Segment Reporting' (AS-17) as notified by Companies (Accounting Standards) Rules, 2006, the Company's primary business segments are Fertilizers, Chemicals and Others (which includes mainly IT Division's activities) which have got their own respective risk and return profiles.

Financial information about the primary business segments for the year ended 31st March, 2016: (Rs. in Lacs)

		Fertilizers		Chemicals		Others		Total	
		2015-16	2014-15	**2015-16**	2014-15	**2015-16**	2014-15	**2015-16**	2014-15
A	**REVENUE:**								
	External Sales Revenue	**1,98,792.44**	2,20,608.83	**2,69,718.22**	2,59,641.17	**15,756.77**	13,331.37	**4,84,267.43**	4,93,581.37
	Intersegment Revenue	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00
	Total Revenue	**1,98,792.44**	2,20,608.83	**2,69,718.22**	2,59,641.17	**15,756.77**	13,331.37	**4,84,267.43**	4,93,581.37
	Less Excise Duty	**797.70**	1,581.45	**28,608.08**	27,826.57	**31.64**	21.69	**29,437.42**	29,429.71
	Net Revenue	**1,97,994.74**	2,19,027.38	**2,41,110.14**	2,31,814.60	**15,725.13**	13,309.68	**4,54,830.01**	4,64,151.66
B	**RESULT:**								
	Segment result - profit / (loss)	**8,809.09**	(3,925.77)	**27,042.16**	(17,755.90)	**2,630.18**	2,053.28	**38,481.43**	(19,628.39)
	Other Income							**11,323.01**	5,174.55
	Unallocable Expenses							**(2,592.87)**	(3,303.01)
	Operating profit							**47,211.57**	(17,756.85)
	Finance Costs							**(24,575.32)**	(27,449.96)
	Profit / (Loss) before tax							**22,636.25**	(45,206.81)
	Provision for income tax (including deferred tax)							**0.00**	0.00
	Net profit / (Loss)							**22,636.25**	(45,206.81)
C	**OTHER INFORMATION:**								
	Capital Employed:								
	Segment assets	**3,89,060.53**	4,35,588.38	**2,60,472.91**	2,72,867.98	**13,342.82**	11,226.52	**6,62,876.26**	7,19,682.88
	Segment liabilities	**(1,11,134.75)**	(1,14,493.35)	**(15,524.41)**	(22,050.80)	**(8,664.45)**	(7,609.16)	**(1,35,323.61)**	(1,44,153.31)
	Other unallocable corporate assets							**1,31,001.93**	1,29,120.32
	Other unallocable corporate liabilities							**(3,91,642.03)**	(4,56,632.42)
	Total capital employed	**2,77,925.78**	3,21,095.03	**2,44,948.50**	2,50,817.18	**4,678.37**	3,617.36	**2,66,912.55**	2,48,017.47
	Capital assets / expenditure incurred during the year:								
	Capital assets including capital work in progress	**3,594.85**	2,412.79	**1,077.58**	6,956.09	**457.16**	13.48	**5,129.59**	9,382.36
	Other unallocable capital expenditures							**713.08**	10,813.56
	TOTAL	**3,594.85**	2,412.79	**1,077.58**	6,956.09	**457.16**	13.48	**5,842.67**	20,195.92
D	**Segment depreciation**	**2,512.23**	2,631.65	**14,839.19**	17,060.68	**1,576.26**	1,184.65	**18,927.68**	20,876.98
E	**Non cash expenses other than depreciation**							**60.24**	33,000.00

44. Sales and Closing Stock :

(Rs. in Lacs)

Products (Manufactured) and Services	Sales Quantity (MT) for the year ended		Sales Amount for the year ended (*)		Closing Stock as at	
	31-03-2016	31-03-2015	31-03-2016	31-03-2015	31-03-2016	31-03-2015
Urea	**6,89,375**	7,43,451	**37,706.00**	39,775.15	**1,423.34**	1,414.31
Ammonium Nitro Phosphate	**2,02,158**	2,07,804	**33,048.52**	31,989.56	**2,165.50**	872.16
Methanol	**43,687**	26,782	**10,392.34**	6,971.32	**777.00**	752.37
Formic Acid	**20,995**	20,573	**8,921.16**	9,291.32	**263.96**	134.37
Acetic Acid	**1,24,879**	1,28,636	**40,080.27**	52,520.82	**779.59**	534.51
Concentrated Nitric Acid	**44,811**	61,131	**11,195.37**	12,139.24	**226.25**	98.45
Technical Grade Urea	**75,204**	6,306	**16,479.67**	1,544.33	**4.97**	3.50
Aniline	**39,096**	34,883	**31,970.87**	39,211.14	**481.94**	372.26
Toluene Di-Isocyanate	**47,105**	21,230	**51,319.85**	31,930.24	**1,575.03**	3,565.71
Ethyl Acetate	**51,254**	45,951	**29,447.94**	30,768.97	**965.27**	1,394.54
Liquid Ammonia	**0**	21,640	**0.00**	7,297.99	**1,344.93**	951.05
Loose Urea in Silo	-	-	-	-	**353.29**	242.29
By-products and Others	-	-	**60,327.08**	61,884.00	**1,647.98**	1,264.03
Fertilizers and Freight Subsidy	-	-	**1,15,464.47**	1,38,352.66	-	-
IT related Services	-	-	**6,882.73**	10,306.19	-	-
TOTAL			**4,53,236.27**	4,73,982.93	**12,009.05**	11,599.55

(*) Inclusive of Excise Duty collected

45. Goods Traded:

(Rs. in Lacs)

Products (Traded)	Purchases for the year ended		Sales for the year ended		Closing Stock as at	
	31-03-2016	31-03-2015	31-03-2016	31-03-2015	31-03-2016	31-03-2015
Imported Urea	**8,101.95**	0.00	**9,918.95**	2.70	**1,071.36**	0.00
IPL Urea	**125.80**	39.68	**131.97**	39.85	**0.00**	1.30
Single Super Phosphate	**732.97**	604.93	**785.30**	619.17	**23.18**	26.01
Di-Ammonium Phosphate	**747.22**	1,522.81	**873.41**	1,415.19	**45.70**	146.24
Imported Muriate of Potash	**356.64**	585.34	**402.62**	553.86	**30.74**	57.40
Imported Methanol	**10,196.63**	10,985.60	**10,795.24**	11,237.09	**197.54**	44.93
Imported Acetic Acid	**310.82**	2,775.89	**413.30**	2,955.99	**42.12**	123.60
PKI & Data Centre	**5,986.32**	2,013.25	**7,403.14**	2,621.10	**352.21**	240.75
Others	**301.41**	158.54	**307.23**	153.49	**6.86**	7.47
TOTAL	**26,859.76**	18,686.04	**31,031.16**	19,598.44	**1,769.71**	647.70

46. Raw Materials Consumed:

(Rs. in Lacs)

	Year ended 31-03-2016	Year ended 31-03-2015
LSHS & HVFO (Feed Stock)	**48,167.16**	66,524.03
Natural Gas	**1,02,649.69**	1,21,283.90
Rock Phosphate	**14,596.40**	13,597.40
Imported Acetic Acid	**807.24**	0.00
Methanol	**0.00**	1,310.32
Ethanol	**13,058.01**	12,856.81
Benzene	**17,383.09**	23,108.10
Toluene	**14,931.11**	9,795.27
Neem Oil	**908.25**	0.00
Others	**1,010.17**	1,364.99
TOTAL	**2,13,511.12**	2,49,840.82

Methanol being an intermediate product, materials acquired from outside only are considered.

47. Value of Imported and Indigenous Raw Materials, Components and Spares Consumed and percentage thereof to the total consumption:

	Year ended 31-03-2016		Year ended 31-03-2015	
	Rs. in Lacs	%	Rs. in Lacs	%
Raw Materials:				
Imported	**15,402.76**	**7.21**	14,897.07	5.96
Indigenous	**1,98,108.36**	**92.79**	2,34,943.75	94.04
TOTAL	**2,13,511.12**	**100.00**	2,49,840.82	100.00
Components & Spares:				
Imported	**4,779.70**	**40.21**	3,567.25	37.96
Indigenous	**7,107.61**	**59.79**	5,830.51	62.04
TOTAL	**11,887.31**	**100.00**	9,397.76	100.00

(Rs. in Lacs)

	Year ended 31-03-2016	Year ended 31-03-2015
48. C.I.F. Value of Imports:		
(i) Raw Materials and Fuel	**14,896.12**	14,109.91
(ii) Spares	**10,627.46**	5,784.65
(iii) Capital goods	**37.47**	521.47
49. Expenditure in Foreign Currency (Accrual Basis):		
(i) Engineering,Licence and Know-how fees - Capital Nature	**478.55**	2,521.14
(ii) Engineering,Licence and Know-how fees - Revenue Nature	**276.32**	78.38
(iii) Travelling, Journal, Membership fees, Interest etc.	**100.58**	71.02
50. Amount remitted during the year in Foreign Currencies on account of Dividend:		
(i) Amount remitted (Net of Tax) (Rs. in Lacs)	**Nil**	13.11
(ii) Year to which Dividend relates	**-**	2013-14
(iii) No of Shares held by them on which Dividend was due	**-**	3,74,607
(iv) Number of Shareholders	**-**	450
51. Earnings in Foreign Currency (Accrual Basis):		
(i) Export of goods on FOB basis	**5,839.33**	2,330.32
(ii) Technical consultancy & other fees	**2.70**	49.71

52. The foreign currency payables and receivables unhedged at the year end are as follows:

(I) Amounts Payable in Foreign Currency :

Particulars	As at 31-03-2016 Rs. in Lacs	As at 31-03-2016 Amount in FC		As at 31-03-2015 Rs. in Lacs	As at 31-03-2015 Amount in FC	
Payables for Import	**1,808.27**	**Euro**	**23,87,151**	2,936.15	Euro	42,95,756
Payables for Import	**0.00**	**JPY**	**0**	191.05	JPY	3,67,40,154
Payables for Import	**313.17**	**USD**	**4,70,221**	96.32	USD	1,52,824
Payables for Import	**1.26**	**GBP**	**1,315**	1.23	GBP	1,315
Payables for Import	**38.29**	**CHF**	**55,275**	16.68	CHF	25,561
Payables for PCFC Export Credit	**942.52**	**USD**	**14,20,730**	0.00	USD	0

(II) Amounts Receivable in Foreign Currency :

Particulars	As at 31-03-2016 Rs. in Lacs	As at 31-03-2016 Amount in FC		As at 31-03-2015 Rs. in Lacs	As at 31-03-2015 Amount in FC	
Receivables for Export	**960.84**	**USD**	**14,59,358**	22.06	USD	35,500
Receivables for Export	**187.43**	**AED**	**10,50,000**	0.00	AED	0

53. The foreign currency payables hedged and Interest rate swaps at the year end are as follows:

(I) Amounts Payable in Foreign Currency :

Particulars	As at 31-03-2016 Rs. in Lacs	As at 31-03-2016 Amount in FC		As at 31-03-2015 Rs. in Lacs	As at 31-03-2015 Amount in FC	
ECB	**13,562.34**	**Euro**	**1,80,60,000**	15,675.91	Euro	2,32,20,000
Buyers Credit	**7,572.53**	**USD**	**1,14,15,948**	7,050.23	USD	1,12,64,000
Interest accrued but not due	**23.59**	**USD**	**35,564**	5.19	USD	8,287
Payables for Import	**29.60**	**USD**	**44,625**	0.00	USD	0

(II) Interest rate swaps :

Particulars	As at 31-03-2016 Notional Amount Rs. in Lacs	As at 31-03-2016 Notional Amount in FC		As at 31-03-2015 Notional Amount Rs. in Lacs	As at 31-03-2015 Notional Amount in FC	
Hedge against exposure to variable interest outflow on loan. Swap to pay fixed interest @ ranging from 9.52% p.a. to 9.74% p.a. and receive a variable interest @ 6 month EURIBOR plus 1.98% on notional amount	**12,309.20**	**Euro**	**1,80,60,000**	15,826.11	Euro	2,32,20,000

54. The previous year's figures have been regrouped/ reclassified, wherever necessary, to conform to the figures of the current year presentation. Figures are rounded off to the nearest lacs.

For and on behalf of the Board of Directors,

Vikram Mathur	**R.B. Panchal**	**Dr. Rajiv Kumar Gupta**	**G. R. Aloria**
General Manager & CFO	Company Secretary	Managing Director	Chairman

Place : Gandhinagar
Date : 26.04.2016

AS PER OUR REPORT OF EVEN DATE
For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

Gaurav J. Shah
Partner
Membership No. 35701

Place : Ahmedabad
Date : 26.04.2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED (hereinafter referred to as "the Company") and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The 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 the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its associate as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

a) The consolidated financial statements include the Company's share of net profit of Rs.717.60 lacs for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of one associate, whose financial information have not been audited by us. These financial information is unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information is not material to the Company.

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 matter with respect to our reliance on the work done and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.

    e) On the basis of the written representations received from the directors of the Company as on 31st March, 2016 taken on record by the Board of Directors of the Company and the certificate of Management of its associate company, none of the directors of the Company and its associate company is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Company and associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's and associate Company's incorporated in India internal financial controls over financial reporting.

