GNFC

Gujarat Narmada Valley Fertilizers & Chemicals Limited

CIN : L24110GJ1976PLC002903

(An ISO 14001 & OHSAS 18001 Company)

P. O. Narmadanagar - 392 015, Dist. Bharuch, Gujarat. India
Ph (02642) 247001, 247002
Website www.gnfc.in

No. SEC/BD/SE/
23rd August, 2019

FAX NO. 02642 - 247084
E-mail : tjlakhmapurkar@gnfc.in

Dy General Manager
BSE Ltd.
Corporate Relationship Dept
1st Floor, New Trading Ring,
Rotunda Bldg
PJ Towers, Dalal Street, Fort
Mumbai-400 001

Scrip Code - BSE - "500670"

The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza,
C-1, Block - "G",
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051

Scrip Code - NSE - "GNFC EQ"

Sub: Annual Report together with Notice of 43rd Annual General Meeting of the Company for the Financial Year 2018-19 – Compliance under Regulation 30 & 34 of SEBI (LODR) Regulations, 2015.

Dear Sir,

Pursuant to Regulation 30 read with Para A of PART-A of Schedule-III & Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we attach herewith the Annual Report for the Financial Year 2018-19 of the Company together with Notice of 43rd Annual General Meeting, scheduled to be held on Thursday, the 26th September, 2019, at the Registered Office of the Company at Bharuch.

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

We request you to kindly take the above information on record.

Thanking you,

Yours faithfully,
For GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LTD.

T.J. LAKHMAPURKAR
COMPANY SECRETARY & GM (LEGAL)

GNFC
Chemicals • Fertilizers • IT

Gujarat Narmada Valley Fertilizers & Chemicals Limited

43rd
Annual Report 2018-2019

CORPORATE INFORMATION

BOARD OF DIRECTORS
(As on 14th August, 2019)

Dr. J.N. Singh, IAS, Chairman
Smt. Mamta Verma, IAS
Shri Sujit Gulati, IAS
Prof. Arvind Sahay
Shri Piruz Khambatta
Shri Sunil Parekh
Shri M.S. Dagur, Managing Director

EXECUTIVE DIRECTORS

Shri P.G. Dave
Shri G.B. Trivedi
Shri G.S. Maharaj

Company Secretary & General Manager (Legal)
Shri T.J. Lakhmapurkar

Chief Financial Officer & General Manager
Shri D.V. Parikh

Statutory Auditors
M/s SRBC & Co. LLP.
Chartered Accountants
Ahmedabad.

Secretarial Auditors
J. J. Gandhi & Co.
Practising Company Secretaries
& Insolvency Professional - Vadodara

Cost Auditors
M/s Dalwadi & Associates
Ahmedabad.

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

43RD ANNUAL GENERAL MEETING

Date : 26th September, 2019
Day : Thursday
Time : 11:30 AM
Place : Open Air Theatre,
Sports Complex,
Narmadanagar Township,
P.O. Narmadanagar-392 015,
District : Bharuch.

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Chemicals • Fertilizers • IT
Gujarat Narmada Valley Fertilizers & Chemicals Limited

CONTENTS

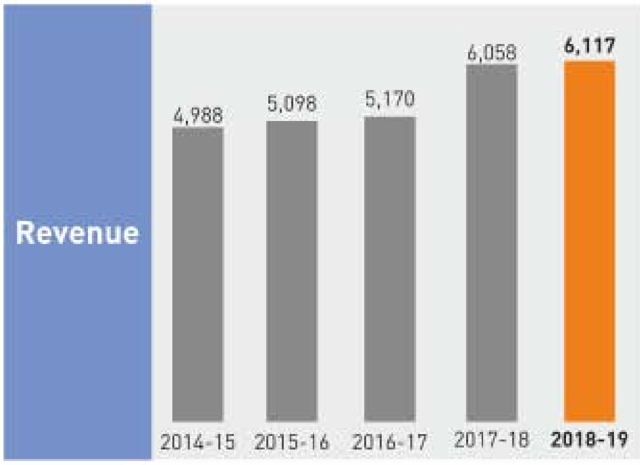
TEN YEAR STANDALONE FINANCIALS AT A GLANCE

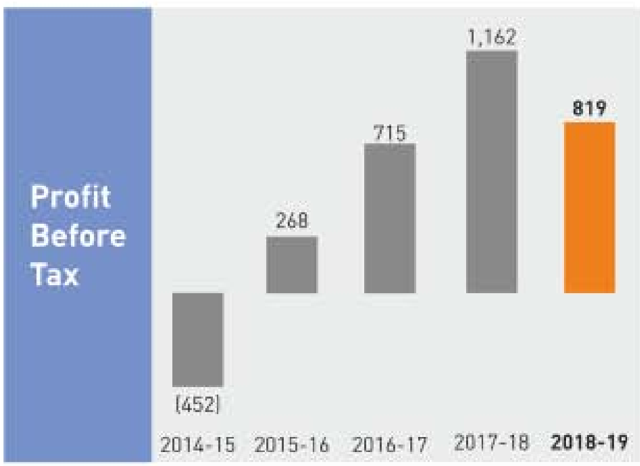
Rs. in Crore, except per share data

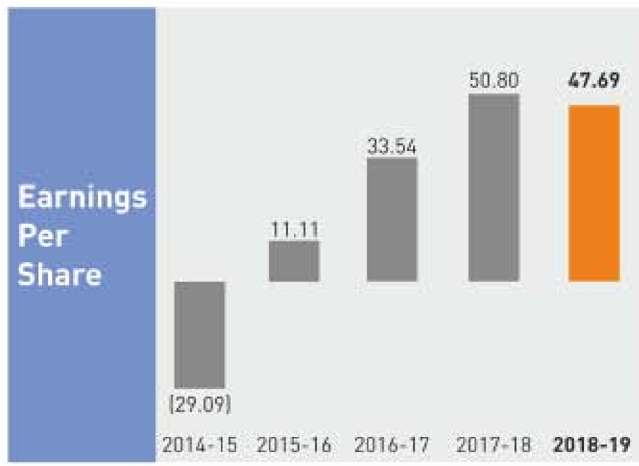
Particulars	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
PROFIT AND LOSS STATEMENT										
Total Revenue	**6,117**	6,058	5,170	5,098	4,988	5,196	4,527	4,062	3,129	2,799
EBITDA	**1,089**	1,532	1169	815	31	662	634	582	523	360
Finance costs	**6**	100	203	297	275	92	63	34	18	23
Depreciation & amortization	**263**	270	251	251	209	145	149	131	121	117
Profit Before Tax	**819**	1,162	715	268	(452)	424	422	417	381	220
Tax	**78**	372	194	95	-	132	149	133	114	96
Profit After Tax	**741**	790	521	173	(452)	292	273	284	267	124
Total Comprehensive Income	**680**	750	561	162	-	-	-	-	-	-
BALANCE SHEET										
Net worth	**4,997**	4,458	3,802	3,278	3,115	2,946	2,717	2,507	2,287	2,079
Long term borrowings	**-**	73	886	1,676	2,187	2,226	2,184	1,533	697	194
Net working capital	**1,466**	926	350	111	(38)	76	69	(244)	731	576
Fixed Assets (Net block)	**3,984**	4,175	4,457	4,395	4,581	4,897	4,560	3,472	2,820	2,199
PER SHARE DATA										
Earnings (EPS)	**47.69**	50.80	33.54	11.11	(29.09)	18.81	17.57	18.26	17.15	7.97
Dividend	**7.00**	7.50	5.00	2.00	-	3.50	3.50	3.50	3.25	3.25
Dividend (%)	**70.00**	75.00	50.00	20.00	-	35.00	35.00	35.00	32.50	32.50
Book value	**321.52**	286.83	244.60	210.88	200.45	189.52	174.81	161.34	147.14	133.77

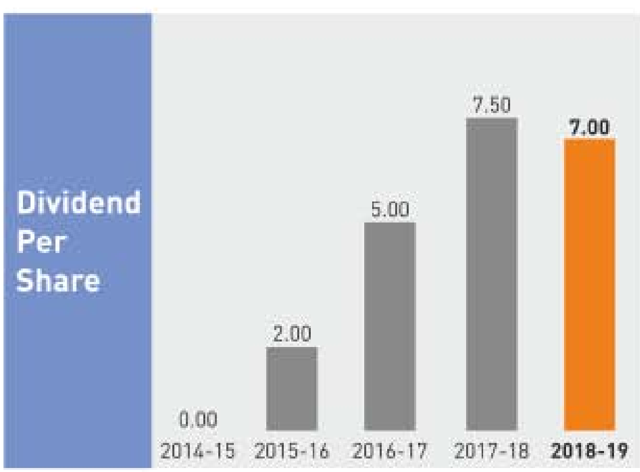
FINANCIAL TRENDS AND VALUE CREATION

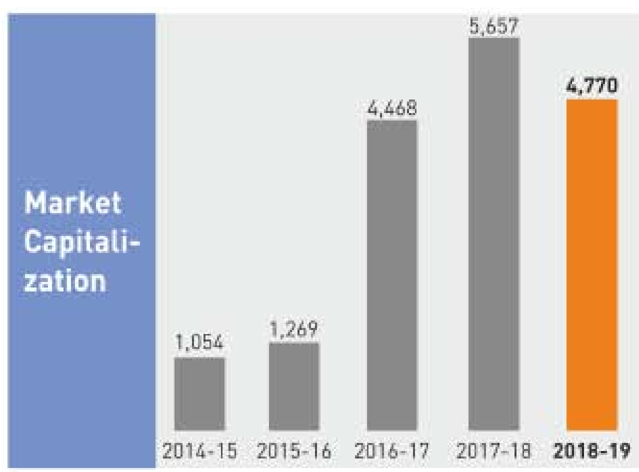
Rs. in Crore, except per share data











NOTICE

NOTICE IS HEREBY given that the **43rd Annual General Meeting** of the Members of **Gujarat Narmada Valley Fertilizers & Chemicals Limited** will be held at **11: 30 AM on Thursday, the 26th September, 2019** at the Registered Office of the Company, at Open Air Theatre, Sports Complex, Narmadanagar Township, P.O. Narmadanagar - 392 015, District: Bharuch to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements and Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon.

2. To declare Dividend on equity shares for the financial year ended 31st March, 2019.

3. To appoint a Director in place of Smt. Mamta Verma, IAS (DIN: 01854315), who retires by rotation and is being eligible offer herself for re-appointment.

SPECIAL BUSINESS:

4. Appointment of Shri Sujit Gulati, IAS (DIN: 00177274) as Director of the Company liable to retire by rotation:

To consider and if thought fit, to pass, with or without modification(s), the following Resolution **as an Ordinary Resolution:**

'**RESOLVED** that pursuant to the provisions of Section 149, 152 and all other applicable provisions of the Companies Act, 2013 (the 'Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including and statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time, Shri Sujit Gulati, IAS (DIN: 00177274) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f 9th October, 2018 pursuant to provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office of Director upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of Director be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.'

5. Ratification of remuneration payable to Cost Auditors of the Company for the financial year 2019-20:

To consider and if thought fit, to pass with or without modification(s), the following Resolution **as an Ordinary Resolution:**

'**RESOLVED** that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of Rs.4.60 Lac (Rupees Four Lac Sixty Thousand only) plus statutory levies and reimbursement of out of pocket expenses payable to the Cost Auditors, M/s Dalwadi & Associates, Cost Accountants, (Firm Registration No. 000338), Ahmedabad for carrying out the audit of the cost records of the Company for financial year ending on 31st March, 2020, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby ratified.'