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its associate.

ii. The Company and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate company and incorporated in India.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

(Gaurav J. Shah)
(Partner)
(Membership No. 35701)

Place: Ahmedabad
Date: 26th April, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of Gujarat Narmada Valley Fertilizers and Chemicals Limited (hereinafter referred to as "the Company") and its associate company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its associate company, which is a company 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 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 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 based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 and the audit evidence obtained by the other auditors of the associate company which is a company incorporated in India, in terms of the report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control 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 control 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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 and its associate company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one associate company, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)

(Gaurav J. Shah)
(Partner)
(Membership No. 35701)

Place: Ahmedabad
Date: 26th April, 2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

(Rs. in Lacs)

	NOTE NO.		As at 31-03-2016	As at 31-03-2015
EQUITY AND LIABILITIES:				
Shareholders' Funds:				
Share Capital	1	**15,541.88**		15,541.88
Reserves and Surplus	2	**2,55,985.50**		2,36,372.82
			2,71,527.38	2,51,914.70
Deferred Income:				
Grant from Government of India	3		**1,06,823.71**	1,12,598.48
Non-current Liabilities:				
Long-Term Borrowings	4	**1,03,732.14**		1,52,684.61
Deferred Tax Liabilities (Net)	5	**32,955.19**		32,955.19
Long-Term Provisions	6	**11,300.74**		10,316.16
			1,47,988.07	1,95,955.96
Current Liabilities:				
Short-Term Borrowings	7	**1,42,591.18**		1,64,756.88
Trade Payables	8	**30,225.95**		29,644.14
Other Current Liabilities	9	**89,148.92**		93,229.43
Short-Term Provisions	10	**10,187.81**		4,600.85
			2,72,153.86	2,92,231.30
TOTAL			**7,98,493.02**	8,52,700.44
ASSETS:				
Non-current Assets:				
Fixed Assets:				
Tangible Assets	11	**4,25,752.11**		4,44,258.19
Intangible Assets	11	**2,596.14**		2,552.79
Capital Work-in-Progress		**896.57**		1,325.95
		4,29,244.82		4,48,136.93
Non-Current Investments	12	**19,150.65**		18,433.13
Long-Term Loans and Advances	13	**20,671.96**		19,738.18
Other Non-current Assets	14	**35,229.91**		60,789.58
			5,04,297.34	5,47,097.82
Current Assets:				
Inventories	15	**73,165.62**		74,976.87
Trade Receivables	16	**1,49,251.49**		1,35,523.69
Cash and Bank Balances	17	**989.00**		1,594.31
Short-Term Loans and Advances	18	**29,943.73**		20,318.43
Other Current Assets	19	**40,845.84**		73,189.32
			2,94,195.68	3,05,602.62
TOTAL			**7,98,493.02**	8,52,700.44
Significant Accounting Policies See accompanying Notes forming part of the Consolidated Financial Statements	**1 to 55**			

For and on behalf of the Board of Directors,

Vikram Mathur	**R.B. Panchal**	**Dr. Rajiv Kumar Gupta**	**G. R. Aloria**
General Manager & CFO	Company Secretary	Managing Director	Chairman

Place : Gandhinagar
Date : 26.04.2016

AS PER OUR REPORT OF EVEN DATE
For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

Gaurav J. Shah
Partner
Membership No. 35701

Place : Ahmedabad
Date : 26.04.2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(Rs. in Lacs)

	NOTE NO.		Year ended 31-03-2016	Year ended 31-03-2015
INCOME:				
Revenue from Operations:				
Sale of Products		**4,77,384.70**		4,83,275.19
Sale of Services		**6,882.73**		10,306.18
Revenue from Operations (Gross):	**44 - 45**	**4,84,267.43**		4,93,581.37
Less: Excise Duty		**29,437.42**		29,429.71
Revenue from Operations (Net)			**4,54,830.01**	4,64,151.66
Other Income	**20**		**11,323.01**	5,175.15
Total Revenue			**4,66,153.02**	4,69,326.81
EXPENSES:				
Cost of Materials Consumed	**21**	**2,13,511.12**		2,49,840.82
Purchases of Stock-in-Trade	**45**	**26,859.76**		18,686.04
Changes in Inventories of Finished Goods, Stock-in-Process and Stock-in-Trade	**22**	**(1,531.51)**		9,911.41
Employee Benefits Expense	**23**	**36,250.58**		37,728.20
Finance Costs	**24**	**24,575.32**		27,449.96
Depreciation and Amortization Expense	**25**	**18,927.68**		20,876.98
Other Expenses	**26**	**1,24,923.82**		1,17,040.21
Total Expenses			**4,43,516.77**	4,81,533.62
Profit / (Loss) Before Exceptional Items and Tax			**22,636.25**	(12,206.81)
Exceptional Items	**41**		**0.00**	33,000.00
Profit / (Loss) Before Tax			**22,636.25**	(45,206.81)
Tax Expense:				
Current Tax		**262.00**		0.00
MAT Credit Entitlement		**(262.00)**		0.00
Deferred Tax		**0.00**		0.00
Net Tax Expense			**0.00**	0.00
Profit / (Loss) after Tax and before Share in Profit of Associate			**22,636.25**	(45,206.81)
Share in Profit of Associate			**717.60**	905.86
Profit / (Loss) for the year attributable to the Shareholders of the Company			**23,353.85**	**(44,300.95)**
Earnings per Equity Share of face value of Rs. 10 each				
Basic and Diluted (in Rs.)	**27**		**15.03**	(28.50)
Significant Accounting Policies See accompanying Notes forming part of the Consolidated Financial Statements	**1 to 55**			

For and on behalf of the Board of Directors,

Vikram Mathur	**R.B. Panchal**	**Dr. Rajiv Kumar Gupta**	**G. R. Aloria**
General Manager & CFO	Company Secretary	Managing Director	Chairman

Place : Gandhinagar
Date : 26.04.2016

AS PER OUR REPORT OF EVEN DATE
For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

Gaurav J. Shah
Partner
Membership No. 35701

Place : Ahmedabad
Date : 26.04.2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(Rs. in Lacs)

Particulars		Year ended 31-03-2016		Year ended 31-03-2015
A. Cash Flow from Operating Activities:				
Net Profit / (Loss) before Tax and before Share in Profit of Associate		**22,636.25**		(45,206.81)
Adjustments for:				
- Depreciation and Amortisation Expense	**24,702.45**		26,651.74	
- Foreign exchange loss/(gain)	**345.78**		(785.01)	
- Premium on Forward Contracts	**455.57**		333.93	
- Interest income	**(3,867.90)**		(639.64)	
- Dividend income	**(570.57)**		(454.91)	
- Finance costs	**24,575.32**		27,449.96	
- Loss / (Profit) on sale of Fixed Assets (Net)	**(10.52)**		3.07	
- Provision for Impairment of Fixed Assets	**0.00**		33,000.00	
- Provision for Doubtful Trade Receivables/ Advances	**60.16**		0.00	
- Investment witten off (Net of Provisions)	**0.08**		0.00	
		45,690.37		85,559.14
Operating Profit before Working Capital Changes		**68,326.62**		40,352.33
Adjustment for:				
- Trade and other receivables	**33,673.00**		6,421.71	
- Inventories	**1,811.25**		7,481.77	
- Trade and other payables	**(4,078.39)**		(6,646.29)	
- Provisions	**1,237.84**		2,106.57	
		32,643.70		9,363.76
Cash Generated from Operations		**1,00,970.32**		49,716.09
- Net Income Tax (Paid) / Refunds		**1,401.84**		(707.65)
Net Cash Flow from Operating Activities		**1,02,372.16**		49,008.44
B. Cash Flow from Investing Activities:				
- Capital expenditure on Fixed Assets, including Capital Advances	**(6,558.81)**		(28,334.80)	
- Proceeds from sale of Fixed Assets	**42.84**		61.70	
- Interest received	**3,867.90**		639.64	
- Dividends received	**570.57**		454.91	
- Purchase of Long Term Investments	**0.00**		(1,321.00)	
- Decrease/ (Increase) in Unclaimed Dividend Accounts	**118.29**		(33.50)	
- Investment in bank deposits (having original maturity of more than three months)	**0.00**		(1.50)	
- Maturity of bank deposits (having original maturity of more than three months)	**0.00**		151.50	
Net Cash Flow Used in Investing Activities		**(1,959.21)**		(28,383.05)
C. Cash Flow from Financing Activities:				
- Proceeds from Short Term Borrowings	**3,12,131.10**		3,14,046.87	
- Repayment of Short Term Borrowings	**(3,34,647.02)**		(3,17,743.60)	
- Proceeds from Long Term Borrowings	**0.00**		56,300.00	
- Repayment of Long Term Borrowings	**(52,820.80)**		(55,393.22)	
- Finance Costs paid	**(24,990.39)**		(26,800.39)	
- Dividend paid (Including Dividend Tax)	**(118.29)**		(6,331.30)	
- Premium on Forward Contracts	**(455.57)**		(333.93)	
Net Cash Flow Used in Financing Activities		**(1,00,900.97)**		(36,255.57)
Net decrease in cash and cash equivalents		**(488.02)**		(15,630.18)
Cash and cash equivalents at the beginning of period		**816.63**		16,446.81
Cash and cash equivalents at the end of period		**328.61**		816.63

Notes :
1 The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard -3 "Cash Flow Statement".
2 For Components of cash and cash equivalents, refer Note-17.

For and on behalf of the Board of Directors,

Vikram Mathur	**R.B. Panchal**	**Dr. Rajiv Kumar Gupta**	**G. R. Aloria**
General Manager & CFO	Company Secretary	Managing Director	Chairman

Place : Gandhinagar
Date : 26.04.2016

AS PER OUR REPORT OF EVEN DATE
For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

Gaurav J. Shah
Partner
Membership No. 35701

Place : Ahmedabad
Date : 26.04.2016

SIGNIFICANT ACCOUNTING POLICIES:

1. Basis for Accounting and preparation of Consolidated Financial Statements:

The consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the Act"). The consolidated financial statements have been prepared under the historical cost convention on an accrual basis except otherwise stated. In the preparation of the consolidated financial statements, the accounting policies have been consistently applied with those in the previous year.

Principles of consolidation:

The consolidated financial statements relate to Gujarat Narmada Valley Fertilizers and Chemicals Limited (the 'Company') and the Company's share of profit / loss in associate. The consolidated financial statements have been prepared on the following basis:

(i) The consolidated financial statements include the share of profit / loss of the associate company which have been accounted for using equity method as per AS 23 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit/ loss of the associate company (the loss being restricted to the cost of investment) has been added to/ deducted from the cost of investments.

(ii) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.

Use of estimates:

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2. Fixed Assets and Capital Work-in-Progress:

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of qualifying fixed assets which take substantial period of time to get ready for their intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at balance sheet date.

Intangible assets are stated at the consideration paid for acquisition less accumulated amortization and impairment losses, if any.

In the absence of availability of specific original cost in respect of a part of assets acquired under turnkey contracts, cost of such asset is taken based on estimation arrived on the basis of price schedule forming part of such turnkey contracts and technical advice.

3. Depreciation and Amortization:

Depreciation on tangible fixed assets (other than leasehold land) has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or shorter useful life assessed based on technical advice and after taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc.

Leasehold land is amortized at flat rates equally spread over the duration of the lease.

Acquired Goodwill is amortized over the period of 5 years commencing from the financial year in which the amalgamation is effected and accounted for.

Software is amortized over its estimated useful life of six years.

License acquired and used along with and directly related to the plant and machinery is amortized at flat rates equally spread over useful life of the related plant and machinery.

4. Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the rate of risk adjusted weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

5. Research and Development Expense:

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured.

6. Leases:

Finance Lease:

Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the IRR method. The principal amount received reduces the net investment in the lease and interest is recognized as revenue. Initial direct costs such as legal costs, brokerage costs etc. are recognized immediately in the Statement of Profit and Loss.

Operating Lease:

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs etc. are recognized immediately in the Statement of Profit and Loss.

7. Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on investment category basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

8. Inventories:

Inventories are valued as follows:

(A) At Plant:		
1	Stores and Spares (including coal)	At Weighted Average Cost.
2	Raw Materials and Finished Goods and Stock-in-Process	At lower of Weighted Average Cost or Net Realisable Value. Annual cost is computed on full absorption costing method including material cost and conversion costs.
3	Fertilizers of sub-standard quality	At lower of Weighted Average Cost or Net Realisable Value as estimated by the Company. Annual cost is computed on full absorption costing method including material cost and conversion costs.
(B) At Field:		
1	Finished Goods	At lower of Weighted Average Cost or Net Realisable Value. Annual cost is computed on full absorption costing method including material cost and conversion costs. Cost of field stocks includes freight to the destination.
2	Fertilizers of sub-standard quality	At lower of Weighted Average Cost or Net Realisable Value as estimated by the Company.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

9. Foreign currency Transactions:

a. Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b. Conversion:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c. Exchange Differences:

The net gain or loss on account of exchange rate differences arising on settlement or restatement of foreign currency transactions for foreign currency monetary items are recognized as income or expenses of the period in which they arise except exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset which are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the Company treats a foreign currency monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

d. Forward Exchange Contracts not intended for trading or speculation purposes:

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognized as income or as expense for the year. Any gain/ loss arising on forward contracts which are long-term foreign currency monetary items are recognized in accordance with c. above.

10. Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

a. Sale of goods:

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Sales, net of sales tax/ VAT and discounts, comprise of sale of goods and services, excise duty and claims preferred on the Government of India for retention price reimbursement on fertilizers and admissible claims for change in retention price on account of variation in the costs. The excise duty collected on sales is shown by way of further deduction from sales.

Urea and ANP Product Subsidy:

Urea Subsidy under the New Pricing Scheme-III (extension) and ANP Subsidy under Nutrient Based Subsidy (NBS) Scheme w.e.f. 01-04-2010 is allowed by the Government of India (GoI) for the quantity received at the destination, as per the rate prescribed by GoI, at the time of dispatch in case of Urea and at the time of receipt in case of ANP. Urea Subsidy is further adjusted for input price escalation/ de-escalation as estimated by the Management based on the prescribed norms. The Company accounts for the same on sales quantity basis.

Urea and ANP Freight Subsidy:

Freight Subsidy is recognized for the quantity received at the destination based on the rates approved by the Government of India in case of Urea and on the normative rates approved by the Government of India or the actual freight whichever is lower in case of ANP.

b. Sale of Services:

Income from services rendered is recognized as and when the services are rendered based on the agreement/ arrangement with the concerned parties.

c. Other Income:

Interest:

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends:

Revenue is recognized when the right to receive the dividend is established.

Other Income:

The amounts receivable from various agencies are accounted on accrual basis to the extent it is possible to ascertain the income with reasonable accuracy.

Insurance claims:

Revenue is recognized on actual receipt basis.

11. Government Grants:

Government Grant is recognized when there is reasonable assurance that the conditions attached to them will be complied with. Government Grant received/ receivable related to depreciable assets are treated as deferred income which is recognized in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the related asset. Such allocation to income is made over the period and in proportion in which depreciation on related asset is charged.

12. Borrowing Costs:

Interest and other costs in connection with the borrowing of the funds to the extent related/ attributed to the acquisition/ construction of qualifying assets are accumulated and capitalized upto the date when such assets are ready for their intended use. Other borrowing costs are charged to Statement of Profit and Loss.

13. Export Benefits:

Export benefits under Duty Exemption Advance License Scheme, Duty Exemption Pass Book Scheme and Duty Drawback Scheme are accounted for in the year of export of goods.

14. Retirement Benefits:

a. Retirement benefits in the form of Provident Fund and Pension Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

b. Gratuity liability and Post employment Medical Benefit liability are defined benefit obligations and are provided for on the basis of actuarial valuation made at the end of each financial year on project unit credit method.

c. Short term compensated absences are provided for on basis on estimates. Long term compensated absences are provided for based on actuarial valuation on project unit credit method.

d. Actuarial gains / losses are immediately taken to Statement of Profit and Loss and are not deferred.

15. Taxation:

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has carried forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period i.e., the period for which MAT Credit is allowed to be carried forward. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

16. Provisions and Contingent Liabilities:

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require outflow of resources. Where there is a possible or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

17. Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss after tax 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.

18. Cash and Cash Equivalents:

Cash and cash equivalents in balance sheet comprise cash at bank and in hand and fixed deposits with banks.

19. Segment Reporting Policies:

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products. Majority of the Company's products are sold within India and hence geographical segment is not identified. There are no intersegment transfers.

Allocation of Common Costs:

To the extent the costs can be directly identified, they are allocated to the related segment. Common allocable costs are allocated to each segment according to the relative production tonnage, sales tonnage/ value and other related basis.

Unallocated items:

Other segment includes Information Technology activity and general corporate income and expense items which are not allocated to any business segment.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE - 1

(Rs. in Lacs)

	As at 31-03-2016	As at 31-03-2015
SHARE CAPITAL:		
Authorised:		
25,00,00,000 Equity Shares of Rs.10/- each (31-03-2015: 25,00,00,000 Equity Shares)	**25,000.00**	25,000.00
Issued:		
15,54,18,783 Equity Shares of Rs.10/- each fully paid (31-03-2015: 15,54,18,783 Equity Shares)	**15,541.88**	15,541.88
Subscribed and Paid up:		
15,54,18,783 Equity Shares of Rs.10/- each fully paid up (31-03-2015: 15,54,18,783 Equity Shares)	**15,541.88**	15,541.88
TOTAL	**15,541.88**	15,541.88

(I) Terms / Rights attached to Equity shares:

The Company has only one class of shares, i.e. equity shares which rank *pari passu* in all respects. All the equity shares are fully paid up and no restrictions are attached to equity shares. The Dividend proposed by Board of Directors is subject to approval of Shareholders in the ensuing Annual General Meeting.

(II) Details of Shareholders holding more than 5% shares in the Company:

	As at 31-03-2016		As at 31-03-2015	
Name of the Shareholder	**No. of Shares**	**% of total Equity Capital**	No. of Shares	% of total Equity Capital
Gujarat State Investments Ltd.	**3,32,27,546**	**21.38**	3,32,27,546	21.38
Gujarat State Fertilizers & Chemicals Ltd.	**3,07,79,167**	**19.80**	3,07,79,167	19.80
Life Insurance Corporation of India	**1,40,83,612**	**9.06**	1,40,83,612	9.06
Fidelity Puritan Trust-Fidelity Low Priced Stock Fund	**1,35,41,878**	**8.71**	1,35,41,878	8.71

(III) Reconciliation of the number of shares outstanding:

	As at 31-03-2016		As at 31-03-2015	
	No. of Shares	**Amount (Rs. in Lacs)**	**No. of Shares**	**Amount (Rs. in Lacs)**
Equity Shares at the beginning of the year	**15,54,18,783**	**15,541.88**	15,54,18,783	15,541.88
Add: Equity Shares issued during the year	**0**	**0.00**	0	0.00
Less: Equity Shares cancelled during the year	**0**	**0.00**	0	0.00
Equity Shares at the end of the year	**15,54,18,783**	**15,541.88**	15,54,18,783	15,541.88

NOTE - 2

(Rs. in Lacs)

		As at 31-03-2016	As at 31-03-2015
RESERVES AND SURPLUS:			
Capital Reserve:			
(Amount received under Central / State Subsidy Scheme and amount received / transferred on Shares / Debentures Forfeited)			
As per the last Balance Sheet		**63.83**	63.83

NOTE - 2 (Continued)

(Rs. in Lacs)

		As at 31-03-2016	As at 31-03-2015
Securities Premium Account:			
As per the last Balance Sheet		**31,330.67**	31,330.67
General Reserve:			
As per the last Balance Sheet	**2,13,976.13**		2,15,308.14
Add : Transferred from Surplus in the Consolidated Statement of Profit and Loss	**5,000.00**		0.00
Less : Transitional Depreciation (*)	**0.00**		1,331.33
Less : Rounding Difference of Dividend	**0.00**		0.68
		2,18,976.13	2,13,976.13
Surplus in the Statement of Profit and Loss:			
As per the last Balance Sheet	**(8,997.81)**		35,303.14
Add : Profit / (Loss) for the year	**23,353.85**		(44,300.95)
Less : Appropriations:			
Transfer to General Reserve	**5,000.00**		0.00
Proposed Equity Dividend (per share Rs. 2 (previous year: Rs. Nil))	**3,108.38**		0.00
Tax on Proposed Equity Dividend	**632.79**		0.00
		5,614.87	(8,997.81)
TOTAL		**2,55,985.50**	2,36,372.82

(*) In the previous year 2014-15, Transitional Depreciation on tangible fixed assets with Nil remaining useful life pursuant to Schedule II of the Companies Act, 2013 (Net of deferred tax of Rs. 685.53 lacs) (Refer Note - 25)

NOTE - 3

		As at 31-03-2016	As at 31-03-2015
DEFERRED INCOME:			
Grant from Government of India			
As per the last Balance Sheet	**1,12,598.48**		1,18,373.24
Add: Addition during the year	**0.00**		0.00
Less: Depreciation transferred to Statement of Profit and Loss	**5,774.77**		5,774.76
		1,06,823.71	1,12,598.48
TOTAL		**1,06,823.71**	1,12,598.48

The capital grant from Govt. 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 since the conditions attached to the grant have been fulfilled by the Company. The grant has been accordingly accounted for as contemplated under para 6.1 of Accounting Standard -12 on 'Accounting for Government Grants'. The Government would reimburse the above grant over a period of 5 Years. The project cost that would be disbursed shall be admitted after scrutiny by a team constituted by the Government. The variations, if any, in the amount involved in the grant to be disbursed shall be accounted for by the Company in the year scrutiny of project cost is completed by the Government appointed team.

NOTE - 4

(Rs. in Lacs)

	As at 31-03-2016	As at 31-03-2015
LONG-TERM BORROWINGS:		
Rupee Term Loans From Banks (Secured)	**78,686.71**	1,10,525.60
Foreign Currency Term Loan From Bank (Secured)	**10,045.43**	12,159.01
Rupee Term Loan From other (Unsecured)	**15,000.00**	30,000.00
TOTAL	**1,03,732.14**	1,52,684.61

a. **Security details:**

(i) Rupee term loans from banks are secured by way of first mortgage on all immovable properties, both present and future for which charge is created and are further secured by way of hypothecation created on all non-current assets and second charge by way of hypothecation created on all current assets including stocks and book debts.

(ii) Foreign currency term loan from bank is secured by way of first mortgage on all immovable properties, both present and future for which charge is created and is further secured by way of hypothecation created on all movable fixed assets.

(iii) The above charges are ranking pari-passu among the lenders.

b. **Repayment details:**

(i) Rupee term loans from banks of Rs. 1,15,453 lacs carries interest @ 10.80% ~ 11.50% p.a. (floating) payable on monthly basis. The loan is repayable in quarterly installments starting from 30.09.2012 and ending on 30.06.2017.

(ii) Rupee term loans from banks of Rs. 1,03,600 lacs carries interest @ 9.65%~10.40% p.a. (floating) payable on monthly basis. The loan is repayable in quarterly installments starting from 31.12.2013 and ending on 30.09.2021.

(iii) Foreign currency term loan from bank carries interest @ 6 month Euribor plus 1.98% payable on half yearly basis. The loan is repayable in half yearly installments starting from 01.10.2014 and ending on 01.04.2020.

(iv) Unsecured rupee term loan from other of Rs. 20,000 lacs carries interest @ 9.50% p.a. (floating) payable on quarterly basis. Outstaning amount of Rs. 12,000 Lacs as on 31-03-2016 is payable on 23.12.2016 in single installment.

(v) Unsecured rupee term loan from other of Rs. 30,000 lacs carries interest @ 9.50% p.a. (floating) payable on quarterly basis. The loan is repayable in two yearly equal installments of Rs. 15,000 lacs each on 10.03.2017 and 09.03.2018.

NOTE - 5

		As at 31-03-2016	As at 31-03-2015
DEFERRED TAX:			
Liabilities:			
Arising on account of timing differences:			
Between book balance and tax balance of Fixed Assets		**40,442.46**	37,317.35
Less: Assets:			
Arising on account of timing differences:			
On Provision for Doubtful Debts/ Advances/Loans	**602.24**		306.27
On Provision for Leave Encashment & Bonus	**4,203.25**		4,055.89
On unabsorbed Depreciation carried forward	**2,681.78**		0.00
		7,487.27	4,362.16
TOTAL		**32,955.19**	32,955.19

Due to carried forward business losses and unabsorbed depreciation of the earlier year, the deferred tax assets have been recognised to the extent of the corresponding deferred tax liability during the year. However, in absence of virtual certainty, no deferred tax assets have been recognised on carried forward losses and unabsorbed depreciation during the year.

NOTE - 6

		As at 31-03-2016	As at 31-03-2015
LONG-TERM PROVISIONS:			
Provision for Employee Benefits:			
Provision for Compensated Absences	**9,832.27**		9,331.03
Provision for Post Retirement Medical Benefits	**1,468.47**		985.13
		11,300.74	10,316.16
TOTAL		**11,300.74**	10,316.16

NOTE - 7

(Rs. in Lacs)

		As at 31-03-2016	As at 31-03-2015
SHORT-TERM BORROWINGS:			
Loans Payable on Demand:			
From Bank-Cash Credit and Overdraft Accounts	**88,771.13**		57,401.65
From Other	**305.00**		305.00
		89,076.13	57,706.65
Deposits:			
Short-Term Deposit from Other		**20,000.00**	30,000.00
Other Loans and Advances:			
Short-Term Loans and Advances from Banks	**10,000.00**		60,000.00
Commercial Papers	**15,000.00**		10,000.00
Buyers' Credit in Foreign Currency from Banks	**7,572.53**		7,050.23
PCFC Export Credit in Foreign Currency from Banks	**942.52**		0.00
		33,515.05	77,050.23
TOTAL		**1,42,591.18**	1,64,756.88
Out of the above:			
Secured Borrowings		**99,713.65**	57,401.65
Un-secured Borrowings		**42,877.53**	1,07,355.23

Short term borrowings from banks as Cash Credit and Overdraft accounts of **Rs. 88,771.13 lacs** (31-03-2015: Rs. 57,401.65 lacs), Short-Term Loans and Advances from Banks of **Rs. 10,000 lacs** (31-03-2015: Rs. Nil) and PCFC Export Credit in Foreign Currency from Banks of **Rs. 942.52 lacs** (31-03-2015: Rs. Nil) are secured by first charge by way of hypothecation of stocks and book debts and all other movables, 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.