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

By Order of the Board of Directors,
For Gujarat Narmada Valley Fertilizers & Chemicals Ltd.

T. J. Lakhmapurkar
Company Secretary & General Manager (Legal)

Registered Office:
P.O. Narmadanagar, Dist.Bharuch:392 015
CIN: L24110GJ1976PLC002903
Tele No. (02642) 247001, 247002, Fax No. (02642) 247084
Email: investor@gnfc.in | Website: www.gnfc.in
Dated: 14th August, 2019

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

3. EVERY MEMBER ENTITLED TO VOTE AT THE MEETING , OR ON ANY RESOLUTION TO BE MOVED THEREAT, SHALL BE ENTITLED DURING THE PERIOD BEGINNING TWENTY FOUR (24) HOUSRS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING AND ENDING WITH THE CONCLUSION OF THE MEETING , TO INSPECT THE PROXIES LODGED, AT ANY TIME DUIRNG THE BUSINESS HOURS OF THE COMPANY, PROVIDED THAT NOT LESS THAT THREE (3) DAYS NOTICE IN WRITING OF THE INTENTION SO TO INSPECT IS GIVEN TO THE COMPANY.

4. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Business under Item Nos.4 and 5 set out above is annexed hereto. The information required to be furnished under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and Secretarial Standard - 2 on 'General Meetings' issued by The Institute of Company Secretaries of India, in respect of persons seeking appointment / re-appointment as Directors are also annexed.

5. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution together with the specimen signature(s) of the representative(s) authorized under the said Board Resolution to attend and vote on their behalf at the Meeting at least 48 hours before the meeting.

6. The Company is pleased to provide its Members, the facility to cast their votes using an electronic voting system from a place other than the venue of the AGM ('remote e-voting') in respect of the resolutions proposed in the acCompanying Notice, in compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI Listing Regulations.

For this purpose, the Company has availed the remote e-Voting services provided by Central Depository Services (India) Ltd. (CDSL). A separate sheet containing Attendance slip, detailed procedure and instructions for availing remote e-voting facility is enclosed.

The facility for voting through Ballot Papers will also be made available at the place of meeting and the Members attending the meeting, who have not casted their vote through remote e-voting shall be able to cast their vote at the meeting. Members who have already casted their vote through remote e-voting shall be entitled to attend the meeting but shall not be entitled to cast their votes again at the meeting.

ANNEXURE TO THE NOTICE

AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013, THE FOLLOWING EXPLANATORY STATEMENT SET OUT ALL MATERIAL FACTS RELATING TO BUSINESS MENTIONED UNDER ITEM NOS. 4 & 5 OF THE ACCOMPANYING NOTICE.

Item No. 4

In accordance with the provisions of Section 161 (1) of the Companies Act, 2013 read with Article 144 of the Articles of Association of the Company, Shri Sujit Gulati, IAS was appointed by the Board as an Additional Director effective 9th October, 2018, based on the recommendation of Nomination & Remuneration Committee and he shall hold office of Director up to the date of this Annual General Meeting. He is eligible for appointment as Director.

The Company has received a notice under Section 160 of the Act from a Member proposing the candidature of Shri Sujit Gulati, IAS for the office of Director of the Company.

Shri Sujit Gulati is a very Senior IAS Officer of the rank of Additional Chief Secretary. Presently, he is Managing Director of Gujarat State Fertilizers and Chemicals Ltd. During his tenure, he has held distinguished position in Govt. of Gujarat and Govt. of India and has rich experience in the field of Finance, Management and Administration. Brief resume of Shri Sujit Gulati, IAS is given in Annexure forming part of this Notice.

Shri Sujit Gulati, IAS is not related to any of the Director or Key Managerial Personnel of the Company in terms of Section 2(77) of the Companies Act, 2013.

The Board considers that it would be in the interest of the Company to appoint Shri Sujit Gulati, IAS as Rotational Director on the Board and therefore commends the proposed Resolution for your approval.

Except Shri Sujit Gulati, IAS, none of the Directors / Key Managerial Personnel of the Company and their relative(s) is / are, in any way, concerned or interested, financially or otherwise, in the said resolution. This explanatory statement may also be regarded as disclosure under Regulation 36 of SEBI Listing Regulations.

Item No. 5

The Board of Directors, on the recommendations of Audit Committee, in its meeting held on 29th May, 2017 approved the appointment of M/s Dalwadi & Associates, Cost Accountants, Ahmedabad (Firm Registration No.000338) as Cost Auditors of the Company for a period of three years from FY 2017-18 to 2019-20 at a remuneration of Rs.3.80 Lac per annum for FY 2017-18 and thereafter, increase of 10% every year up to FY 2019-20 plus out of pocket expenses and statutory levies for carrying out the cost audit work of the Company.

In accordance with the provisions of Section 148 of the Act, read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors has to be ratified by the Members of the Company. Accordingly, the remuneration of Rs.4.60 Lac payable to M/s Dalwadi & Associates for FY 2019-20 is required to be ratified by the Members at this AGM.

Your Directors therefore, commend the proposed resolution for your ratification.

None of the Directors / Key Managerial Personnel of the Company and their relative(s) is / are, in any way, concerned or interested, financially or otherwise, in the said resolution. This explanatory statement may also be regarded as disclosure under Regulation 36 of SEBI Listing Regulations.

Inspection of Documents:

All documents referred to in this Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 9:30 AM and 11:30 AM during working days of the Company.

By Order of the Board of Directors,
For Gujarat Narmada Valley Fertilizers & Chemicals Ltd.

T. J. Lakhmapurkar
Company Secretary & General Manager (Legal)

Registered Office:
P.O. Narmadanagar, Dist.Bharuch:392 015
CIN:L24110GJ1976PLC002903
Tele No: (02642) 247001, 247002, Fax No: (02642) 247084
Email: investor@gnfc.in | Website: www.gnfc.in
Dated: 14th August, 2019

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 43rd ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF THE SEBI (LODR) REGULATIONS, 2015 AND SECRETARIAL STANDARD - 2 ON 'GENERAL MEETINGS':

Smt. Mamta Verma, IAS

Smt. Mamta Verma, IAS (47) (DIN: 01854315) is a Director of the Company since 5th October, 2015. She is MA with Psychology and has done Post Graduation in Physiology. She is a Senior IAS Officer having rich experience in the field of Management & Administration. She has held various distinguished positions in Government of Gujarat such as Collector, District Development Officer, Additional Industries Commissioner, CEO of Ahmedabad Urban Development Authority and Special Commissioner, Commercial Taxes, Director, Municipal Administrator, CEO of Gujarat Urban Development Corporation.

Presently, She is Industries Commissioner, Government of Gujarat.

Details of her Directorship and Committee Chairmanship / Membership are as under:

1	Alcock Ashdown (Gujarat) Ltd.	Director
2	Gujarat Ports Infrastructure & Development Co. Ltd.	Director
3	Gujarat Industrial Investment Corporation Ltd.	Managing Director & Member - Audit Committee
4	Gujarat Chemical Port Terminal Company Ltd.	Director
5	GVFL Ltd.	Director
6	International Automobile Centre of Excellence (iACE)	Director
7	GVFL Trustee Co. Pvt. Ltd.	Director
8	Gujarat State Investment Ltd.	Director & Member - Audit Committee
9	Ahmedabad Mega Clean Association	Director
10	Gujarat Narmada Valley Fertilizers & Chemicals Ltd.	Director & Member - Stakeholders Relationship Committee.

She does not hold any equity shares in the Company. The details of Board Meetings attended by Smt. Mamta Verma, IAS during FY 2018-19 has been provided in the 'Report on Corporate Governance' forming part of the Annual Report - 2018-19.

Shri Sujit Gulati, IAS

Shri Sujit Gulati, IAS (59 years) (DIN : 00177274) is a Director of the Company since 9th October, 2018. He holds B. Tech degree in Mechanical Engineering. He is a very senior IAS officer of the rank of Additional Chief Secretary. He is having rich and varied experience in the fields of Finance, Management and Administration. He has held distinguished positions in Ministries of Coal, Mines, Sports & Youth Affairs and Textiles in Government of India. He has also held key positions in various Departments of Government of Gujarat like Industry, Finance, Energy & Petrochemicals, Geology and Mining, Rural Development, Panchayat, Transport, Information Technology, Labour, etc. besides serving as Director on the Boards of various companies.

Presently, he is Managing Director of Gujarat State Fertilizers & Chemicals Limited, Vadodara.

Details of his Directorship and Committee Chairmanship / Membership are as under:

1	Gujarat State Fertilizers & Chemicals Ltd.	Managing Director & Member - Stakeholders Relationship Committee
2	Gujarat Narmada Valley Fertilizers & Chemicals Ltd.	Director
3	Indian Potash Ltd.	Director
4	Gujarat Green Revolution Co. Ltd.	Chairman
5	Gujarat Arogya Seva Pvt. Ltd.	Director
6	GSPC LNG Ltd.	Director

He does not hold any equity shares in the Company. The details of Board Meetings attended by Shri Sujit Gulati, IAS during FY 2018-19 has been provided in the 'Report on Corporate Governance' forming part of the Annual Report - 2018-19.

DIRECTORS' REPORT

To,

The Members,

Your Directors have immense pleasure in presenting this 43rd Annual Report on Company's business and operations together with Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended on 31st March, 2019.

FINANCIAL RESULTS AND STATE OF COMPANY'S AFFAIRS

During the year under review, the Company has achieved reasonably well progress in the areas of production, marketing and finance. The Company has established total 148 new records on production and marketing fronts.

The financial highlights for FY 2018-19 are summarized below on standalone basis:

(Rs. in Crores)

Particulars	Standalone	
	2018-19	2017-18
Income from operations	**5,896**	5,917
Other Income	**221**	141
Total Income	**6,117**	6,058
Total Expenditure	**5,028**	4,526
Profit before Depreciation, Finance Cost and Tax	**1,089**	1,532
Depreciation	**263**	270
Finance Cost	**6**	100
Profit Before Tax	**819**	1,162
Tax Expense	**78**	372
Net Profit for the year	**741**	790
Re-measurement of Losses on defined employee benefit plans (Net of tax)	**48**	27
Balance brought forward from previous year	**1,189**	635
Amount available for Appropriation	**1,882**	1,398
Appropriations :		
Dividend paid	**117**	78
Tax on Dividend	**24**	16
Transferred to General Reserve	**175**	115
Surplus carried to Balance Sheet	**1,566**	1,189

PERFORMANCE OVERVIEW

The year 2018-19 was one of the challenging years for Chemical business for the country as well as for your Company mainly on account of overall increase in the cost of inputs coupled with increased competition due to free flow of material from international markets. As such the Company has to sale its industrial products keeping parity in prices with imports.

1. Financial Performance :

Your Directors are happy to share with you the highlights of Annual Financial Results (AFRs) achieved by your Company for FY 2018-19 on standalone basis. The overall Financial Performance of your Company have been impacted mainly due to (i) substantial increase in the prices of key raw materials namely, Oil, Benzene, Toluene, Natural Gas, precious metals; (ii) sharp fall in the sale prices of major industrial products of late particularly, TDI, Aniline, Acetic Acid etc. resulting into substantial reduction in the sales realization from these products especially in last two quarters of the year under review and (iii) annual plant shut-down of 27 days which was longest in the last five years affecting the production and sales.

During the year 2018-19, the total turnover was marginally lower to Rs.5896 Crore compared to Rs.5917 Crore achieved during previous year. Profit Before Tax (PBT) and Profit After Tax (PAT) were Rs.819 Crore and Rs.741 crore against Rs.1,162 Crore and Rs.790 Crore in the previous year respectively. The Company has achieved export turnover of Rs.437 Crore during FY 2018-19.

The Net Profit for FY 2018-19 on consolidated basis was Rs.749.74 Crore compared to Rs.794.94 Crore in the previous year.

2. Operational performance :

The Company's operational performance remained satisfactory for FY 2018-19 despite annual plants shutdown of 27 days resulting into lower production to that extent. Most plants have performed at over 100% capacity utilization level and special focus was given on energy conservation and cost saving measures in all operational aspects. Ever highest yearly production was achieved in TDI-I (18,270 MTs - 130.5%) and TDI-II (42,920 MTs - 85.84%) plants. The details of production performance of various plants are furnished in 'Management Discussions and Analysis' forming part of this report.

Currently, TDI-II Plant, Dahej is running smoothly on a consistent basis. Continuous efforts are being made for improving its operations and reliability in terms of consistency, safety and capacity utilization. The Company is implementing various modifications / revamps under 'TDI-II Reliability Phase-II Scheme'. This will help in decreasing downtime and achieving sustainable production.

SALES :

1. Industrial Products :

The year 2018-19 was challenging year for chemical business in the country due to substantial increase in cost of key inputs and moderate industrial growth coupled with increased competition due to cheaper imports from international markets. Under this competitive scenario, the performance of your Company in chemicals business was satisfactory. During FY 2018-19, the Company sold in aggregate 7,47,718 MTs. of Industrial Products against 7,95,247 MTs. in the previous year and achieved total sales turnover of Rs.3,781 Crore compared to Rs.3,987 Crore in the previous year.

The Company has so far exported its major Industrial Products to around 82 Countries across the Globe and is one of the leading suppliers of TDI in the markets of Middle East and Africa. The satisfactory performance of Chemical Segment was mainly attributed to planned marketing strategy and dynamic pricing of Company's products.

2. Fertilizer Business:

The Company performed reasonably well in fertilizers business during FY 2018-19 in spite of poor monsoon in the country. The Company achieved total sale of 6.48 lacs MTs of Urea compared to 6.47 lacs MTs in previous year. The sale of Nitro-phosphate was marginally lower at 2.01 lacs MTs compared to 2.23 lacs MTs in the previous year. Lower sales volume of Nitro-phosphate was due to lower production on account of annual plants shut down of 27 days during October, 2018.

Out of the total sale of fertilizers, around 0.82 Lac MTs of fertilizers were sold through Company's own 68 Narmada Khedut Sahay Kendras.

During the year, trading activities were also continued in Muriate of Potash (MoP), Di-Ammonium Phosphate (DAP), Ammonium Sulphate (AS), Single Super Phosphate (SSP) and City Compost. Total 17,869 MTs of Fertilizers were sold as a part of trading activities.

3. (n)Code Solutions – IT Division:

During the year under review, (n)Code Solutions - IT Division of the Company has also performed reasonably well despite competitive environment scenario in IT business. This division has registered sales turnover of Rs.96 Crore and Profit of Rs.30 Crore across its all business segments. (n)Code provides various IT services in the areas of Digital Signature Certificate and e-Procurement, IT-Infrastructure, Software / Application development and support, Smart City / System Integration, Data Center Operations, Project Management, Quality and Audit Consultancy etc.

In spite of challenges on Manpower iterations, increased compliances and changes in Aadhaar Act, there is a good progress on on-going smart city projects. (n)Code has successfully conducted e-Auctions for various Government Departments and efforts are being made to explore similar market PAN India including for non-government sector. With the increased emphasis on e-governance and data security challenges faced by Government, it will offer good business opportunities for (n) Code solutions in the areas of e-governance, Managed Services and Smart city services projects.

To achieve sustained growth in IT business, (n)Code has undertaken several new initiatives in the areas of developing capacity building for projects outside Gujarat, get CMMi-5 certification, Tie-ups with large Original Equipment Manufacturers (OEMs) and developing skills on new technologies viz; ERP with Business Intelligence, Cloud and Managed Services, IT Security Services, Mobile Technologies, Block chain and Artificial Intelligence.

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

DIVIDEND :

Keeping in view the Company's performance for FY 2018-19 and to ensure that the shareholders get sustained return on their investment, your Directors have recommended a dividend of Rs.7/- per share (70%) on 15,54,18,783 equity shares of Rs.10/- each, subject to the approval of shareholders at the Annual General Meeting. On its approval, the dividend payout will work out to Rs.131.15 Crore including tax on dividend. This amounts to 17.70% of the Net Profit of the Company.

APPROPRIATIONS :

Your Company has registered a Net Profit of Rs.741.17 Crore for FY 2018-19. After deducting therefrom Rs.48.45 Crore being the re-measurement losses on defined employee benefit plans and adding thereto Rs.1189.46 Crore being the balance of Statement of Profit & Loss brought forward from previous year, an amount of Rs.1882.18 Crore is available for appropriation. Out of this, Rs.140.52 Crore (inclusive of Tax on Dividend) is appropriated towards payment of dividend for FY 2017-18 and Rs.175 Crore is transferred to General Reserve. The balance amount of Rs.1566.66 Crore is proposed to be carried to Balance Sheet.

FERTILIZER INDUSTRY – GOVERNMENT POLICY :

The Government of India (GoI) has announced continuation of Nutrient Based Subsidy (NBS) rates of FY 2018-19, provisionally also for FY 2019-20 on the same terms and conditions. The fertilizers industry remains vital to agriculture productivity but continues to operate under a rigid control regime.

The Direct Benefit Transfer (DBT) scheme for sale of fertilizers has been implemented throughout the country from March, 2018. Though this scheme is called DBT, the subsidy continues to be routed through the industry. This scheme has changed the business model for fertilizers companies. Subsidy under this scheme become due only on sale of fertilizers by the retailers to farmers through POS (Point of Sales) machines. As a pro-active measures, your Company has adopted retailers oriented marketing strategies in such a manner that the flow of subsidy to the Company has not been affected much.

ON-GOING PROJECTS / INITIATIVES :

1. Neem Project :

Your Company's Neem Project is a success story for creating shared value among rural and urban poor people empowering communities with targeted focus on women empowerment through income generation and improved livelihood.

During the year under review, 17,467 MTs of Neem seeds were collected from which 932 MTs of Neem Oil and 6972 MTs of De-oiled Neem Cake were produced. With a view to encourage organic farming, your Company produced 152 MTs of Oiled Neem Cakes during FY 2018-19. Neem based products such as Neem soap of different variant, shampoo, Hand wash, Mosquito repellent, Hair oil, Facewash etc. have received good response from the consumers. During FY 2018-19, the sale of Neem products through Company's Neem outlets and parlors was satisfactory.

A large scale Neem oil extraction unit to produce about 2900 MTPA of Neem oil and about 22000 MTPA Neem cake is under implementation.

2. Di-Calcium Phosphate Project :

The Company, through its joint venture Company namely, Ecophos GNFC India Pvt. Ltd. (EGIL) is implementing 2 Lac MTPA Di-Calcium Phosphate (DCP) project at Dahej. It was reported last year that the total estimated project cost would be Rs.538 crores and the same is expected to be completed by September, 2019. However, due to unforeseen circumstances, the project cost is revised and the same is estimated at Rs.565 crore. The project is now expected to be completed by end of 2020. The Company is concentrating on speedy implementation of the said project as downstream integration of TDI-II Plant.

GROWTH PLAN / REVAMP SCHEMES :

(1) Formic Acid Capacity Enhancement :

Your Company being the only producer of Formic Acid (FA) in India, is implementing Formic Acid Capacity enhancement project from existing 22,000 MTPA to 28,800 MTPA through FA Plant Revamp.The proposed capacity enhancement will help in meeting with country's demand of Formic Acid and will reduce the dependency on import to that extent. The project is expected to be completed by 2021.

(2) Acetic Acid Capacity Enhancement :

The Company being the only producer of Acetic Acid (AA) in India, is actively considering to set up Acetic Acid expansion project to meet with the domestic demand of Acetic Acid. The Company has initiated actions for sourcing the technology for the said capacity enhancement. The level of capacity will be finalized, once the technology supplier is identified.

(3) Concentrated Nitric Acid (CNA) - IV Plant :

With a view to increase the market share of CNA in domestic market, the Company is implementing 150 MTPD CNA-IV project and actions have been initiated for setting up of the said plant. Necessary agreements have been executed with M/s Plinke, Germany for supply of engineering, license, imported critical items, providing expatriate services etc. The said project is likely to be completed by mid 2021.

(4) Ammonia Plant Revamp :

As reported last year, the revamp of Syngas loop which was under implementation was completed in November, 2018. With the completion of this revamp, the production of Ammonia has increased from 1,850 MTPD to 1,900 MTPD.

With a view to further increase Ammonia production capacity from 1,900 MTPD to 2,050 MTPD (50,000 MT per annum), actions have been initiated for installation of make-up gas converter loop in existing ammonia synthesis loop which is expected to be completed by year 2022.

(5) Solar Power Generation Project:

In order to fulfil the Renewable Purchase Obligations (RPO) in terms of Notification issued by Gujarat Electricity Regulatory Commission, the Company is setting up 10 MW Solar Power generation project at Gujarat Solar Park, PO : Charanka, Dist. Patan. Letter of Intent has been issued to M/s Bharat Heavy Electricals Ltd. (BHEL) for implementation of the said project on Engineering, Procurement and Construction (EPC) basis. This project is likely to be completed by mid-2020.

(6) Coal based Captive Co-generation Power Plant :

Presently, the requirement of captive steam and electrical power at TDI-II complex, Dahej is met through 100 MT/hr capacity gas based boiler and sourcing the power from Dakhshin Gujarat Vij Company Ltd. respectively. The annual cost of steam and power is substantially high and the same is on an increasing trend on long term basis. Therefore, with a view to reduce the cost of both the key inputs and to improve their reliability, the Company has initiated actions for setting up Coal based Captive Co-generation Power Plant (CCPP) with a capacity to produce 150 MT/hr steam and 18 MW power with an estimated investment of Rs.432 crore.

The above mentioned new projects / revamp schemes would be implemented with estimated investment between Rs.1500 ~ Rs.2000 Crore.

AWARDS & RECOGNITIONS :

Your Directors are delighted to inform that the Company's overall performance has been recognized and honored through several prestigious Awards for its best practices, business excellence etc. as follows :

- Porter Prize supported by the Harvard Group for Company's Outstanding performance in the industry.
- CNBC-AWAAZ CEO Award for 'Outstanding Business Growth' from Government of Chhattisgarh in association with CNBC-Awaaz.
- Best Technical Innovation Award by Fertilizer Association of India, New Delhi for reduction in down time and increase operational efficiency in ANP plant.

DIRECTORS' RESPONSIBILITY STATEMENT :

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

(i) in the preparation of Annual Accounts for the financial year ended 31st March, 2019, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;

(ii) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at end of the financial year on 31st March, 2019 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 have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of 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 has Wholly Owned Subsidiary Company and Associate Company namely - Gujarat NCode Solutions Limited (GNSL) and Gujarat Green Revolution Co. Ltd. (GGRCL) respectively. Statements containing salient features of Financial Statements of GNSL and GGRCL are given in Form AOC-1 as Annexures to the Consolidated Financial Statements and the same have not been repeated here for the sake of brevity.