NOTE - 8

	As at 31-03-2016	As at 31-03-2015
TRADE PAYABLES:		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note-35)	**646.98**	814.38
Total outstanding dues of Creditors other than Mirco Enterprises and Small Enterprises	**29,578.97**	28,829.76
TOTAL	**30,225.95**	29,644.14

NOTE - 9

		As at 31-03-2016	As at 31-03-2015
OTHER CURRENT LIABILITIES:			
Current Maturities of Long-Term Borrowings:			
Rupee Term Loans From Banks (Secured)	**33,945.60**		33,410.60
Foreign Currency Term Loan From Bank (Secured)	**3,516.91**		3,516.91
Rupee Term Loan From other (Unsecured)	**27,000.00**		30,000.00
(Refer Note - 4 a. (i) and 4 a. (ii) for details of Security)		**64,462.51**	66,927.51
Interest Accrued but not Due on Borrowings		**1,614.21**	2,029.28
Investor Education and Protection Fund: (*)			
Unclaimed Dividends		**659.38**	777.68
Other Payables:			
Statutory Remittances	**758.56**		354.48
Advances from Customers	**2,888.53**		3,514.51
Payables on purchase of Fixed Assets	**15,098.85**		15,959.09
Others	**3,666.88**		3,666.88
		22,412.82	23,494.96
TOTAL		**89,148.92**	93,229.43

(*) There are no amounts due and outstanding to be credited to the Investor Education Protection Fund.

NOTE - 10

(Rs. in Lacs)

		As at 31-03-2016	As at 31-03-2015
SHORT-TERM PROVISIONS:			
Provision for Employee Benefits:			
Provision for Compensated Absences	**3,592.13**		3,667.58
Provision for Post Retirement Medical Benefits	**72.84**		42.17
Provision for Gratuity	**298.04**		0.00
		3,963.01	3,709.75

NOTE - 10 (Continued)

(Rs. in Lacs)

		As at 31-03-2016	As at 31-03-2015
Other Provisions:			
Provision for Taxation	**1,57,266.96**		1,57,076.27
Less: Advance Tax and Tax Deducted at Source	**1,54,783.33**		1,56,185.17
		2,483.63	891.10
Provision for Proposed Equity Dividend	**3,108.38**		0.00
Provision for Tax on Proposed Equity Dividend	**632.79**		0.00
		3,741.17	0.00
TOTAL		**10,187.81**	4,600.85

NOTE - 11
FIXED ASSETS :

(Rs. in Lacs)

		COST				DEPRECIATION/ AMORTIZATION					IMPAIRMENT			NET BLOCK	
Sr. No.	Fixed Assets	As on 01-04-2015	Additions / Adjustments	Deductions / Adjustments	As on 31-03-2016	Upto 01-04-2015	For the year	Transitional Adjustment	Deductions / Adjustments	Upto 31-03-2016	Upto 01-04-2015	For the Year	Upto 31-03-2016	As on 31-03-2016	As on 31-03-2015
I	**Tangible Assets:**														
(a)	Lease Hold Land	22,241.62	**0.00**	**0.00**	**22,241.62**	698.72	**220.32**	**0.00**	**0.00**	**919.04**	1,052.94	**0.00**	**1,052.94**	**20,269.64**	20,489.96
(b)	Free Hold Land	11,103.17	**0.00**	**0.00**	**11,103.17**	0.00	**0.00**	**0.00**	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**11,103.17**	11,103.17
(c)	Buildings	43,488.66	**866.69**	**0.00**	**44,355.35**	6,683.47	**1,029.45**	**0.00**	**0.00**	**7,712.92**	3,571.05	**0.00**	**3,571.05**	**33,071.38**	33,234.14
(d)	Plant and Equipment	6,48,715.03	**4,707.33**	**8.51**	**6,53,413.85**	2,56,880.80	**21,738.80**	**0.00**	**6.33**	**2,78,613.27**	26,398.13	**0.00**	**26,398.13**	**3,48,402.45**	3,65,436.10
(e)	Furniture and Fixtures	2,940.87	**162.02**	**39.53**	**3,063.36**	1,458.72	**185.26**	**0.00**	**38.33**	**1,605.65**	79.60	**0.00**	**79.60**	**1,378.11**	1,402.55
(f)	Vehicles	565.44	**86.75**	**56.24**	**595.95**	202.97	**61.32**	**0.00**	**28.94**	**235.35**	8.35	**0.00**	**8.35**	**352.25**	354.12
(g)	Office Equipment	1,077.19	**51.88**	**5.23**	**1,123.84**	865.27	**74.78**	**0.00**	**3.58**	**936.47**	0.00	**0.00**	**0.00**	**187.37**	211.92
(h)	Roads, Culverts & Compound Wall	6,003.82	**130.38**	**0.00**	**6,134.20**	1,543.04	**420.75**	**0.00**	**0.00**	**1,963.79**	603.75	**0.00**	**603.75**	**3,566.66**	3,857.03
(i)	Railway Sidings	376.99	**0.00**	**0.00**	**376.99**	358.14	**0.00**	**0.00**	**0.00**	**358.14**	0.00	**0.00**	**0.00**	**18.85**	18.85
(j)	Water Supply & Drainage System	12,125.50	**0.00**	**0.00**	**12,125.50**	2,786.55	**741.90**	**0.00**	**0.00**	**3,528.45**	1,532.76	**0.00**	**1,532.76**	**7,064.29**	7,806.19
		7,48,638.29	**6,005.05**	**109.51**	**7,54,533.83**	2,71,477.68	**24,472.58**	**0.00**	**77.18**	**2,95,873.08**	33,246.58	**0.00**	**33,246.58**	**4,25,414.17**	4,43,914.03
II	**Intangible Assets:**														
	(Other than internally generated)														
(a)	Goodwill	1,688.99	**0.00**	**0.00**	**1,688.99**	1,688.99	**0.00**	**0.00**	**0.00**	**1,688.99**	0.00	**0.00**	**0.00**	**0.00**	0.00
(b)	Softwares	1,884.33	**267.00**	**0.00**	**2,151.33**	1,673.57	**80.82**	**0.00**	**0.00**	**1,754.39**	0.00	**0.00**	**0.00**	**396.94**	210.76
(c)	Licences	3,426.76	**0.00**	**0.00**	**3,426.76**	853.35	**142.83**	**0.00**	**0.00**	**996.18**	231.38	**0.00**	**231.38**	**2,199.20**	2,342.03
		7,000.08	**267.00**	**0.00**	**7,267.08**	4,215.91	**223.65**	**0.00**	**0.00**	**4,439.56**	231.38	**0.00**	**231.38**	**2,596.14**	2,552.79
III	**Tangible Assets given on Lease:**														
(a)	Buildings	391.42	**0.00**	**0.00**	**391.42**	94.23	**6.22**	**0.00**	**0.00**	**100.45**	0.00	**0.00**	**0.00**	**290.97**	297.19
(b)	Plant and Equipment	939.37	**0.00**	**0.00**	**939.37**	892.40	**0.00**	**0.00**	**0.00**	**892.40**	0.00	**0.00**	**0.00**	**46.97**	46.97
		1,330.79	**0.00**	**0.00**	**1,330.79**	986.63	**6.22**	**0.00**	**0.00**	**992.85**	0.00	**0.00**	**0.00**	**337.94**	344.16
	TOTAL	7,56,969.16	**6,272.05**	**109.51**	**7,63,131.70**	2,76,680.22	**24,702.45**	**0.00**	**77.18**	**3,01,305.49**	33,477.96	**0.00**	**33,477.96**	**4,28,348.25**	4,46,810.98
	As on 31-03-2015	7,35,967.48	21,195.16	193.48	7,56,969.16	2,48,140.33	26,651.74	2,016.86	128.71	2,76,680.22	477.96	33,000.00	33,477.96	4,46,810.98	

Notes:

1 Additions to Fixed Assets during the year include **Rs.Nil** (previous year: Rs. Nil) used for research and development.

2 Leasehold Land pertains to the costs incurred for Leasehold Land in possession of the Company as a Licensee, pending completion of formalities for execution of the lease agreement for a term of 99 years.

3 Feed Stock Conversion Projects from 'LSHS /FO ' to 'Gas' acquired under Government's policy for reimbursement of project cost to the Company over a period of five years from the date of commercial production, have been capitalized on 01.10.2013. Accordingly, Fixed Assets include assets amounting to Rs.1,30,108.27 Lacs represented by capital grant of Rs.1,21,574.00 Lacs as contemplated in Note- 3 earlier.

NOTE - 12

(Rs. in Lacs)

			As at 31-03-2016	As at 31-03-2015
NON-CURRENT INVESTMENTS:				
(at cost unless otherwise stated)				
(a) Investments in Equity Instruments:				
Non-Trade Investments:				
(In fully paid up Equity Shares-Quoted)				
75,00,000	Gujarat State Fertilizers & Chemicals Ltd. of Rs.2/- each (31-03-2015: 75,00,000 shares)	**1,503.75**		1,503.75
17,59,996	Gujarat Alkalies & Chemicals Ltd. of Rs.10/- each (31-03-2015: 17,59,996 shares)	**2,427.28**		2,427.28
80,00,000	Gujarat State Petronet Ltd. of Rs.10/- each (31-03-2015: 80,00,000 shares)	**1,000.00**		1,000.00
53,289	Gujarat Gas Ltd. of Rs. 10/- each ** (31-03-2015: Nil shares)	**5.00**		0.00
			4,936.03	4,931.03
(In fully paid up Equity Shares-Unquoted)				
2,15,43,200	Gujarat State Petroleum Corporation Ltd. of Re.1/- each (31-03-2015: 2,15,43,200 shares)	**1,349.99**		1,349.99
42,000	Bharuch Enviro Infrastructure Ltd. of Rs.10/- each (31-03-2015: 42,000 shares)	**4.20**		4.20
20,000	Gujarat Venture Finance Ltd. of Rs.10/- each (31-03-2015: 20,000 shares)	**2.00**		2.00
12,50,000	Gujarat Green Revolution Co. Ltd. of Rs. 10/- each # (31-03-2015: 12,50,000 shares)	**4,739.83**		4,022.23
Nil	GSPC Gas Co. Ltd. of Rs. 10/- each ** (31-03-2015: 50,000 shares)	**0.00**		5.00
18,39,60,000	Gujarat Chemical Port Terminal Co. Ltd. of Re. 1/- each (31-03-2015: 18,39,60,000 shares)	**4,941.00**		4,941.00
4,92,60,000	Bhavnagar Energy Co. Ltd. of Rs. 10/- each @ (31-03-2015: 4,92,60,000 shares)	**4,926.00**		4,926.00
1,35,30,000	Bharuch Dahej Railway Co. Ltd. of Rs. 10/- each (31-03-2015: 1,35,30,000 shares)	**1,353.00**		1,353.00
			17,316.02	16,603.42
(b) Investments in Mutual Funds:				
Non-Trade Investments:				
(In fully paid up Units - Quoted)				
Nil	UTI-Equity Fund of Rs.10/-each (31-03-2015: 46,200 units)		**0.00**	7.02
			22,252.05	21,541.47
Less: Provision for Diminution in Value of Investments			**3,101.40**	3,108.34
TOTAL			**19,150.65**	18,433.13
Aggregate Book Value of Unquoted Investments (net of provision)			**14,214.62**	13,502.02
Aggregate Book Value of Quoted Investments (net of provision)			**4,936.03**	4,931.11
Aggregate Market Value of Quoted Investments			**19,125.84**	18,952.30

Investment in Associate is accounted under Equity method as under :

	As at 31-03-2016	As at 31-03-2015
Opening Carrying Value of Investments	**3,986.69**	3,080.83
Add: Goodwill	**35.54**	35.54
Add: Share in Profit for the year	**717.60**	905.86
Carrying Value of Investments at the year end	**4,739.83**	4,022.23

@ Refer Note - 33 regarding restrictions on disposal.

** During the year, Company has received 53,289 Equity Shares of Gujarat Gas Ltd. of Rs. 10/- each in lieu of 50,000 Equity Shares of GSPC Gas Co. Ltd. of Rs. 10/- each, pursuant to the composite scheme of Amalgamation and Arrangement.

NOTE - 13

(Rs. in Lacs)

		As at 31-03-2016	As at 31-03-2015
LONG-TERM LOANS AND ADVANCES:			
Unsecured- Considered Good:			
Capital Advances	**961.19**		1,105.29
Security Deposits	**1,957.23**		1,964.31
MAT Credit Entitlement	**5,957.00**		5,695.00
Loans to Employees	**10,737.51**		9,888.25
Loans to Other Companies (Refer Note-34)	**40.00**		200.00
Balance with Central Excise, Customs and Other Government Departments	**994.71**		881.10
Other Loans and Advances	**24.32**		4.23
		20,671.96	19,738.18
Unsecured- Considered Doubtful:			
Amount recoverable from Employees	**157.27**		157.27
Advances to Suppliers	**189.41**		163.74
	346.68		321.01
Less: Provision for Doubtful of Recovery	**346.68**		321.01
		0.00	0.00
Balance with Central Excise, Customs and Other Government Departments	**200.00**		200.00
Less: Provision for Doubtful of Recovery	**200.00**		200.00
		0.00	0.00
TOTAL		**20,671.96**	19,738.18
Loans to Employees include amounts due from:			
(i) Employees who have mortgaged/ hypothecated their Buildings and Vehicles to the Company		**8,575.20**	8,169.60
(ii) An officer of the Company		**0.00**	0.45
Balance with Central Excise, Customs and Other Government Departments includes:			
Amounts deposited / lying towards pending disputes		**941.76**	815.18

NOTE - 14

		As at 31-03-2016	As at 31-03-2015
OTHER NON-CURRENT ASSETS:			
Capital Grant Recoverable from Government of India (*)		**35,228.34**	60,787.00
Long-Term Trade Receivables (Unsecured- Considered Doubtful):			
Outstanding for period exceeding six months from due date:			
Receivables	**88.00**		53.51
Less: Provision for Receivables	**88.00**		53.51
		0.00	0.00
Bank Deposits with more than 12 months original maturity (**)		**1.57**	2.58
TOTAL		**35,229.91**	60,789.58

(*) Represents the grant to be disbursed by Government of India for feed stock conversion project 'LSHS/FO' to 'Gas' as contemplated in Note - 3 referred to earlier.

(**) Pledged with Government Authorities	**1.57**	2.58

NOTE - 15

(Rs. in Lacs)

		As at 31-03-2016	As at 31-03-2015
INVENTORIES:			
(Valued at lower of Cost and Net Realisable Value)			
Raw Materials		**6,926.97**	14,443.51
(Includes in transit **Rs. 1,130.70 lacs** 31-03-2015: Rs. 4,379.62 lacs)			
Stock-in-Process		**2,281.00**	1,925.69
Finished Goods		**9,728.05**	9,673.86
(Includes in transit **Rs. Nil lacs** 31-03-2015: Rs. 1,340.21 lacs)			
Stock-in-Trade		**1,769.71**	647.70
Stores and Spares (including coal)		**52,459.89**	48,286.11
(Includes in transit **Rs. 609.88 lacs** 31-03-2015: Rs. 222.57 lacs)			
TOTAL		**73,165.62**	74,976.87

NOTE - 16

TRADE RECEIVABLES:			
(Unsecured- Considered Good)			
Outstanding for a period exceeding six months from the due date:			
Receivables	**1,416.17**		1,356.00
Subsidy and other Claims Receivables	**49,400.40**		31,965.58
		50,816.57	33,321.58
Outstanding for a period not exceeding six months from the due date:			
Receivables	**30,893.08**		21,043.23
Subsidy and other Claims Receivables	**67,541.84**		81,158.88
		98,434.92	1,02,202.11
TOTAL		**1,49,251.49**	1,35,523.69

NOTE - 17

CASH AND BANK BALANCES:			
Cash and Cash Equivalents			
Balances with Banks:			
Current Accounts	**311.95**		799.80
Cash on hand	**16.66**		16.83
		328.61	816.63
Other Bank Balances			
Unclaimed Dividend Accounts		**659.38**	777.68
Bank Deposits (*):			
With more than 12 months original maturity	**1.01**		0.00
		1.01	0.00
TOTAL		**989.00**	1,594.31
(*) Pledged with Government Authorities		**1.01**	0.00

NOTE - 18

(Rs. in Lacs)

		As at 31-03-2016	As at 31-03-2015
SHORT-TERM LOANS AND ADVANCES:			
(Unsecured- Considered Good)			
Advances with Suppliers		**9,868.96**	3,275.42
Loans to Employees		**2,252.83**	2,144.15
Prepaid Expenses		**732.07**	861.77
Balance with Central Excise, Customs and Other Government Departments:			
CENVAT Credit Receivable	**6,112.53**		5,529.43
VAT Credit Receivable	**1,875.51**		1,672.19
Service Tax Credit Receivable	**3,467.23**		3,008.63
Deposits	**3,451.14**		3,250.51
		14,906.41	13,460.76
Other Loans and Advances		**2,183.46**	576.33
TOTAL		**29,943.73**	20,318.43
Loans to Employees include amount due from:			
(i) Employees who have mortgaged/ hypothecated their Buildings and Vehicles to the Company		**1,217.52**	1,094.35
(ii) An officer of the Company		**5.26**	0.29

NOTE - 19

OTHER CURRENT ASSETS:		
Capital Grant Recoverable from Government of India (*)	**38,248.36**	60,787.00
Interest and other charges Recoverable from Government of India	**2,597.48**	12,402.32
TOTAL	**40,845.84**	73,189.32

(*) Represents the Grant to be disbursed by Government of India for feed stock conversion project from 'LSHS/ FO' to 'Gas' as contemplated in Note -3 referred to earlier.

NOTE - 20

(Rs. in Lacs)

		Year ended 31-03-2016	Year ended 31-03-2015
OTHER INCOME:			
Interest Income:			
On Bank Deposits	**5.44**		14.63
On Employee Loans	**426.38**		387.06
On Insurance Claim (*)	**3,031.03**		0.00
Others	**405.05**		237.95
		3,867.90	639.64
Income from Long Term Investments: Dividend		**570.57**	454.91
Rent		**868.17**	689.32
Gain on Foreign Currency Transactions and Translations (Net)		**0.00**	785.01
Profit on Sale of Fixed Assets (Net)		**10.52**	0.00
Recovery of Bad Debts		**8.00**	8.71
Insurance Claims (*)		**3,486.21**	5.88
Miscellaneous Income		**2,511.64**	2,591.68
TOTAL		**11,323.01**	5,175.15

(*) Includes Rs. 3,458.14 lacs towards Insurance Claim and Rs. 3,031.03 lacs towards Interest thereon, received and recognised based on an arbitration award received by the Company in its favour in respect of an insurance claim of Loss of Profit (LoP) upon failures of Air Compressure C-101 in Ammonia plant in the year 2008.

NOTE - 21

COST OF MATERIALS CONSUMED:		
Raw Materials Consumed (Refer Note - 46)	**2,13,511.12**	2,49,840.82
TOTAL	**2,13,511.12**	2,49,840.82

NOTE - 22

(Rs. in Lacs)

		Year ended 31-03-2016	Year ended 31-03-2015
CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE:			
Opening Stock:			
Finished Goods	**9,673.86**		11,466.75
Stock-in-Process	**1,925.69**		10,380.47
Stock-in-Trade	**647.70**		311.44
		12,247.25	22,158.66
Less : Closing Stock:			
Finished Goods	**9,728.05**		9,673.86
Stock-in-Process	**2,281.00**		1,925.69
Stock-in-Trade	**1,769.71**		647.70
		13,778.76	12,247.25
TOTAL		**(1,531.51)**	9,911.41

NOTE - 23

EMPLOYEE BENEFITS EXPENSE:			
Salaries, Wages and Bonus	**26,538.15**		26,781.76
Contribution to provident and other funds	**4,638.84**		6,832.41
Staff Welfare Expenses	**5,297.43**		4,290.61
		36,474.42	37,904.78
Less:			
Salary Recoveries from outside Agencies	**17.42**		16.56
Employee Benefits Expense relating to R & D Activities	**206.42**		160.02
		223.84	176.58
TOTAL		**36,250.58**	37,728.20

NOTE - 24

FINANCE COSTS:		
Interest Expense on Borrowings	**24,173.22**	26,924.95
Bank Charges & Commission	**262.93**	243.98
Exchange Difference considered as an adjustment to Borrowing Cost	**40.55**	168.00
Other Borrowing Costs	**98.62**	113.03
TOTAL	**24,575.32**	27,449.96
Finance costs does not include amounts: treated as receivable from Govt. of India under Government policy for feed stock conversion project from LSHS/FO to Gas	**4,813.53**	7,633.86

NOTE - 25

DEPRECIATION AND AMORTIZATION EXPENSES:				
Depreciation/Amortization on Tangible Assets	**24,478.80**			28,459.00
Amortization on Intangible Assets	**223.65**			209.60
	24,702.45			28,668.60
Less: Transfer to General Reserve and Deferred Tax (*)	**0.00**			2,016.86
		24,702.45		26,651.74
Less: Transfer from Deferred Income		**5,774.77**		5,774.76
TOTAL		**18,927.68**		20,876.98

(*) Effective from 1st April, 2014, the company has charged depreciation based on the remaining useful life of the assets as per the requirements of Schedule II of the Companies Act, 2013 ("the Act"). Consequent to this, in previous FY 2014-15, in respect of assets having completed their useful life, an amount of Rs. 1,331.33 lacs (net of Deferred Tax of Rs. 685.53 lacs) had been adjusted against the opening balance of retained earnings in accordance with the transitional provisions provided in Note 7(b) of Schedule II of the Act.

NOTE - 26

(Rs. in Lacs)

		Year ended 31-03-2016	Year ended 31-03-2015
OTHER EXPENSES:			
Power, Fuel and Other Utilities		**67,554.00**	63,879.74
Consumption of Stores, Chemicals and Catalysts		**8,411.82**	6,734.86
Consumption of Packing Materials		**8,008.41**	6,579.34
Insurance		**2,268.12**	3,721.54
Repairs and Maintenance to:			
Buildings	**1,332.72**		1,516.89
Plant and Machinery	**11,887.31**		9,397.76
Others	**462.77**		583.87
		13,682.80	11,498.52
Materials Handling Expenses at Factory		**854.27**	763.73
Laboratory Expenses		**109.55**	114.02
Research & Development Expenses:			
Personnel Expenses	**206.42**		160.02
Consumables and Spares	**23.16**		14.66
Power and Fuel	**5.06**		4.95
		234.64	179.63
(Increase)/ Decrease of Excise Duty on Inventory		**(42.38)**	(37.00)
Other Operating Expenses		**2,712.86**	5,350.01
Outward Freight and Other Charges		**11,148.46**	8,661.64
Selling Expenses		**162.92**	154.63
Selling Commission to Other Selling Agents		**53.93**	81.22
Consignment and Entry Tax		**1,096.48**	1,223.58
Rates and Taxes		**453.41**	306.79
Rent		**816.17**	784.38
Printing, Stationery, Postage,Telephones & Advertisement		**542.56**	496.31
Travelling and Conveyance Expenses		**346.39**	366.70
Vehicle Running and Maintenance Expenses		**354.73**	319.45
Fire fighting, Safety and Security Expenses		**735.44**	643.68
Conference, Seminar, Subscription & Membership Fees		**83.95**	71.81
Professional and Consultation Charges		**501.69**	399.79
Purchase of Services		**352.69**	292.67
Miscellaneous Expenses		**3,585.43**	3,033.60
Loss on Sale of Fixed Assets (Net)		**0.00**	3.07
Directors' Sitting Fees		**6.82**	3.43
Auditors' Fees (Refer Note - 31 (b))		**46.85**	37.67
Donations & Contributions towards Corporate Social Responsibility		**326.00**	1,041.47
Premium on Forward Contracts		**455.57**	333.93
Investment Written Off	**7.02**		0.00
Less: Provision made in earlier years	**6.94**		0.00
		0.08	0.00
Provision for Doubtful Trade Receivables/Advances		**60.16**	0.00
TOTAL		**1,24,923.82**	1,17,040.21

27. Earnings Per Share:

	Unit	Year ended 31-03-2016	Year ended 31-03-2015
Profit / (Loss) for the year attributable to the Shareholders of the Company	Rs. in Lacs	**23,353.85**	(44,300.95)
Weighted average number of equity shares of nominal value of Rs. 10 each in calculating basic Earnings Per Share	Nos.	**15,54,18,783**	15,54,18,783
Basic and Diluted Earnings Per Share	Rs.	**15.03**	(28.50)

(Rs. in Lacs)

	As at 31-03-2016	As at 31-03-2015
28. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances):	**772.76**	946.39

	As at 31-03-2016	As at 31-03-2015
	(Rs. in Lacs)	

29. Other Commitments:

(i) The Company is committed to invest a further sum of **Rs. Nil** (31-03-2015: Rs. 999 lacs) in the equity share capital of Bhavnagar Energy Co. Ltd. (BECL) as per the terms of the Shareholders' Agreement. The Company is also committed to grant subordinate debt of **Rs. 540 lacs** (31-03-2015: Rs. 540 lacs) to BECL in the manner and in the form as may be finalized by the promoters with BECL.

(ii) Export obligation on account of benefit of concessional rate of Custom duty availed under EPCG license scheme on imports of capital goods is **Rs. 26,924 lacs** (31-03-2015: Rs. 48,653 lacs).

30. Contingent Liabilities not provided for:

	As at 31-03-2016	As at 31-03-2015
(i) Claims against the Company not acknowledged as debts	**18,751.03**	12,021.23
(ii) Claims in respect of employees' / contract labour matters	**Amount not ascertainable**	
(iii) Income tax assessment orders contested	**1,796.82**	1,816.37
(iv) Demands in respect of Central Excise Duty, Custom Duty, Service Tax and VAT as estimated by the Company	**20,109.12**	19,157.13

In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute.

31. Consolidated Statement of Profit and Loss includes:

	Year ended 31-03-2016	Year ended 31-03-2015
(a) In the item of Sales (which is net of Rebate and Discounts): Subsidy from Government of India under the Retention Price Scheme and Nutrient Based Subsidy (NBS) Scheme	**1,15,464.47**	1,38,352.66
(b) Payments to Statutory Auditors comprise: (Net of Service Tax Input Credit, where applicable)		
(i) Statutory Audit Fees	**23.09**	20.79
(ii) Tax Audit Fees	**3.41**	3.37
(iii) Other services for Certification work etc.	**14.90**	9.51
(iv) Reimbursement of Expenses	**2.83**	2.01
(v) Income Tax Assessment work & Retainership	**2.62**	1.99
(c) Payments to Cost Auditor comprise: (Net of Service Tax Input Credit, where applicable)		
(i) Cost Audit Fees	**4.29**	3.37
(ii) Reimbursement of Expenses	**0.47**	1.10
(d) Foreign Exchange Rate Differences-Loss/(Gain)	**345.78**	(785.01)

32.(a) Under the conversion policy of Government of India, the feed stock of Ammonia Plant was converted from LSHS to Natural Gas. After conversion, energy consumption norms for production of Urea were reduced from 7.989 GCAL/ MT of Urea to 6.965 GCAL/ MT of Urea. The Draft Feasibility Report (DFR) submitted by Project and Development India Limited (PDIL) has calculated the energy norms of 6.301 GCAL/ MT for production of Urea. The actual consumption norms achieved during the actual operations of the plant comes to 6.876 GCAL/ MT of Urea. The Company has made various representations to the Department of Fertilizers (DOF) for revision in norms with the support of PDIL. The matter is under review and consideration by DOF. The Company, based on the above facts, is confident that the energy norms for production of Urea shall be raised by DOF to 6.965 GCAL / MT of Urea. Considering the above facts, revenue has been recognized based on actual norms for production of Urea.