GNSL has not commenced its business operations during FY 2018-19 and therefore, report on its performance and financial position has not been furnished in this Report.

As GNSL has not commenced its business since its incorporation, your Board of Directors had in its meeting held on 29th May, 2019 accorded its approval for removal of the name of GNSL from the records of Register of Companies as permissible under the provisions of Section 248 of the Companies Act, 2013 which inter-alia stipulate that the Company may after complying with necessary formalities, may file an application to the Registrar of Companies for removal of its name on all or any of the grounds specified in Section 248(1) of the Act.

Accordingly, necessary formalities are being made for removal of name of GNSL, the Wholly Owned Subsidiary of the Company, from the records of Registrar of Companies under Section 248(2) of the Companies Act, 2013 and the Rules made thereunder.

EcoPhos GNFC India Pvt. Ltd. (EGIL) is a Joint Venture Company and the project execution activities for setting-up of 2 Lac MTPA Di-Calcium Phosphate Project by EGIL are underway. Therefore, report on its operational performance and financial position for FY 2018-19 has not been furnished in this Report.

CONSOLIDATED FINANCIAL STATEMENTS :

Pursuant to Section 129(3) of the Act, read with Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, the Company has prepared Consolidated Financial Statement in respect of its wholly owned subsidiary and Associate Companies viz. Gujarat Ncode Solutions Ltd. and Gujarat Green Revolution Co. Ltd. respectively for FY 2018-19 and forms part of this Annual Report.

As per Indian Accounting Standards, the accounts of Joint Venture Company viz. EcoPhos GNFC India Pvt. Ltd. are not required to be consolidated. Hence, the same are not included in the consolidated financial statements.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS :

As reported last year, your Company had made additional investment of Rs.12 crores in the equity of Bhavnagar Energy Company Ltd. during FY 2018-19. Except this investment, the Company has not made any investment in other bodies corporate or given any Loan or Guarantee or provided any Security in connection with loan to any other body corporate or person.

PARTICULARS OF CONTRACT OR ARRANGEMENT MADE WITH RELATED PARTY :

The Policy for Related Party Transactions (RPTs) deals with review and approval of RPTs and the same is available on the Company's website at web link http://www.gnfc.in/aboutus/corporate-policies.html. The Audit Committee has granted Omnibus approval for RPTs, which are routine and repetitive in nature, based on the criteria approved by the Board of Directors within the overall framework of the said policy. All RPTs under omnibus approval are placed before the Audit Committee periodically for its review and approval.

The Company has not entered into any contract or arrangement with related parties, as referred to in Section 188(1) of the Companies Act, 2013 during FY 2018-19. Hence, the disclosure of RPTs in Form AOC-2 as required under Section 134(3)(h) of the Act is not applicable to your Company. Details of Related Party disclosure as per Ind AS-24 have been given in Note No. 37 to the Standalone Financial Statement.

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

MEETINGS OF THE BOARD & COMMITTEES THEREOF :

(i) Board Meeting :

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

(ii) Committees of the Board :

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

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

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

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

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

The Company has formulated a Nomination, Remuneration & Evaluation Policy as required under Section 178 of the Act and SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015. The details of remuneration paid to Directors / Key Managerial Personnel / Senior Management and other employees are furnished in the 'Report on Corporate Governance', forming part of this Report.

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS :

The Company has carried out annual performance evaluation of the Board, its Committees and Individual Directors in line with the provisions of the Act and SEBI (LODR) Regulations, 2015 as amended from time to time.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

During the year, Shri V.D.Nanavaty ceased to be the Director of the Company effective 3rd October, 2018. Shri C.S.Mani, Independent Director of the Company tendered resignation as Director from the Board of the Company effective 23rd July, 2019 due to his old age and ill-health.

In terms of Section 161 of the Companies Act, 2013, Shri Sujit Gulati, IAS, Managing Director, Gujarat State Fertilizers and Chemicals Ltd. was appointed as an Additional Director on the Board of the Company effective 9th October, 2018. He will hold office of Director up to the date of this AGM whereat he will be appointed as Rotational Director. A suitable resolution proposing his appointment as Rotational Director is included in the Notice of this AGM for your kind approval.

Retirement of Director(s) by Rotation:

In terms of Section 152 of the Act, Smt. Mamta Verma, IAS will retire by rotation at this AGM and is proposed to be re-appointed thereat.

Declaration by Independent Directors:

In terms of Section 149(7) of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has received necessary declarations from all Independent Directors to the effect that they meet with the criteria of independence as laid down in Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations, 2015 as amended.

Change in Directorate :

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

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

Key Managerial Personnel :

During the year under review, there is no change in the Key Managerial Personnel of the Company.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') as amended, all unpaid or unclaimed dividends which were required to be transferred by the Company to the IEPF were transferred to IEPF Authority. The Company has also transferred 2,33,203 shares held by 3,708 Shareholders in respect of which dividend amount remained unpaid / unclaimed for a consecutive period of seven years or more to IEPF Authority within stipulated time.

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

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

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

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 of plants, financial and other organizational risks are assessed, evaluated and continuously monitored for taking effective steps for its mitigation.

In compliance with Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Board has constituted a Risk Management Committee (RMC) defining its terms of reference in its meeting held on 11th February, 2019. The details as to the constitution of RMC and its major terms of reference is included in the 'Report on Corporate Governance' forming part of this report.

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

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

EXTRACT OF ANNUAL RETURN :

As per the requirement of Section 92(3) of the Companies Act, 2013 read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual return in Form No. MGT-9 is given in Annexure - A to this Report. The same is available on Company's Website at web-link - https://www.gnfc.in/PDFandWORD/GNFC_MGT-9_2019.pdf.

CORPORATE SOCIAL RESPONSIBILITY (CSR) :

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

Company's CSR Policy is available on the website of the Company at web link http://www.gnfc.in/corporate-social-responsibility.html Annual Report on CSR activities as required under Rule 9 of Companies (Accounts) Rules, 2014 read with Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as Annexure - B to this Report. The said Report on CSR activities inter-alia includes the reasons for not spending the amount of 2% of average net profits of last three financial year by the Company as required under section 135(5) of the Companies Act, 2013.

VIGIL MECHANISM-CUM-WHISTLE BLOWER POLICY :

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

SIGNIFICANT AND MATERIAL ORDERS :

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

MANAGEMENT DISCUSSION & ANALYSIS AND REPORT ON CORPORATE GOVERNANCE :

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

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

BUSINESS REPONSIBILITY REPORT :

The Company has been conducting its business in such a way that it delivers both long term stakeholders value and benefit society under the approach of 'Creating Shared Value'. As required under Regulation 34 of SEBI (LODR) Regulations, 2015, Business Responsibility Report is enclosed as Annexure-C to this Report.

INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, 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, requisite information on conservation of energy, technology absorption and foreign exchange earnings and outgo is furnished in enclosed Annexure - D to this Report.

PARTICULARS OF EMPLOYEES AND REMUNERATION :

The required information under Section 197(12) of the Act read with Rule 5(1)(2)&(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished in enclosed Annexures - E & F to this Report.

AUDITORS AND AUDITORS' REPORT :

Pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and relevant rules made their under, the members had at their 40th AGM held on 30th September,2016 appointed M/s SRBC & Co. LLP, Chartered Accountants, a Member Firm of E&Y India as Statutory Auditors of the Company for a term of five consecutive years, until the conclusion of 45th AGM to be held in the year 2021, on such remuneration as may be determined by the Board of Directors based on the recommendation of Audit Committee plus Applicable taxes and reasonable out of pocket expenses actually incurred by them during the course of Audit and subject to ratification of their appointment at every AGM held thereafter.

In view of amendment in Section 139(1) vide the Companies Amendment Act, 2017, ratification for appointment of Statutory Auditors is not required at every AGM when Auditors have been appointed for a term of five years. Hence, suitable resolution therefore, is not included in the Notice of this AGM.

Notes to Financial Statements (Standalone and Consolidated) forming part of Audited Financial Statements for FY 2018-19 are self-explanatory and need no further explanation. The Auditors' Reports on Audited Financial Statements (Standalone and Consolidated) do not contain any modified opinions.

COST AUDITOR :

The Board of Directors had on the recommendations of Audit Committee, appointed M/s Dalwadi & Associates, Cost Accountant, Ahmedabad, as the Cost Auditor of the Company for a period of three years from FY 2017-18 to 2019-20 at a remuneration of Rs.3.80 Lac per annum for FY 2017-18 and thereafter increase of 10% every year up to FY 2019-20 plus out of pocket expenses and statutory levies.

In accordance with Section 148 of the Act read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the remuneration of Rs.4.60 Lac per annum payable to Cost Auditor for FY 2019-20 is subject to ratification by the Shareholders at the AGM. Therefore, a suitable Resolution in this regard has been proposed in the Notice of this AGM for your kind approval.

The Company had e-filed the Cost Audit Report for FY 2017-18 with the Ministry of Corporate Affairs (Cost Audit Branch) on 18th August, 2018. The due date of filing the said Report was 30th September, 2018.

SECRETARIAL AUDITOR :

In pursuance of Section 204 of the Act and the Rules made thereunder, the Board of Directors in its meeting held on 11th February, 2019 had re-appointed M/s J.J.Gandhi & Co., Practicing Company Secretaries, Vadodara as Secretarial Auditor for FY 2018-19. The Secretarial Audit Report in Form MR-3 in respect of Secretarial Audit work carried out by them for FY 2018-19 is enclosed as Annexure - G to this report. The said Report does not contain any qualification, reservation or adverse remark.

DIVIDEND DISTRIBUTION POLICY :

As per Regulation 43A of SEBI (LODR) Regulations, 2015, Dividend Distribution Policy of the Company inter-alia, set-out the various parameters and circumstances that are to be taken into account while determining the distribution of dividend to the shareholders and / or retaining profits by the Company. The said policy is enclosed as Annexure - H to this Report and the same is also available on the Company's website at web link http://www.gnfc.in/PDFandWORD/Dividend-Distribution-Policy.pdf

DISCLOSURE ON COMPLIANCE OF SECRETARIAL STANDARDS :

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government.

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

During the year, there was no fraud to be reported by Auditors under Section 143(12) of the Act.

FIXED DEPOSITS :

The Company has not accepted any Fixed Deposit during the year.

INSURANCE

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

INDUSTRIAL RELATIONS

The Industrial Relations within the Company remained cordial and harmonious throughout the year. Cordial Industrial Relations have been a forte at the Company. It has helped the Company to achieve satisfactory performance on operational and financial front and in achieving targets without any difficulties.

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors,

Dr. J.N. Singh
Chairman

Dated : 14th August, 2019

Annexure - A

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019

[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 services 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	NIC / HS Code of the Product / Service / products / services	% to total turnover of the Company
1.	Neem Urea	NIC Code : 20121	25 % (including amount of subsidy)
2.	Toluene Di-Isocynate (TDI)	HS Code : 2929102	21%

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 31.03.2019	Applicable Section
1.	Gujarat Green Revolution Co. Ltd. Fertilizernagar Township PO : Fertilizernagar - 391 750 District - Vadodara, Gujarat	U63020GJ1998PLC035039	Associate	46.87%	Section 2(6)
2.	Gujarat Ncode Solutions Limited 14th Floor, Gift One Tower, Gift City, Gandhinagar - 382 355, Gujarat.	U72900GJ2017PLC095993	Subsidiary	100%	Section 2(87)

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	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A	**Promoters**									
1.	**Indian**									
a.	Individual/ HUF	-	-	-	-	-	-	-	-	-
b.	Central Govt.	-	-	-	-	-	-	-	-	-
c.	State Govt(s)	-	-	-	-	-	-	-	-	-
d.	Bodies Corporate	64006713	-	64006713	41.18	64006713	-	64006713	41.18	-
e.	Banks/ FIs	-	-	-	-	-	-	-	-	-
f.	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(1):-	**64006713**	**-**	**64006713**	**41.18**	**64006713**	**-**	**64006713**	**41.18**	**-**

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	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
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)	**64006713**	**-**	**64006713**	**41.18**	**64006713**	**-**	**64006713**	**41.18**	**-**
B Public Shareholding									
1. Institutions									
a. Mutual Funds	7010931	9500	7020431	4.52	4281759	9500	4291259	2.76	-1.76
b. Banks/ FIs	16378856	6817	16385673	10.54	16824894	6817	16831711	10.83	0.29
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIIs	50	800	850	0.00	113768	800	114568	0.07	0.07
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (FPIs)	14528890	-	14528890	9.35	21701701	-	21701701	13.96	4.61
Sub-total (B)(1):-	**37918727**	**17117**	**37935844**	**24.41**	**42922122**	**17117**	**42939239**	**27.63**	**3.22**
2. Non- Institutions									
a. Bodies Corporate									
(i) Indian	6542919	22084	6565003	4.22	4661760	19543	4681303	3.01	-1.21
(ii) Overseas	-	700	700	-	-	700	700	-	-
b. Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	22655144	7355282	30010426	19.31	24247008	6085632	30332640	19.52	0.21
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	9365569	217984	9583553	6.17	6420051	51000	6471051	4.16	-2.01
c. Others									
(i) Trusts	155991	-	155991	0.10	147411	-	147411	0.09	-0.01
(ii) Co-op Societies	600	339650	340250	0.22	1672	332802	334474	0.22	-
(iii) Clearing Members Pool A/c	570832	-	570832	0.37	239851	-	239851	0.15	-0.21
(iv) Unclaimed Suspense A/c	44573	-	44573	0.03	41006	-	41006	0.03	0.00
(v) Foreign Banks	999	7530	8529	0.01	999	1710	2709	-	-
(vi) HUF	1856805	-	1856805	1.19	1572885	-	1572885	1.01	-0.18
(vii) NRI	1420895	1304578	2725473	1.75	1862694	1012837	2875531	1.85	0.10
(viii) IEPF	1540351	-	1540351	0.99	1773270	-	1773270	1.14	0.15
Sub-total (B)(2)	**44154678**	**9247808**	**53402486**	**34.36**	**40968607**	**7504224**	**48472831**	**31.19**	**-3.17**
Total Public shareholding (B) = (B)(1) + (B)(2)	**82073405**	**9264925**	**91338330**	**58.77**	**83890729**	**7521341**	**91412070**	**58.82**	**0.05**
C Shares held by Custodian for GDRs	73740	-	73740	0.05	-	-	-	-	-0.05
Grand Total (A+B+C)	**146153858**	**9264925**	**155418783**	**100.00**	**147897442**	**7521341**	**155418783**	**100.00**	**0.00**

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change 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
	At the beginning of the year	64006713	41.18	64006713	41.18
	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			
	At the end of the year	64006713	41.18	64006713	41.18

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

Sr. No.	Name of Shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**Life Insurance Corporation of India**				
	At the beginning of the year	11791612	7.59	11791612	7.59
	Bought during the year	-	-	11791612	7.59
	Sold during the year	-	-	11791612	7.59
	At the end of the year	11791612	7.59	11791612	7.59
2	**Fidelity Puritan Trust - Low Priced Stock Fund**				
	At the beginning of the year	5677065	3.65	5677065	3.65
	Bought during the year	-	-	4800000	3.09
	Sold during the year	877065	0.56	4800000	3.09
	At the end of the year	4800000	3.09	4800000	3.09
3	**General Insurance Corporation of India**				
	At the beginning of the year	3610690	2.32	3610690	2.32
	Bought during the year	70000	0.05	3680690	2.37
	Sold during the year	-	-	3680690	2.37
	At the end of the year	3680690	2.37	3680690	2.37
4	**Aditya Birla Sun Life Trustee Company Private Limited A/C Aditya Birla Sun Life Pure Value Fund**				
	At the beginning of the year	1941596	1.25	1941596	1.25
	Bought during the year	459600	0.29	2401196	1.54
	Sold during the year	-	-	2401196	1.54
	At the end of the year	2401196	1.54	2401196	1.54

Sr. No.	Name of Shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
5	**Aditya Birla Sun Life Trustee Company Private Limited A/C Aditya Birla Small Cap Fund**				
	At the beginning of the year	1050000	0.68	1050000	0.68
	Bought during the year	100000	0.06	1150000	0.74
	Sold during the year	-	-	1150000	0.74
	At the end of the year	1150000	0.74	1150000	0.74
6	**The New India Assurance Company Limited**				
	At the beginning of the year	790613	0.51	790613	0.51
	Bought during the year	300000	0.19	1090613	0.70
	Sold during the year	-	-	1090613	0.70
	At the end of the year	1090613	0.70	1090613	0.70
7	**State Street Emerging Markets Small Cap Active Non-lending QIB Common Trust Fund**				
	At the beginning of the year	-	-	-	-
	Bought during the year	913880	0.59	913880	0.59
	Sold during the year	-	-	913880	0.59
	At the end of the year	913880	0.59	913880	0.59
8	**LSV Emerging Markets Equity Fund LP**				
	At the beginning of the year	-	-	-	-
	Bought during the year	799800	0.51	799800	0.51
	Sold during the year	-	-	799800	0.51
	At the end of the year	799800	0.51	799800	0.51
9	**Acadian Emerging Markets Small Cap Equity Fund LLC**				
	At the beginning of the year	470214	0.30	470214	0.30
	Bought during the year	314995	0.21	785209	0.51
	Sold during the year	-	-	785209	0.51
	At the end of the year	785209	0.51	785209	0.51
10	**Stichting Depositary APG Emerging Markets Equity Pool**				
	At the beginning of the year	438369	0.28	438369	0.28
	Bought during the year	302064	0.20	740433	0.48
	Sold during the year	-	-	740433	0.48
	At the end of the year	740433	0.48	740433	0.48

Notes : 1. The above information is based on the weekly beneficiary position received from Depositories.
2. The reason for increase or decrease in shareholding is due to market sale or purchase of shares.

v) Shareholding of Directors and Key Managerial Personnel :

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
KEY MANAGERIAL PERSONNEL				
At the beginning of the year	-	-	-	-
Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
At the end of the year	-	-	-	-

@ None of Directors and Key Managerial Personnel of the Company holds any shares of the Company.

V) INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	235.12	68.82	-	303.94
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.53	10.50	-	11.03
Total (i + ii + iii)	**235.65**	**79.32**	**-**	**314.97**
Change in Indebtedness during the financial year				
• Addition	688.45	-	-	688.45
• Reduction	724.55	79.32	-	803.87
Net Change	**(36.10)**	**(79.32)**	**-**	**(115.42)**
Indebtedness at the end of the financial year				
i) Principal Amount	199.55	-	-	199.55
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	**199.55**	**-**	**-**	**199.55**

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 (in Rs.)
		Dr. Rajiv Kumar Gupta, IAS-(MD)*	M S DAGUR (MD)**	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	228595	3515532	3744127
	(b) Value of perquisites u/s 17(2) of Income-Tax Act, 1961	-	258578	258578
	(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	-	-	-
	Total (A)	**228595**	**3774110**	**4002705**
	Ceiling as per the Act	-	-	-

Notes

1. Appointment of Managing Director (MD) is made by the Board in consultation with the Government of Gujarat (GoG) and usually he/she is from IAS cadre. MD is paid remuneration as per the terms and conditions prescribed and notified by the GoG and as determined by the Board of Directors and in line with Schedule-V and other applicable provisions of the Companies Act, 2013, subject to the approval of Shareholders. In exercise of the powers vested under Article 136 of the Articles of Association of the Company, the GoG had vide its Notification No. AIS/35.2018/24/G dated 12.07.2018 nominated Shri M.S. Dagur, Additional Chief Secretary, as Mananging Director on the Board of the Company effective from 16.07.2018 for a period of two years.
2. Dr. Rajiv Kumar Gupta, IAS, Addl. Chief Secretary to GoG, who was holding additional charge of MD, ceased to be the Director & MD of the Company effective 15/7/2018, consequent upon withdrawal of nomination by GoG vide its Notification dated 12/7/2018. He was paid special pay of Rs.228595/- as granted and conveyed by GoG for holding additional charge of MD in terms of approval / authorisation granted by the members at their 37th AGM held on 21/09/2013.

* Ceased to be MD w.e.f. 15.07.2018 **Appointed as MD w.e.f. 16.07.2018

B. Remuneration to other Directors

No.	Particulars of Remuneration	Name of Directors				Total Amount in Rs.
1.	**Independent Directors**	**Shri CS Mani[3]**	**Prof. Arvind Sahay**	**Shri Piruz Khambatta**	**Shri Sunil Parekh**	
	Fee for attending board/committee meetings	210000	75000	-	225000	510000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	**210000**	**75000**	**-**	**225000**	**510000**
2.	**Other Non-Executive Directors**	**Dr. JN Singh***	**Shri Sujit Gulati*[1]**	**Smt. Mamta Verma***	**Shri V D Nanavaty[2]**	
	Fee for attending board/ committee meetings	60000	30000	180000	45000	315000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	**60000**	**30000**	**180000**	**45000**	**315000**
	Total (B)=(1+2)					**825000**
	Total Managerial Remuneration					**825000**
	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] Appointed as Director effective 9.10.2018

   [2] Ceased to be a Director effective 3.10.2018

   [3] Ceased to be a Director effective 23.07.2019

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO D.V.Parikh	CS T.J. Lakhmapurkar	
1.	Gross salary			
(a)	Salary as per provisions contained in Section 17(1) of Income-Tax Act, 1961	3093816	2818229	5912045
(b)	Value of perquisites u/s 17(2) of Income Tax Act, 1961	501744	256663	758407
(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	133054	143341	276395
	Pension Contribution	-	-	-
	Total	**3728614**	**3218233**	**6946847**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act, 2013 against the Company or its directors or other officers in default if any, during the year.

Annexure - B

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2018-19

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

1. Brief outline of the Company's CSR policy including overview of 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.

CSR Policy 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, ArtCulture, Public Libraries etc.