(b) Subsidy on Ammonium Nitro Phosphate (ANP) is allowed by Government of India (GoI) under Nutrient Based Subsidy (NBS) Scheme w.e.f. 01-04-2010 for Nitrogen, Phosphorus, and Potassium (NPK) fertilizers at the rate prescribed by GoI. A separate additional compensation on ANP was also allowed by GoI for FY 2010-11 and 2011-12 to GNFC and two other companies producing complex fertilizers from Naphtha / Fuel Oil / LSHS based Ammonia to compensate the higher cost of production of Nitrogen "N". GNFC has requested to the GoI for extension of additional compensation on ANP for three more years. Considering the request, the GoI has initiated a study through the Tariff Commission for determining additional compensation for complex fertilizers produced by using expensive feed stock. GNFC has, from time to time, submitted the data as requested and has been making regular follow up with the GoI. Considering the fact that in similar case, one of the other fertilizer production companies has received the additional compensation for an extended period, the Company is confident that the GoI will consider the Company's case favourably for allowing the additional compensation for which revenue has been recognised in the books of account in FY 2013-14.

33. The Company has entered into a Shareholders' Agreement for its investments in the equity share capital of Bhavnagar Energy Co. Ltd. (BECL). The agreement with regard to the equity investment in BECL, inter alia, includes terms whereby the Company's investment in the equity share capital of BECL is subject to restrictions as regards transfer of shares up to the date of successful commercial operations of BECL.

34. Long-Term Loans and Advances include interest bearing unsecured loan of **Rs. NIL** (31-3-2015: Rs. 160.00 lacs) to Gujarat Chemical Port Terminal Company Ltd.

35. As per the provisions of "The Micro, Small And Medium Enterprises Development Act, 2006", the principal amount payable to Micro, Small and Medium enterprises is **Rs. 646.98 Lacs** (31-3-2015: Rs. 814.38 Lacs). The payments to Micro, Small and Medium undertakings have been made within the prescribed time limit/ date agreed upon with supplier and hence no interest is payable for delayed payments. These amounts have been included in Trade Payables.

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

36. Related Party Disclosures:

Related party disclosures, as required by AS-18, "Related Party Disclosures", are given below:

Key Management Personnel: (Rs. in Lacs)

Name of the Person	Designation	Remuneration Year ended 31-03-2016	Remuneration Year ended 31-03-2015
Dr. Rajiv Kumar Gupta, IAS	Managing Director	-	-

Company under Significant Influence: (Rs. in Lacs)

Name of the Company	Nature of Transactions	Amount Year ended 31-03-2016	Amount Year ended 31-03-2015
Gujarat Green Revolution Co. Ltd.	Sale of Goods & Services	**12.10**	9.09
	Receipts towards Outstanding	**11.92**	9.09
	Closing Balance	**1.18**	1.01

37. Disclosures Related to Accounting Standard 15 – Employee Benefits: (Rs. in Lacs)

	Year ended 31-03-2016	Year ended 31-03-2015
(A) The Amounts recognized in respect of unfunded obligations:		
Amount recognized in the Balance Sheet in respect of leave liability	**13,424.40**	12,998.61
Amount recognized in Salary, Wages and Employee Benefits in the Statement of Profit and Loss in respect of leave liability	**425.79**	1,880.35
Principal Actuarial Assumptions at the Balance Sheet date:		
Discount rate	**8.23%**	7.97%
Future Salary escalation	**4.00%**	3.00%
Mortality Table	**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate

(Rs. in Lacs)

	Year ended 31-03-2016	Year ended 31-03-2015
(B) Defined Contribution Plan:		
Amount recognized as an expense as Contribution to Provident Fund and Pension Fund	**3,143.99**	2,933.72

(C) Defined benefit plans - As per actuarial valuation on Balance Sheet Date:

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. The Scheme is funded with Gratuity Trust.

(Rs. in Lacs)

Sr. No.	Particulars	Gratuity		Post Employment Medical Benefit	
		Year ended 31-03-2016	Year ended 31-03-2015	**Year ended 31-03-2016**	Year ended 31-03-2015
I	**Expense recognized in the Statement of Profit & Loss for the year**				
1	Current Service Cost	**791.10**	604.89	**61.22**	57.90
2	Interest Cost	**1,448.60**	1,256.15	**81.67**	74.26
3	Expected return on plan assets	**(1,449.28)**	(1,364.93)	**-**	-
4	Actuarial (Gain) / Losses	**712.41**	3,394.14	**484.49**	184.50
5	Total expenses	**1,502.83**	3,890.25	**627.38**	316.66
II	**Net Assets/ (Liabilities) recognized in the Balance Sheet**				
1	Present value of Defined Benefit Obligation as at Balance Sheet Date	**19,154.27**	18,175.72	**1,541.31**	1,027.30
2	Fair value of plan assets as at Balance Sheet Date	**18,856.23**	18,184.16	**-**	-
3	Funded status [Surplus/ (Deficit)]	**(298.04)**	8.44	**(1,541.31)**	(1,027.30)
4	Net assets / (Liability) as at Balance Sheet Date	**(298.04)**	8.44	**(1,541.31)**	(1,027.30)
III	**Change in Obligation during the year**				
1	Present value of Defined Benefit Obligation at the beginning of the year	**18,175.72**	14,972.04	**1,027.30**	801.08
2	Current Service Cost	**791.10**	604.89	**61.22**	57.90
3	Interest Cost	**1,448.60**	1,256.15	**81.67**	74.26
4	Actuarial (Gains) / Losses	**717.37**	3,388.28	**484.49**	184.50
5	Benefit Payments	**(1,978.52)**	(2,045.64)	**(113.37)**	(90.44)
6	Present value of Defined Benefit Obligation at the end of the year	**19,154.27**	18,175.72	**1,541.31**	1,027.30
IV	**Change in fair value of plan Assets during the year**				
1	Plan assets at the beginning of the year	**18,184.16**	15,688.85	**-**	-
2	Expected return on plan assets	**1,449.28**	1,364.93	**-**	-
3	Contribution by employer	**1,196.34**	3,181.88	**-**	-
4	Actual benefit paid	**(1,978.52)**	(2,045.64)	**-**	-
5	Actual Gains / (Losses)	**4.97**	(5.86)	**-**	-
6	Plan assets at the end of the year	**18,856.23**	18,184.16	**-**	-
7	Actual return on plan assets	**1,454.25**	1,359.07	**-**	-
V	**Actuarial Assumptions:**				
1	Discount Rate	**8.23%**	7.97%	**8.30%**	7.95%
2	Expected rate of return on plan assets	**8.23%**	7.97%	**-**	-
3	Mortality / pre-retirement	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
4	Medical Inflation rate	**-**	-	**4.00%**	4.00%
5	Salary Escalation	**4.00%**	3.00%	**-**	-
6	Attrition Rate	**1.00%**	1.00%	**-**	-
	Estimates of future salary increases has been done considering the general trend in inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.				

Sr. No.	Particulars	Gratuity		Post Employment Medical Benefit	
		Year ended 31-3-2016	Year ended 31-3-2015	**Year ended 31-3-2016**	Year ended 31-3-2015
VI	**Nature and extent of investment details of plan assets:**				
	Insurer managed fund	**100%**	100%	**–**	–

(Rs. in Lacs)

Sr. No.	Particulars	Post Employment Medical Benefit	
		1 % Increase	**1 % Decrease**
1	Positive/ (Negative) effect on Defined Benefit Obligation, if Medical Inflation rate is changed	**(196.53)**	**162.17**

(Rs. in Lacs)

Sr. No.	Particulars	Gratuity				
		2015-16	2014-15	2013-14	2012-13	2011-12
1	Defined Benefit Obligation	**19,154.27**	18,175.72	14,972.04	15,753.31	13,169.15
2	Plan Assets	**18,856.23**	18,184.16	15,688.85	13,386.42	13,170.01
3	Surplus/(Deficit)	**(298.04)**	8.44	716.81	(2,366.89)	0.86
4	Experience adjustment on plan liabilities (gain) / loss	**(157.96)**	3,790.03	13.05	1,166.87	148.15
5	Experience adjustment on plan assets (loss) / gain	**4.97**	(5.86)	194.76	60.60	135.65

(Rs. in Lacs)

Sr. No.	Particulars	Post Employment Medical Benefit				
		2015-16	2014-15	2013-14	2012-13	2011-12
1	Defined Benefit Obligation	**1,541.31**	1,027.30	801.08	761.82	600.82
2	Experience adjustment on plan liabilities (gain) / loss	**35.03**	39.73	87.87	134.66	(12.46)

The Company expects to contribute **Rs. 1,152.13 lacs** towards Gratuity Benefit in the year 2016-17.

38. Operating Lease:

The Company has given office premises on operating lease. The lease term is for three to four years. There are no restrictions imposed by lease arrangements.

(Rs. in Lacs)

	As at 31-03-2016	As at 31-03-2015
Future minimum lease payments:		
Not later than one year	**18.68**	37.36
Later than one year and not later than five years	**0.00**	18.68
Later than five years	**0.00**	0.00
TOTAL	**18.68**	56.04

39. Capitalization of exchange differences:

The Ministry of Corporate Affairs (MCA) has issued an amendment dated 29th December, 2011 to AS 11 'The Effects of Changes in Foreign Exchange Rates', to allow companies deferral/ capitalization of exchange differences arising on long-term foreign currency monetary items.

In accordance with the above stated amendment to AS 11, the Company has capitalized exchange difference gain, arising on long-term foreign currency loan and payables, amounting to **Rs. 2,639.22 lacs** (Previous year: Gain of Rs. 4,204.62 lacs). The Company has also capitalized exchange difference loss, arising on long-term foreign forward contract, undertaken to fully hedge the foreign currency loan, amounting to **Rs. 2,467.03 lacs** (Previous year: Loss of Rs. 3,870.37 lacs).

40. 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 Rs. 6 crore, was sanctioned by Hon'ble High Court of Gujarat 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 31st January, 2013 which are still pending for approval before DOT.

As per the legal opinion obtained from Legal 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 GNFC 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 for the year ended 31.03.2016.

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.

41. The Company, in pursuance of Accounting Standard (AS 28) – 'Impairment of Assets', had assessed impairment loss of Rs. 33,000 lacs in respect of the TDI Dahej plant in the year 2014-15.

The assumptions on which the assessment was made are being monitored on a periodic basis by the management.

42. Confirmations of certain parties and banks for amounts due to them/ amounts due from them as per accounts of the Company are not received. Necessary adjustments, if any, will be made when the confirmations are received, reconciled and settled.

43. Segment Information:

Based on the guiding principles given in Accounting Standard on 'Segment Reporting' (AS-17) as notified by Companies (Accounting Standards) Rules, 2006, the Company's primary business segments are Fertilizers, Chemicals and Others (which includes mainly IT Division's activities) which have got their own respective risk and return profiles.