The above areas are mapped up 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) or directly by the Company. The CSRpolicy of the Company is displayed on Company's website at link - http://www.gnfc.in/corporate-social-responsibility.html

2. Composition of the CSR Committee:

Presently, CSR Committee comprises of following 4 (Four) members of Board:

i. Prof. Arvind Sahay : Chairman (Non Executive and Independent Director)
ii. Shri Sunil Parekh : Member (Non Executive and Independent Director)
iii. Shri Piruz Khambatta : Member (Non-Executive and Independent Director)
iv. Shri M.S. Dagur : Member / Managing Director (Executive and Non- Independent Director)

Particulars	Amount (Rs. In Lakh)
3. Average Net Profit of the Company for last three Financial Years	61000
4. Prescribed CSR Expenditure (2% of the amount as shown in Item 3 above)	1220
5. Details of CSR spent during the financial year	
Total amount to be spent for the financial year	1220
a) Total amount spent for the financial year	350.86
b) Amount unspent, if any	869.14

C) Manner in which the amount spent during the financial year is detailed below: (Rs. in Lakh)

Sr. No.	CSR Project or activity identified	Sectors in which the project is covered	Project or Program: Local Area or other	Project or Program: State and district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise	Amount spent on the project or programs wise: Direct expenditure on Projects or programs	Amount spent on the project or programs wise: Over -heads	Cumulative expenditure up to the reporting period	Amount spent: Direct	Amount spent: Through implementing agency
1.	Sujalam Sufalam Jal Abhiyan	Rural Development	Local /Other	Bharuch , Narmada, Dahod	125	125	-	125	-	Narmada nagar Rural Development Society (NARDES)
2	Model Agro Processing Unit	Rural Development	Other	Narmada	12	12	-	12	-	
3	Support to Meritorious Students of Bharuch	Promoting Education	Local	Bharuch	0.86	0.86	-	0.86	-	

(Rs. in Lakh)

Sr. No.	CSR Project or activity identified	Sectors in which the project is covered	Project or Program		Amount outlay (Budget) project or programs wise	Amount spent on the project or programs wise		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
4	Study on Fertilizer Subsidy using Blockchain Technology	Promoting Education	Other	Gujarat State as a whole	1.24	1.24	-	1.24	-	
5	Development of Circle	Rural Development	Other	Gandhinagar	22.08	22.08	-	22.08	-	
6	The Neem Project	Livelihood Project	Other	Gujarat State as a whole	30.97	30.97	-	30.97	-	
7	Agricultural Research Project on Wheat	Rural Development	Other	Gujarat State as a whole	5	5	-	5	-	
8	Digital Initiative on Social Media	Rural Development Preventive Health Care and Sanitation	Other	Gujarat State as a whole	11.88	11.88	-	11.88	-	Narmada nagar Rural Development Society (NARDES)
9	Vocational Training Project	Livelihood Enhancement Project	Local	Bharuch	11.64	11.64	-	11.64	-	
10	The EktaYatra	Rural Development	Other	Gujarat State as a whole	113	113	-	113	-	
11	Promotion of Tennis Sport	Promoting Education	Other	Ahmedabad	5	5	-	5	-	
12	Transportation facility for school going children	Rural Development Project	Local	Bharuch	0.48	0.48	-	0.48	-	
13	Mobile Medical Van	Health Care	Local	Bharuch	4.71	4.71	-	4.71	-	
14	Ruhaniyat Festival	Art & Culture	Local /Other	Bharuch, Ahmedabad	3	3	-	3	-	
15	Special Children Project	Education & Livelihood Projects	Other	Rajkot	4	4	-	4	-	
				TOTAL	**350.86**	**350.86**		**350.86**	**-**	

6. In case, the Company has failed to spend the two percent of average net profit 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:

a. The Company has a commendable track record of Corporate Social Responsibility (CSR) and spends sizable amount every year towards CSR activities / projects. Much before the enactment of new Companies Act in 2013, which for the first time made a provision for CSR, the Company has been actively engaged in CSR activities through its CSR Wing, Narmadanagar Rural Development Society (NARDES) and has spent Rs.18.55 Cr, Rs.17.36 Cr, Rs.5.6 Cr, Rs.13.13 Cr and Rs.1.26 Cr from FY 2009-10 to FY 2013-14 respectively. In FY 2016-17 and FY 2017-18 too the Company has spent 3.57% &4.70% of average net profit of preceding three years.

b. In terms of the provisions of Companies Act, 2013 , an amount of Rs.12.20 Cr (2%) was required to be spent on CSR activities for FY 2018-19. However, the Company has spent only Rs.3.51 Cr i.e. 0.58% of average net profit of preceding three financial years on various CSR activities as the Company could not identify implementing partners for its identified projects.

c. Further, the gestation period for sustainable CSR initiatives is normally long, so it is difficult to complete the project within a span of one year and CSR activities / Projects are spilled over to the subsequent year. Nevertheless, the Company is fully committed in respect of its CSR obligation towards the society.

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. M. S. Dagur
(Managing Director)

Annexure - C

BUSINESS RESPONSIBILITY REPORT - 2018-19

SECTION - A : GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L24110GJ1976PLC002903
2	Name of the Company	Gujarat Narmada Valley Fertilizers & Chemicals Limited
3	Registered Address	P.O. : Narmadanagar - 392 015, District : Bharuch, Gujarat
4	Website	www.gnfc.in
5	E-mail id	investor@gnfc.in
6	Financial Year reported	2018-19
7	Sector(s) that the Company is engaged in (industrial activity code-wise) (As per National Industrial Classification - Ministry of Statistics and Programme Implementation)	

Industrial Group	Description
201	Manufacture of basic Chemicals, Fertilizers and Nitrogen Compounds.
202	Manufacture of other Chemical products.
631	Data processing, hosting and related activities, web portals.
639	Other information service activities.
620	Computer Programming, Consultancy and related activities.

8	List three key products / services that the Company manufactures / provides (as in balance sheet)	• Urea • Toluene Di-Isocynate (TDI) • Acetic Acid
9	Total number of locations where business activity is undertaken by the Company.	
	A. Number of International Locations	Nil
	B. Number of National Locations	4 (Four) **Bharuch** : PO : Narmadanagar - 392015 District : Bharuch. **Dahej** : Plot No.D-II/8, Dahej-II Industrial Estate At & PO : Rahiyad, Taluka : Dahej, District : Bharuch **Ahmedabad** : GNFC Infotower, 3rd Floor, Bodakdev, Gandhinagar-Sarkhej Highway, Ahmedabad-380 054 **Gandhinagar** : GIFT City, 14th Floor, GIFT One, Road, 5-C Zone-5, Gandhinagar - 382355.
10	Markets served by the Company - Local / State / National / International	The Company sells its products in Domestic and International Markets.

SECTION - B : FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	Rs.155.42 Crore
2	Total Turnover (INR)	Rs. 5896 Crore
3	Total Profit After Taxes (INR)	Rs. 741 Crore
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Rs.3.51 Crore (0.58 % of the average Net Profit of the Company for the last three financial years)
5	List of activities in which expenditure in 4 above has been incurred:-	
	A. Livelihood Generation	
	B. Promoting Education	
	C. Rural Development Projects, preventive health care and sanitation	
	D. Protection and Development of National Heritage, Art & Culture	
	E. Health Care	

SECTION - C: OTHER DETAILS

1 Does the Company have any Subsidiary Company ?

Yes. The Company has one Wholly Owned Subsidiary viz. Gujarat Ncode Solutions Limited.

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

No. The Company's Subsidiary Company has so far not commenced its business operations.

3 Do any other entity / entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company ? If yes, then indicate the percentage of such entity / entities ? [Less than 30%, 30-60%, More than 60%]

No. However, the Company would like to deal with the parties / entities who have willingness to be the part of BR initiatives.

SECTION - D: BR INFORMATION

1. Details of Director / Directors responsible for BR

(a) Details of the Director responsible for implementation of the BR policy.

DIN	Name	Designation
01622222	Shri M.S. Dagur	Managing Director

(b) Details of the BR Head.

Sr. No.	Particulars	Details
1	DIN Number	01622222
2	Name	Shri M.S. Dagur
3	Designation	Managing Director
4	Telephone number	02642-247129
5	E-mail id	md@gnfc.in

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

The National Voluntary Guidelines provide the following nine principles.

Principle 1: Ethics, Transparency and Accountability [P1]
Principle 2: Products Lifecycle Sustainability [P2]
Principle 3: Employees' Well-being [P3]
Principle 4: Stakeholder Engagement [P4]
Principle 5: Human Rights [P5]
Principle 6: Environment [P6]
Principle 7: Policy Advocacy [P7]
Principle 8: Inclusive Growth [P8]
Principle 9: Customer Value [P9]

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for.. (Please refer relevant Notes below table)	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes. While there may not be formal consultation with all stakeholders, relevant policies / procedures have been evolved over a period of time by taking inputs from concerned stakeholders.								
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The spirit and contents of policies, laws and standards are based on and are in compliance with applicable regulatory requirements.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board of Director?	Yes. The policies which are statutorily required to be approved by the Board have been approved by Board. Company's Internal Policies like Safety, Environment, etc., are either signed by Managing Director or authorized signatories.								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Board has constituted specified committees to review / oversee the implementation of statutory policies. The Company's officials / concerned department(s) review / monitor implementation of internal policies.								
6.	Indicate the link for the policy to be viewed online?	1) Corporate Social Responsibility Policy http://www.gnfc.in/PDFandWORD/CSRpolicy-17th%20jan.pdf 2) Dividend Distribution Policy http://www.gnfc.in/PDFandWORD/Dividend-Distribution Policy.pdf 3) Nomination and Remuneration Policy http://www.gnfc.in/PDFandWORD/GNFC-NRC-Plicy_11815.pdf 4) Vigil Mechanism and Whistle Blower Policy http://www.gnfc.in/PDFandWORD/Vigill-Mechanism-Cum-Whistle%20Blower-Policy_21102014.pdf 5) Policy on Related Party Transactions http://www.gnfc.in/PDFandWORD/Related-Party-Transactions-Policy.pdf 6) Policy for Determination of Materiality of Events / Information http://www.gnfc.in/PDFandWORD/GNFC_Policy-for Determination-ofMateriality_27116.pdf 7) Business Responsibility Policy https://www.gnfc.in/PDFandWORD/GNFC-BR-Policy2017.pdf								

7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	During the course of business discussions / negotiations / dialogues with internal and external stakeholders, the contents of the policies are discussed. Communication of statutory policies is done through display on Company's website.
8.	Does the Company have in-house structure to implement the policy/ policies?	Adequate in-house structure is available for implementation of policies.
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes. For redressal of stakeholders' grievance, the Company has a designated e-mail ID investor@gnfc.in. The contact details of concern officials are displayed on Company's website.
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes Independent Audit / evaluation for some policy(ies) is / are carried out by external Agency e.g. Safety and Environmental Audit, Audit of IS014001 and OHSAS 18001.

Notes for Column No. 1 of above Table :

P-1 Note 1: This forms part of the Service Rules / Procedures of the Company, which is applicable to all employees across the Company. Besides, the Company has in place Vigil Mechanism-cum-Whistle Blower Policy for Directors and Employees to report their genuine concern and provide for adequate safeguards against victimization of persons who use such mechanism.

The Company has also in place a separate Code of Conduct (CoC) for Directors and Senior Management Personnel, which inter-alia provides that they shall observe the highest standards of ethical conduct & integrity and shall work to the best of their ability and judgment.

P-2 Note 2: As such, there is no formal policy for products life cycle sustainability but Company follows all the good practices in respect of products life cycle sustainability in consonance with generally accepted principles.

P-3 Note 3: The Company has formulated certain Internal Policies, Rules, Welfare Schemes for the wellbeing of employees, which inter-alia includes medical rules, sexual harassment policy, TA/HA Rules, issuance of welfare items, suggestion scheme, conducting in-house training programs etc.

P-4 Note 4: The Company has devised Policies / Procedures / Rules for various stakeholders aligning with generally accepted principles of business and governance framework. This takes care of interest of various stakeholders.

P-5 Note 5: This forms part of Standing Orders and Company's Service Rules applicable to staff and officer employees. The Company is committed for upholding the human rights of all its internal / external stakeholders. The Company has a system in place for registration of vendors for supply of raw materials and dealers' network for sale of finished products.

P-6 Note 6: The Company has framed Environment & Energy Policy in accordance with Energy Conservation Act, 2001 and complies Environmental related Rules and Regulations including Regulations framed by Bureau of Energy Efficiency Ministry of Power, Government of India.

P-7 Note 7: As such, no specific policy has been designed. However, major aspects of this principle are covered under Marketing Procedures / Systems of the Company.

P-8 Note 8: The Company has framed a CSR Policy in accordance with the Companies Act, 2013.

P-9 Note 9: The Company has in place a purchase procurement manual as also marketing procedures/guidelines. The Company follow various Government Policies notified by Government of India in respect of Fertilizers and Chemicals, which takes care of certain aspects of this principle.

(a) If answer to the question at Sr. No. 1 against any principle is 'No', please explain why: (Tick up to 2 options)

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

3. Governance Related to BR :

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

- The Board of Directors periodically reviews / assesses the operational, financial and marketing performance, etc., of the Company directly as well as through various Committees of the Board. The CSR Committee also review implementation of CSR Projects / Programs / activities to be undertaken through its CSR Arm i.e. Narmadanagar Rural Development Society (NARDES). Risk Management Report is also reviewed by Audit Committee / Board of Directors.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

- In compliance with SEBI (LODR) Regulations, 2015, the Business Responsibilities Report (BRR) is published annually forming part of Annual Report from FY 2017-18. The said report can be viewed on the Company's website at web link http://www.gnfc.in/PDFandWORD/42ndAnnualReport17-18-together-Notice-of-AGM.pdf. The Annual Report for FY 2018-19 inter alia containing Business Responsibility Report would be displayed on the Company's web site www.gnfc.in.

SECTION - E : PRINCIPLE-WISE PERFORMANCE

Principle-1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

   Company's various policies/ procedures relating to ethics, transparency and accountability cover only the Company and it does not extend to joint ventures / suppliers / contractors / others etc. The details of some of the policies are summarized below :

- The Company has in place a Vigil Mechanism-cum-Whistleblower Policy to provide a formal mechanism to the Directors and Employees of the Company to report their genuine concerns about the unethical behavior, actual or suspected fraud, etc. The mechanism provides for adequate safeguards against victimization of employees, who use such mechanism.

- The Company has also in place Code of Conduct for Board Members and Senior Management Personnel which sets ethical standards and provide guidance and help in recognizing and dealing with ethical issues, provide mechanism to report unethical conduct and to help foster a culture of honesty and accountability.

- In order to further strengthen internal controls for prevention of insider trading, there exists a code of conduct for prevention of insider trading in the Company's shares, which not only satisfy the regulatory requirements but also instills a sense of responsibility among the designated persons.

- The Company has also a Code of Practices and Procedures for fair disclosure of unpublished price sensitive information (UPSI) with the main object of ensuring timely and fair disclosure of UPSI, events, occurrence that could impact price discover in the market for its shares.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

- During FY 2018-19, the Company has received total 18 complaints from the shareholders and all the complaints (100%) were satisfactorily resolved. The Company has not received any other Complaint from any other Stakeholder.

Principle-2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

   - Neem coated Urea and Ammonium Nitrophosphate
   - Toluene Di-Isocynate
   - Ammonium Nitrate

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   The details as to energy conservation, saving and utilization of alternate source of energy, technology absorption, etc. is given in Annexure-D to the Directors' Report forming part of this Annual Report.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   Few major activities of sustainable sourcing are mentioned hereunder:-

   - The Company is continuously initiating various measures towards sustainable sourcing which has significant impact on social and environmental aspects. The Company has entered into long term contract with the parties for sourcing its major raw materials requirements such as Natural Gas, Rock Phosphate, Coal, Fuel Oil, Toluene, Benzene, Caustic Soda, Chlorine, etc. For procurement of other raw materials, the Company has a system in place for on-line registration of Vendors, Suppliers and based on their capabilities, the parties are shortlisted for procurement of raw materials. The Company has also entered into an Annual Rate Contract (ARC) with various parties so that inputs are available on sustainable basis.

   - By setting-up Company's multidimensional socio-economic Neem Project with backward integration of Neem Oil production, the Company has created shared value amongst rural and urban poor people through collection of Neem Seeds, empowering such communities with targeted focus on women empowerment by income generation and improved livelihood. Besides, many poor and rural people have been benefitted by indirect employment through this Project. As a forward integration, the Company manufacture and sell various Neem based products on Commercial basis, the details of which are provided in Directors' Report under the heading 'On-Going Projects / Initiatives'.

   - The Company has various manufacturing plants, which are integrated with each other. The finished product of one plant is the raw material for another plant. Thus, by virtue of forward and backward integration, there is a consistent supply of raw material / inputs available within the Company.

- Transportation Contracts are awarded for supply of raw materials and finished products on annual basis after following the due process of selection by the Company.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   - Yes. The Company's annual requirements of Packaging materials, Chemicals, etc., are procured from local and small producers / vendors within the vicinity of District and State. In order to sustain the business of small new producers, the Company provide an opportunity for their growth by placing the orders on trial basis without compromising the quality and after ensuring their capabilities, further opportunities are given to them to execute the large orders.
   - During annual plant shutdown and major interruptions, maintenance / replacement jobs / services of various equipment, machinery, etc., is being carried out through local service providers / vendors.
   - Considering the expertise, experience and credit worthiness / track record of the contractors, tenders are invited for carrying out specific jobs in the plants such as loading ~ unloading of fertilizers, electrical and mechanical and stray jobs, canteen management service etc. After following due process of selection, the contractors are awarded contracts for carrying out various maintenance and specific nature jobs.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as ←5%, 5-10%, →10%). Also, provide details thereof, in about 50 words or so.

   - The Company has installed steam stripper for recovery and reuse of valuable organics coming along with the effluent of Aniline group of plants. Average 50 m3/month organics having more than 90% purity is recycled back to the Nitro Benzene plant, which increases the Nitro Benzene production as well as reduces 90% Chemical Oxygen Demand in effluent going for further treatment.
   - The Company had installed Yellow Water Concentration Unit for total recycle and reuse of 40 m3/day yellow waste water generated from Di Nitro Toluene (DNT) Plant, which was incinerated in TDI Incinerators. After implementation of this scheme, hazardous waste generation and emission from TDI Incinerators is reduced significantly.
   - Treated effluent is re-used in Lime Slurry preparation and Ash Slurry preparation in Effluent Treatment Plant (ETP) and Boiler Area (total 3000 m3 per day).
   - On environment front, Nitrophosphate Group of Plant utilizes significant discontinuous effluent in ANP Plant by recycling it and thereby saving valuable nutrients and at the same time improving environment management.
   - Wet Scrubbing System is installed in Nitrophosphate Plant for dust scrubbing and recovery back to process. A facility is installed to recycle Hydrolyser Effluents Water in Ash Slurry preparation and use in Nitrophosphate Plant as a Seal Water.
   - In Neem Project, after extracting the Neem Oil from the neem seeds, the neem cake is processed as neem manure which is very much useful to the farmers in their field.

Principle 3: Businesses should promote the well-being of all employees

1.	Total number of employees	2538
2.	Total number of employees on temporary / contractual / casual basis	417
3.	Number of permanent women employees	52
4.	Number of permanent employees with disabilities	25
5.	Do you have an employee association that is recognized by management?	Yes. GNFC Employees Union
6.	Percentage of permanent employees who are members of recognized employee association	58.16% (as on April 2019)

7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year (FY) and pending, as on the end of FY.

Sr. No.	Category	No of complaints filed during FY	No. of complaints pending as at end of FY
1.	Child labour / forced labour / involuntary labour	Nil	Nil
2.	Sexual harassment	1	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

(a)	Permanent Employees	58%
(b)	Permanent Women Employees	68%
(c)	Casual / Temporary / Contractual Employees	27%
(d)	Employees with Disabilities	56%

Principle-4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes/No

   - Yes, the Company has identified and mapped its stakeholders for engagement.
   - The Company has embarked the journey towards sustainability with the objective of building a sustainable business while generating long term value for its stakeholders since its inception. The Company believes that its corporate strategy is inspired by the opportunity to contribute to a more secured and sustainable future through stakeholders engagement. The Company continues its engagement with them through various mechanisms such as consultation, suppliers / vendors meet, customer / employee satisfaction, investment forums, etc.
   - The Company believes that Employees are the assets of the Company. The Company value their dedication and discretionary efforts put-in by them and always make an endeavor to provide safe, healthy, cultured environment and acknowledge their strength and loyalty towards the Company.
   - Customers / Consumers are the life blood of the Company's business and the Company provides quality goods / products and valued services to them.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

   - Yes. The Company proactively engage with its stakeholders through different modes in order to understand their issues and concerns.
   - The Company has its CSR intervention in the areas like 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 etc.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   - While developing our CSR strategy, the Company has ensured that all communities benefit from our CSR activities, with special focus on groups that are socially and economically marginalized, including rural unemployed youth, women, scheduled castes and tribes.
   - The Company has in place a Policy for providing employment to the land losers whose land was acquired by the Company at the time of establishing various projects. As per the said policy, the Company provides employment to the candidates of land losers directly or indirectly subject to complying Company's rules and regulations and terms of the said Policy.

Principle-5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

    - The term 'Human Rights' covers a host of aspects including freedom of association, collective bargaining, non-discrimination, gender equality, avoidance of child and forced labour among others.

    - The concept of equality of human beings irrespective of caste, creed, religion, gender etc. has been the basic principle on which the business of the Comapny is based on. Human rights are very well weaved with Code of Conduct for Board of Directors and Senior Management Personnel. Various Human Resource related Policies, which are in existence respects and promotes human rights. Some of the points like prohibition of child labour and forced labour and workers' right to information are of special importance. Such policies cover only the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

    - Please refer Point No.2 at Principle -1 of this report.

Principle-6: Business should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.

    - The Company's Environment Policy is applicable to all the agencies connected to business with GNFC and extends to the Suppliers, Contractors, etc. GNFC practices Quality, Environmental, Health and Safety (QEHS) Policy to ensure safe working environment for the employees & affiliated people.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage, etc.

    - The Company has strategies/ initiatives to address global environmental issues such as climate change, global warming, etc. The Company is committed to satisfy its social obligations and has made consistent and effective endeavors for creating better environmental conditions through abatement of pollution and adopting sustainable development practices. With the objective of combating climate change, the Company aligns its business objectives with practices of resource conservation and environment protection. Regular technological initiatives are pressed into service with great vigor to improve and retain the purity of air, water and soil. The Company has always remained in forefront to make the Company green & clean by Landscaping, development of large & beautiful gardens within the complex & in colony and massive green belt.

    - Global environmental issues like global warming are being addressed in Register of Environmental Aspect and Impact under ISO 14001 System.

3. Does the Company identify and assess potential environmental risks? Y/N

    - Yes. The Company has identified and assessed potential environmental risks and consistently managed and improved the environmental performance. The Company is sensitive to its role both as a user of natural resources and as a responsible producer of Fertilizers & Chemicals based products for society. Over the last two decades, the Company's efforts to manage water, energy and material resources have yielded positive results. The manufacturing facilities have established ISO 14001 based Environment Management System. Any deviations from laid down policies and procedures are tracked and reviewed by effective procedures of Corrective Action and Preventive Action (CAPA).