Financial information about the primary business segments for the year ended 31st March, 2016: (Rs. in Lacs)

		Fertilizers		Chemicals		Others		Total	
		2015-16	2014-15	**2015-16**	2014-15	**2015-16**	2014-15	**2015-16**	2014-15
A	**REVENUE:**								
	External Sales Revenue	**1,98,792.44**	2,20,608.83	**2,69,718.22**	2,59,641.17	**15,756.77**	13,331.37	**4,84,267.43**	4,93,581.37
	Intersegment Revenue	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00	**0.00**	0.00
	Total Revenue	**1,98,792.44**	2,20,608.83	**2,69,718.22**	2,59,641.17	**15,756.77**	13,331.37	**4,84,267.43**	4,93,581.37
	Less Excise Duty	**797.70**	1,581.45	**28,608.08**	27,826.57	**31.64**	21.69	**29,437.42**	29,429.71
	Net Revenue	**1,97,994.74**	2,19,027.38	**2,41,110.14**	2,31,814.60	**15,725.13**	13,309.68	**4,54,830.01**	4,64,151.66
B	**RESULT:**								
	Segment result - profit / (loss)	**8,809.09**	(3,925.77)	**27,042.16**	(17,755.90)	**2,630.18**	2,053.28	**38,481.43**	(19,628.39)
	Other Income							**11,323.01**	5,174.55
	Unallocable Expenses							**(2,592.87)**	(3,303.01)
	Operating profit							**47,211.57**	(17,756.85)
	Finance Costs							**(24,575.32)**	(27,449.96)
	Profit / (Loss) before tax							**22,636.25**	(45,206.81)
	Provision for income tax (including deferred tax)							**0.00**	0.00
	Net profit / (Loss)							**22,636.25**	(45,206.81)
C	**OTHER INFORMATION:**								
	Capital Employed:								
	Segment assets	**3,89,060.53**	4,35,588.38	**2,60,472.91**	2,72,867.98	**13,342.82**	11,226.52	**6,62,876.26**	7,19,682.88
	Segment liabilities	**(1,11,134.75)**	(1,14,493.35)	**(15,524.41)**	(22,050.80)	**(8,664.45)**	(7,609.16)	**(1,35,323.61)**	(1,44,153.31)
	Other unallocable corporate assets							**1,35,616.76**	1,33,017.55
	Other unallocable corporate liabilities							**(3,91,642.03)**	(4,56,632.42)
	Total capital employed	**2,77,925.78**	3,21,095.03	**2,44,948.50**	2,50,817.18	**4,678.37**	3,617.36	**2,71,527.38**	2,51,914.70
	Capital assets/ expenditure incurred during the year:								
	Capital assets including capital work in progress	**3,594.85**	2,412.79	**1,077.58**	6,956.09	**457.16**	13.48	**5,129.59**	9,382.36
	Other unallocable capital expenditures							**713.08**	10,813.56
	TOTAL	**3,594.85**	2,412.79	**1,077.58**	6,956.09	**457.16**	13.48	**5,842.67**	20,195.92
D	**Segment depreciation**	**2,512.23**	2,631.65	**14,839.19**	17,060.68	**1,576.26**	1,184.65	**18,927.68**	20,876.98
E	**Non cash expenses other than depreciation**							**60.24**	33,000.00

44. Sales and Closing Stock : (Rs. in Lacs)

Products (Manufactured) and Services	Sales Quantity (MT) for the year ended 31-03-2016	31-03-2015	Sales Amount for the year ended (*) 31-03-2016	31-03-2015	Closing Stock as at 31-03-2016	31-03-2015
Urea	**6,89,375**	7,43,451	**37,706.00**	39,775.15	**1,423.34**	1,414.31
Ammonium Nitro Phosphate	**2,02,158**	2,07,804	**33,048.52**	31,989.56	**2,165.50**	872.16
Methanol	**43,687**	26,782	**10,392.34**	6,971.32	**777.00**	752.37
Formic Acid	**20,995**	20,573	**8,921.16**	9,291.32	**263.96**	134.37
Acetic Acid	**1,24,879**	1,28,636	**40,080.27**	52,520.82	**779.59**	534.51
Concentrated Nitric Acid	**44,811**	61,131	**11,195.37**	12,139.24	**226.25**	98.45
Technical Grade Urea	**75,204**	6,306	**16,479.67**	1,544.33	**4.97**	3.50
Aniline	**39,096**	34,883	**31,970.87**	39,211.14	**481.94**	372.26
Toluene Di-Isocyanate	**47,105**	21,230	**51,319.85**	31,930.24	**1,575.03**	3,565.71
Ethyl Acetate	**51,254**	45,951	**29,447.94**	30,768.97	**965.27**	1,394.54
Liquid Ammonia	**0**	21,640	**0.00**	7,297.99	**1,344.93**	951.05
Loose Urea in Silo	-	-	-	-	**353.29**	242.29
By-products and Others	-	-	**60,327.08**	61,884.00	**1,647.98**	1,264.03
Fertilizers and Freight Subsidy	-	-	**1,15,464.47**	1,38,352.66	-	-
IT related Services	-	-	**6,882.73**	10,306.19	-	-
TOTAL			**4,53,236.27**	4,73,982.93	**12,009.05**	11,599.55

(*) Inclusive of Excise Duty collected

45. Goods Traded: (Rs. in Lacs)

Products (Traded)	Purchases for the year ended 31-03-2016	31-03-2015	Sales for the year ended 31-03-2016	31-03-2015	Closing Stock as at 31-03-2016	31-03-2015
Imported Urea	**8,101.95**	0.00	**9,918.95**	2.70	**1,071.36**	0.00
IPL Urea	**125.80**	39.68	**131.97**	39.85	**0.00**	1.30
Single Super Phosphate	**732.97**	604.93	**785.30**	619.17	**23.18**	26.01
Di-Ammonium Phosphate	**747.22**	1,522.81	**873.41**	1,415.19	**45.70**	146.24
Imported Muriate of Potash	**356.64**	585.34	**402.62**	553.86	**30.74**	57.40
Imported Methanol	**10,196.63**	10,985.60	**10,795.24**	11,237.09	**197.54**	44.93
Imported Acetic Acid	**310.82**	2,775.89	**413.30**	2,955.99	**42.12**	123.60
PKI & Data Centre	**5,986.32**	2,013.25	**7,403.14**	2,621.10	**352.21**	240.75
Others	**301.41**	158.54	**307.23**	153.49	**6.86**	7.47
TOTAL	**26,859.76**	18,686.04	**31,031.16**	19,598.44	**1,769.71**	647.70

46. Raw Materials Consumed: (Rs. in Lacs)

	Year ended 31-03-2016	Year ended 31-03-2015
LSHS & HVFO (Feed Stock)	**48,167.16**	66,524.03
Natural Gas	**1,02,649.69**	1,21,283.90
Rock Phosphate	**14,596.40**	13,597.40
Imported Acetic Acid	**807.24**	0.00
Methanol	**0.00**	1,310.32
Ethanol	**13,058.01**	12,856.81
Benzene	**17,383.09**	23,108.10
Toluene	**14,931.11**	9,795.27
Neem Oil	**908.25**	0.00
Others	**1,010.17**	1,364.99
TOTAL	**2,13,511.12**	2,49,840.82

Methanol being an intermediate product, materials acquired from outside only are considered.

47. Value of Imported and Indigenous Raw Materials, Components and Spares Consumed and percentage thereof to the total consumption:

	Year ended 31-03-2016 Rs. in Lacs	%	Year ended 31-03-2015 Rs. in Lacs	%
Raw Materials:				
Imported	**15,402.76**	**7.21**	14,897.07	5.96
Indigenous	**1,98,108.36**	**92.79**	2,34,943.75	94.04
TOTAL	**2,13,511.12**	**100.00**	2,49,840.82	100.00
Components & Spares:				
Imported	**4,779.70**	**40.21**	3,567.25	37.96
Indigenous	**7,107.61**	**59.79**	5,830.51	62.04
TOTAL	**11,887.31**	**100.00**	9,397.76	100.00

(Rs. in Lacs)

	Year ended 31-03-2016	Year ended 31-03-2015
48. C.I.F. Value of Imports:		
(i) Raw Materials and Fuel	**14,896.12**	14,109.91
(ii) Spares	**10,627.46**	5,784.65
(iii) Capital goods	**37.47**	521.47
49. Expenditure in Foreign Currency (Accrual Basis):		
(i) Engineering,Licence and Know-how fees - Capital Nature	**478.55**	2,521.14
(ii) Engineering,Licence and Know-how fees - Revenue Nature	**276.32**	78.38
(iii) Travelling, Journal, Membership fees, Interest etc.	**100.58**	71.02
50. Amount remitted during the year in Foreign Currencies on account of Dividend:		
(i) Amount remitted (Net of Tax) (Rs. in Lacs)	**Nil**	13.11
(ii) Year to which Dividend relates	**-**	2013-14
(iii) No of Shares held by them on which Dividend was due	**-**	3,74,607
(iv) Number of Shareholders	**-**	450
51. Earnings in Foreign Currency (Accrual Basis):		
(i) Export of goods on FOB basis	**5,839.33**	2,330.32
(ii) Technical consultancy & other fees	**2.70**	49.71

52. The foreign currency payables and receivables unhedged at the year end are as follows:

(I) Amounts Payable in Foreign Currency :

Particulars	As at 31-03-2016 Rs. in Lacs		As at 31-03-2016 Amount in FC	As at 31-03-2015 Rs. in Lacs		As at 31-03-2015 Amount in FC
Payables for Import	**1,808.27**	**Euro**	**23,87,151**	2,936.15	Euro	42,95,756
Payables for Import	**0.00**	**JPY**	**0**	191.05	JPY	3,67,40,154
Payables for Import	**313.17**	**USD**	**4,70,221**	96.32	USD	1,52,824
Payables for Import	**1.26**	**GBP**	**1,315**	1.23	GBP	1,315
Payables for Import	**38.29**	**CHF**	**55,275**	16.68	CHF	25,561
Payables for PCFC Export Credit	**942.52**	**USD**	**14,20,730**	0.00	USD	0

(II) Amounts Receivable in Foreign Currency :

Particulars	As at 31-03-2016 Rs. in Lacs		As at 31-03-2016 Amount in FC	As at 31-03-2015 Rs. in Lacs		As at 31-03-2015 Amount in FC
Receivables for Export	**960.84**	**USD**	**14,59,358**	22.06	USD	35,500
Receivables for Export	**187.43**	**AED**	**10,50,000**	0.00	AED	0

53. The foreign currency payables hedged and Interest rate swaps at the year end are as follows:

(I) Amounts Payable in Foreign Currency :

Particulars	As at 31-03-2016 Rs. in Lacs		As at 31-03-2016 Amount in FC	As at 31-03-2015 Rs. in Lacs		As at 31-03-2015 Amount in FC
ECB	**13,562.34**	**Euro**	**1,80,60,000**	15,675.91	Euro	2,32,20,000
Buyers Credit	**7,572.53**	**USD**	**1,14,15,948**	7,050.23	USD	1,12,64,000
Interest accrued but not due	**23.59**	**USD**	**35,564**	5.19	USD	8,287
Payables for Import	**29.60**	**USD**	**44,625**	0.00	USD	0

(II) Interest rate swaps :

Particulars	As at 31-03-2016 Notional Amount Rs. in Lacs		As at 31-03-2016 Notional Amount in FC	As at 31-03-2015 Notional Amount Rs. in Lacs		As at 31-03-2015 Notional Amount in FC
Hedge against exposure to variable interest outflow on loan. Swap to pay fixed interest @ ranging from 9.52% p.a. to 9.74% p.a. and receive a variable interest @ 6 month EURIBOR plus 1.98% on notional amount	**12,309.20**	**Euro**	**1,80,60,000**	15,826.11	Euro	2,32,20,000

54. Other Disclosures

(a) Details of Associate Company considered in the preparation of the Consolidated Financial Statements:

Name of the entity	Relationship	Country of Incorporation	% of Holding and Voting Power either directly or indirectly through Subsidiary as at 31-03-2016	31-03-2015
Gujarat Green Revolution Company Limited	Associate	India	**46.87%**	46.87%

(b) Additional Information as required by Paragraph 2 of the 'General Instructions for preparation of Consolidated Financial Statements' to Schedule III to the Companies Act, 2013:

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
	%	Rs. In Lacs	%	Rs. In Lacs
Indian Associate				
Gujarat Green Revolution Company Limited	**1.79%**	**4,864.83**	**3.07%**	**717.60**

55. The previous year's figures have been regrouped/ reclassified, wherever necessary, to conform to the figures of the current year presentation. Figures are rounded off to the nearest lacs.

For and on behalf of the Board of Directors,

Vikram Mathur	**R.B. Panchal**	**Dr. Rajiv Kumar Gupta**	**G. R. Aloria**
General Manager & CFO	Company Secretary	Managing Director	Chairman

Place : Gandhinagar
Date : 26.04.2016

AS PER OUR REPORT OF EVEN DATE
For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)
Gaurav J. Shah
Partner
Membership No. 35701

Place : Ahmedabad
Date : 26.04.2016

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 "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Not Applicable

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	31-03-2015
2	Shares of Associates held by the company on the year end	
	No.	12,50,000
	Amount of Investment in Associates (Rs.)	1,25,00,000
	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 31-03-2015 (Rs.)	41,47,22,659
	(ii) Networth attributable to shareholding as per latest unaudited Balance Sheet as on 31-03-2016 (Rs.)	48,64,82,812
6	Unaudited Profit / (Loss) for the FY 2015-16 (Rs.)	15,31,00,000
	i. Considered in Consolidation (Rs.)	7,17,60,153
	ii. Not Considered in Consolidation (Rs.)	-

1	Name of Associates which are yet to commence Operation	Nil
2	Names of Associates which have been liquidated or sold during the year	Nil

For and on behalf of the Board of Directors,

Vikram Mathur	**R.B. Panchal**	**Dr. Rajiv Kumar Gupta**	**G. R. Aloria**
General Manager & CFO	Company Secretary	Managing Director	Chairman

Place : Gandhinagar
Date : 26.04.2016

AS PER OUR REPORT OF EVEN DATE
For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)
Gaurav J. Shah
Partner
Membership No. 35701

Place : Ahmedabad
Date : 26.04.2016

FOR MEMBERS' ATTENTION

(I) SOME IMPORTANT NOTES :

1. Members desirous of obtaining information as regards the Accounts are requested to write to the Company at least fifteen (15) days before the date of Meeting, so as to enable the Company to make the information available at the Meeting.

2. Members holding shares in –

   (i) **Physical form** are requested to promptly notify to the company, change in their address, details of Bank Account, Nomination, Power of Attorney, E-Mail address etc.

   (ii) **Dematerialised form** are requested to send their instructions regarding change of address, details of Bank Account, Nomination, Power of Attorney, E-mail address etc.directly to their Depository Participant (DP) with whom the Demat Account is maintained.

3. Non-Resident Indian (NRI) shareholders holding shares in physical form are requested to inform the Company immediately –

   a) the change in Residential status on return to India for permanent settlement along with (i) self attested copies of address proof and PAN Card, (ii) original share certificate(s) for necessary endorsement and (iii) E-mail address.

   b) the particulars of Bank Account maintained in India with complete name of the Bank, branch, Account type, Account Number, 09 Digit MICR Code and address of the Bank, (if not furnished earlier) alongwith a photo copy of cancelled cheque.

4. In case of transfer and transmission of shares, deletion of name of deceased shareholder(s) and transposition of names in respect of shares held in **physical form**, submission of photocopy of PAN Card of transferor(s) and transferee(s), legal heir(s), surviving holder(s) and joint holder(s) respectively alongwith necessary documents at the time of lodgement of request for these transactions, has become mandatory.

(II) REGARDING ANNUAL REPORT / ANNUAL GENERAL MEETING

1. The Company has separately sent to the Members Notice of AGM together with its Annexure, remote e-voting particulars, Attendance Slip and Proxy Form through Regd. post/courier. Kindly bring with you Attendance Slip and copy of this Annual Report for the Annual General Meeting.

2. Arrangement for Buses from ST Depot, Bharuch to the place of Meeting will be made by the Company on the day of Meeting from **9.30 AM** onwards as the meeting is scheduled to be held at **11.30 AM**.

3. Only Members and in their absence, duly appointed proxies will be allowed for the Meeting.

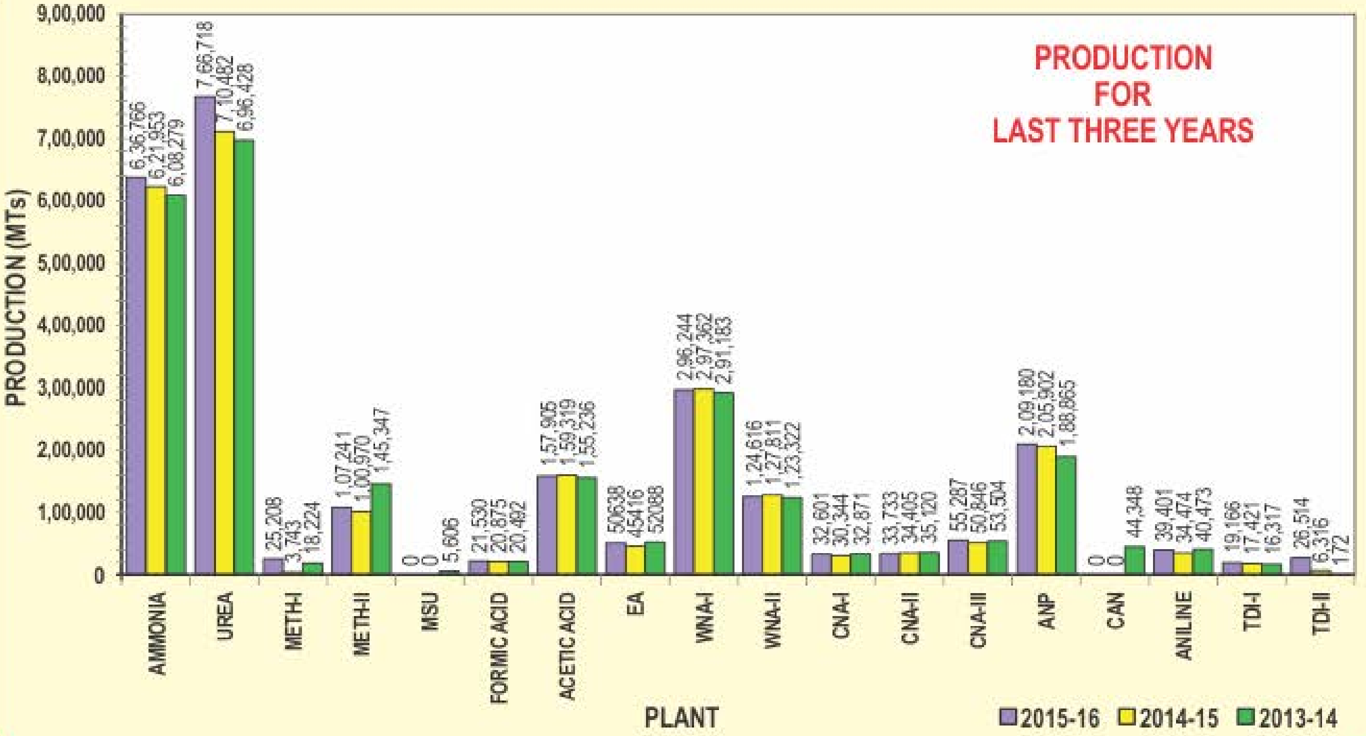
NOTES

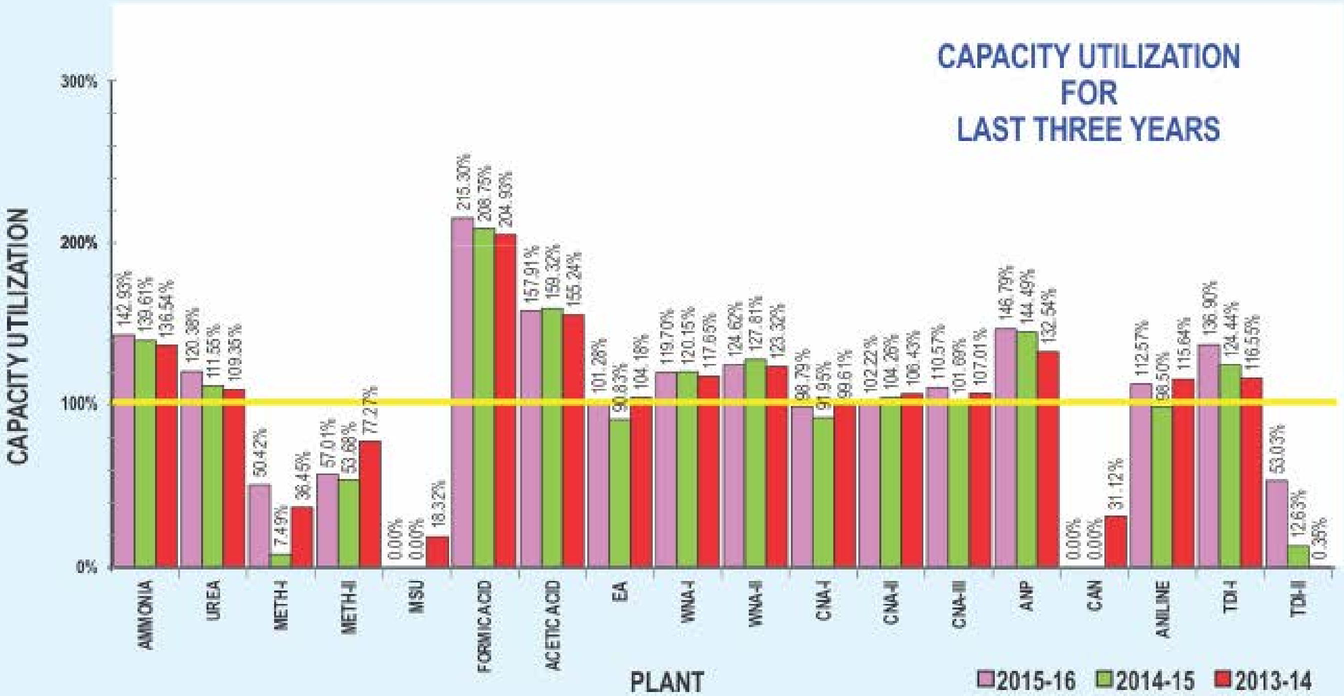
INDUSTRIAL PRODUCTS PROFILE

SR. NO.	PRODUCT	APPLICATION(S)
1	TDI (Toluene Di- Isocyanate)	Flexible Polyurethane Foam, Furniture Cushion, Industrial Gaskets, Protective pads for Sports & Medical Use, Automobiles: Seats, Furniture, Lining, Sun visors
2	Aniline	Acetanilide, Antioxidants, Herbicides, Pigments, Rubber Chemicals: Vulcanizing Agents, Photographic Chemicals: Hydroquinone, Pharmaceutical; Isocyanantes: MDI
3	Acetic Acid (Glacial)	Acetic Anhydride, Vinyl Acetate Monomer(VAM), Purified Te-rephthalic Acid(PTA), Monochloro Acetic Acid, Acetates, Dyes & Dye Intermediates
4	Ethyl Acetate	Solvent in Printing Inks, Paints and Coating, Laminates, Flexible, Packaging, Aluminium Foil, Pestcides, Flavour in Pharmaceuticals, Varnishes, Synthetic Fruit Essence, Perfumes, Photographic Films and Plates, Adhesives and Pharmaceuticals
5	Nitrobenzene	Aniline,Antioxidants, Herbicides, Pigments,Rubber Chemicals: Vulcanizing Agents, Photographic Chemicals: Hydroquinone.
6	Formic acid	Coagulant for obtaining rubber from latex, Fixing of dyes in leather industry, Pesticides, Vulcanization Accelerators, Electroplating, Construction Chemicals
7	Methyl Formate	Di Methyl Formamide(DMF), Formic Acid, Pharmaceuticals, Metal Foundries, Fumigant & Larvicide for Tobacco, Formulations of Synthetic Flavors
8	Concentrated Nitric Acid (CNA)	Nitrobenzene, Aniline, TDI, Dyestuff & Dye Intermediates, Explosives
9	Weak Nitric Acid (WNA)	Nitrobenzene, CNA,Aniline, TDI, Dyestuff & Dye Intermediates, Explosives
10	Ammonium Nitrate (Melt)	Explosives, Fertilizers like CAN & ANP, Pharmaceuticals, Pyrotechnics, Herbicides & Insecticides
11	Methanol	Acetic Acid, Formaldehyde, Chloromethane, Pesticides, Methyl Amines, Paints, Insecticides
12	Neem Oil	Coating of Urea, Pesticides, Cosmetics, Medicine

BY PRODUCTS

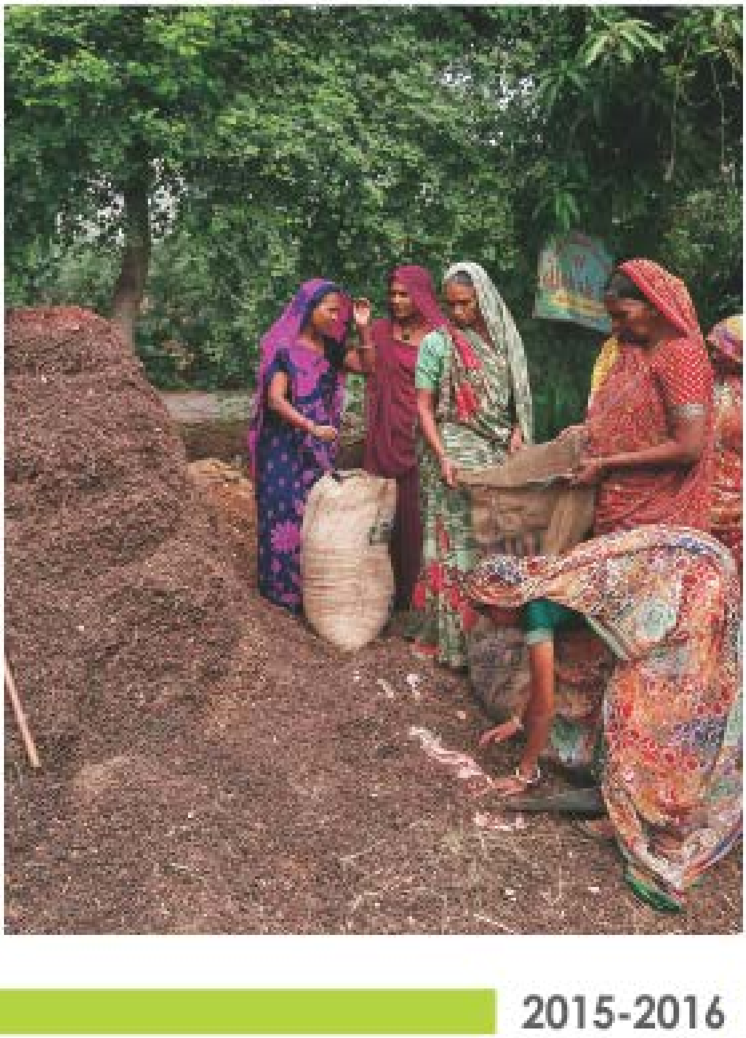
1	Calcium Carbonate	In Cattle feed, Water treatment, Neutralization of Acidic Effluent
2	Dilute Sulfuric Acid	Ferric Alum, Fertilizer, Textile
3	Hydrochloric Acid	Vinyl Chloride, Chemical Reagent, Production of gelatin, Household cleaning
4	Meta Toluene Diamine (MTD)	Monomer, Chain extender, Cross linker, Rubber Chemical & dyes, Polyamides/ Polymides, TDI
5	Ortho Toluene Diamine (OTD)	Polyols, Antioxidants, Corrosion Inhibitors, Rubber Chemicals, Dyes
6	Sodium Hypo Chlorite	Disinfectant, Bleaching Agent, Water Treatment, Endodontic, Oxidation





Lower capacity utilisation below 100% is mainly due to cost economics or lower demand of that product.

NEEM PROJECT



BY COURIER / BOOK-POST

To,

If undelivered please return to:

GNFC

Gujarat Narmada Valley Fertilizers & Chemicals Limited

(An ISO 14001 & OHSAS 18001 Company)

CIN: L24110GJ1976PLC002903

P. O. Narmadanagar - 392 015, Dist. Bharuch, Gujarat, India

Ph: (02642) 247001, 247007 **Fax:** (02642) 247084 **Website:** www.gnfc.in