    - The Company has installed online continuous monitoring of Treated effluent discharge parameters, ambient air and stack air emissions for efficient and better control of pollution. Phosgene, CO, Chlorine, Hydrogen, Gas Detectors are also installed in various process plants for monitoring of gaseous emissions at source and subsequently better control and implementation of proactive corrections.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

    - GNFC's Clean Development Mechanism (CDM) initiatives bear testimony to the drive to reduce greenhouse emissions. The Company had implemented project under CDM for its WNA-I Plant, which helped in reducing the emission of N2o, which is highly harmful gas and bears a Global Warming Potential. The CDM project was registered with United Nations Framework Convention on Climate Change. The Company has been able to convert the harmful N2o into N2 by using a special catalyst in the reactor of WNA.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

    - Continual adoption of new Technologies and up-gradation in the existing process plants is done for energy efficiency, resource conservation and reduction of pollution potential. Use of renewable energy like wind and solar is encouraged at all levels of energy production phases.

    - The Company has been in the forefront in utilizing alternative sources of energy. In this regard, 21 MW of Wind Power Project has been set up in the Kutch Region. Further, Solar Photo Voltaic Power Generation Systems, having total capacity of 300 kW has also been installed at various locations within Company's premises. The Company is setting up 10 MW Solar Power Generation Project at Gujarat Solar Park, PO : Charanka, Dist. Patan.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by Central Pollution Control Board / State Pollution Control Board (CPCB/SPCB) for the financial year being reported?

    - Yes. Our Company considers compliance to statutory Environment Health and Safety requirements as the minimum performance standard and is committed to go beyond and adopt stricter standards, wherever appropriate.

7. Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as at end of Financial Year.

    - No show cause/legal notices from CPCB/SPCB are pending at the end of financial year.

Principle-7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a Member of any Trade and Chamber or Association? If Yes, Name only those major ones that your business deals with:

    - The Company is a Member of various Industry Associations, major ones amongst them are- (a) Fertilizer Association of India (FAI), (b) Federation of Gujarat Industries, (c) Dahej Industrial Association, (d) Gujarat Safety Council, (e) National Safety Council, (f) Safety, Health and Environment Association, (g) Gujarat Chamber of Commerce & Industry, (h) Gujarat Chemical Association, and (i) All India Management Association.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others).

    - No. However, the Company is actively involved in debates and discussion related to public policies of fertilizer industry at the FAI forum. The Company regularly participate in various industry forums, share insights and present view points on issues related to business, environment and society. The Company provides full support to related associations / forums in respect of the various policy issues which are common for all fertilizer companies and are in the interest of industry at large.

Principle-8: Business should support inclusive growth and equitable development

1. Does the Company have specified programs / initiatives / projects in pursuit of the policy related to Principle-8 ? If yes, details thereof.

    - Yes, The Company has well defined Corporate Social Responsibility (CSR) Policy, which provides a guidelines of the methodologies and areas for identifying 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 etc.

CSR Committee, constituted as per law specifically review CSR Projects / initiatives implemented / to be implemented and provides adequate budget provision for the same.

2. Are the programs /projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?
   - CSR Programs / Projects / Activities are normally undertaken through its CSR wing i.e. Narmadanagar Rural Development Society (NARDES).
3. Have you done any impact assessment of your initiative?
   - Yes, the impact assessment is carried out by team of Company's CSR wing i.e. NARDES and outside agencies in selected projects. An impact assessment survey of Neem Project was carried out by United Nations Development Program. This survey concluded that there has been significant decrease in domestic violence, increase in assets creation and education expenditure.
4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?
   - During FY 2018-19, the Company has spent Rs.350.86 lacs as CSR expenditure for undertaking various CSR projects / activities such as Sujalam Sufalam Jal Abhiyan, Model Agro Processing Unit, Support to Meritorious Students, Neem Project, Agricultural Research Project on Wheat, Vocational Training Project, Mobile Medical Van, Special Children Project etc.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.
   - The Company designs the projects / programs in such a manner that community is able to successfully adopt the project at ground level. The Company's senior officials, Project Implementation Team, regularly conduct meetings with Project Beneficiaries, Community Representative, Community Leaders to ensure that these projects should be handled by community, once Company exits from the project.

Principle-9: Business should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.
   - No case is pending.
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/NA/ Remarks(additional information)
   - Yes. The Company displays all information which are mandated by law. Over and above, it also displays additional information relating to special features of products, direction for use, benefits of using the products etc. for the awareness of consumers / customers. Product Information Sheet/ brochure are made available to the Retailers / Dealers of the Company as also displayed on Company's website. Farmers are guided for correct and efficient use of Fertilizers based on Soil analysis so as to improve farm productivity.
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
   - No.
4. Did your Company carry out any consumer survey / consumer satisfaction trends?
   - While the Company is not conducting any formal consumer survey / satisfaction trend, the Company gather / obtain information / feedback from consumers / customers / dealers about the quality of products or any other complaints, if any, in respect of goods supplied to them. Suggestions are also invited from them through various mediums like interactions / discussions at various forums, personal contacts etc. so as to provide better services to their satisfaction.

Annexure - D

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO FOR FY 2018-19

[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 February, 2005 in accordance with Energy Conservation Act, 2001 and the same is in force. The Company also complies the Regulations framed by Bureau of Energy Efficiency (BEE), Ministry of Power under Perform Achieve Trade (PAT) mechanism.

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

(a) Ammonia Synthesis gas Generation Plant (ASGP):

- Retrofit of Nitrogen compressor was carried out resulting in to annual power saving of 50,39,000 KW.

(b) Oil based Ammonia Plant :

- Replacement of Ammonia reactor (S-300 series basket) with higher Capacity waste heat boiler and installation of Electronic Governor resulting in to annual saving of 41184 MT High pressure Steam.
- Installation of new improved design inter stage cooler for Ammonia synthesis compressor resulting in to annual saving of 3600 MT High Pressure (HP) steam.

(c) Urea Plant :

- Installation of Ammonia Feed Pre heater in Urea plant resulting in to annual saving of 22,575 MT High pressure Steam.

(d) Electrical System:

- Replacement of old light fixtures by energy efficient fixtures at plant and township areas, resulting in to annual power saving of 4,84,147 KW.

(e) Steam Trap and Insulation Survey:

- Steam traps and insulation survey was carried out in various plants and corrective action were taken for defective traps.

(f) Energy Measures under implementation:

- Revamp of Synthesis Gas Compressor in Ammonia Plant will result in to annual HP steam saving of 1,30,547 MT.
- Installation of new tube bundle for Soot water cooler in Ammonia plant will result in to annual saving of 8,740 MT HP steam.
- Installation of Energy Conservation Turbine (ECT) at Aniline/ TDI plant HP letdown station. Annual power generation potential will be 75,24,000 KW

II. The steps taken by the Company for utilizing alternate sources of energy

- During the year, 3,11,737 KW of power was generated through Solar Photo Voltaic power generation systems installed at Corporate Building, School building and guest house building.
- Wind Power Turbo Generators of 21 MW capacity generated 3,37,91,010 KW of power during the year.

III. Capital investment on energy conservation equipments:

The Company made total Capital Investment of Rs.44.60 Crore on Energy Conservation Equipments.

(B) TECHNOLOGY ABSORPTION:

i. Efforts in brief, made towards technology absorption

- Implementation of various reliable, safety and energy saving schemes in plants leading to safe and reliable operations, improving machine / equipment performance and energy saving.
- The Company interact with know how Suppliers / Consultants for resolving plant problems and its reliability to sustain productivity and improving plant performance.

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

As a result of above measures, there has been 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 years.

RESEARCH & DEVELOPMENT:

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

- Studies & experiments were carried out to develop Slow Release Fertilizers.
- Process developments were carried out for multiple value added products viz. Polyurethane C A S E products, Diesel Emission Fluid for vehicular emissions and development of high value added products from by-products.

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

- Development of value added products are import substitutes.
- These process and products have vertical integration and fits in to existing product portfolio of the Company. Savings in payment of Royalty fees to technology providers is another major benefit.

3. **Future Plan of Action:**

- To scale up Process for pilot production of Slow Release Fertilizers.
- To continue the process of development of value added products and scale up of the same.
- To continue experiments on treatment of Red water and Amine water.

4. **Expenditure on Research and Development:**

(Rs. In Crore)

No.	Nature of Expenditure	2018-19	2017-18
1.	Capital Expenditure	**0.36**	0.18
2.	Recurring Expenditure	**0.47**	0.28
3.	Salaries to R&D Personnel	**1.67**	1.37
4.	Power and Fuel	**0.08**	0.07
	Total	**2.58**	**1.90**
5.	Total R&D expenditure as percentage of total turn-over	**0.0438%**	0.0321%
6.	Gross Turn-over	**5896.02**	5,916.59

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange used and earned:

(Rs. In Crore)

Particulars	2018-19	2017-18
Foreign Exchange used	**542.92**	408.33
Foreign Exchange earned	**387.90**	406.33

Annexure - E

DISCLOSURE PURSUANT TO RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR FINANCIAL YEAR 2018-19.

<table>
<tr><th>Sr. No.</th><th>Requirement</th><th>Details</th></tr>
<tr><td>1</td><td>Ratio of remuneration of each Director to the median remuneration of the employees of the Company.</td><td>Non-Executive Directors are paid remuneration by way of Sitting Fees only for attending the Meetings of the Board of Directors and Committees thereof.

Appointment of Managing Director (MD) (Executive Director) is made by the Board in consultation with Government of Gujarat (GoG) and he/she is usually a Senior IAS Officer. MD is paid remuneration as per the terms & conditions prescribed and notified by GoG and as determined by the Board in accordance with Articles of Association, Companies Act, 2013 (the Act) and the relevant Rules framed thereunder and subject to the approval of shareholders.

Dr. Rajiv Kumar Gupta, IAS, Addl. Chief Secretary to GoG, who was holding additional charge of MD, ceased to be the Director & MD of the Company effective 15/7/2018, consequent upon withdrawal of nomination by GoG vide its Notification dated 12/7/2018. He was paid special pay of Rs.2,28,595/- as granted and conveyed by GoG for holding additional charge of MD in terms of approval / authorisation granted by the members at their 37th AGM held on 21/09/2013. The said payment of special pay was well within the limits specified under Schedule- V of the Act.

Shri M.S. Dagur, Nominee Director of GoG was appointed by the Board as MD for a period of 2 years effective 16/07/2018 in place of Dr. Rajiv Kumar Gupta, IAS. He is paid remuneration as per the terms and conditions of appointment and payment of remuneration / perquisites as prescribed and notified by GoG and as determined by the Board in its meeting held on 01/11/2018, pursuant to the approval / authorization granted by the members at the last 42nd AGM held on 29/09/2018. The details of remuneration paid to Shri M S Dagur for holding the post of MD in respect of FY 2018-19 is provided in Annexure - A to the Director's Report forming part of this Annual Report.

In view of the above, ratio of remuneration of each Director to the median remuneration of the employees is not comparable and hence details are not furnished under this column.</td></tr>
<tr><td>2</td><td>Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any.</td><td>
<table>
<tr><th>Sr. No.</th><th>Director / KMP</th><th>Title</th><th>% increase in remuneration</th></tr>
<tr><td>1</td><td>Dr. Rajiv Kumar Gupta, IAS @</td><td>MD</td><td>#</td></tr>
<tr><td>2</td><td>Shri M S Dagur @@</td><td>MD</td><td>##</td></tr>
<tr><td>3</td><td>Shri D.V. Parikh</td><td>CFO</td><td>49*</td></tr>
<tr><td>4.</td><td>Shri T.J. Lakhmapurkar</td><td>CS</td><td>38*</td></tr>
</table>
@ Ceased to be Director / MD w.e.f. 15/7/2018
@@Appointed as MD w.e.f. 16/07/2018</td></tr>
</table>

		# No remuneration was paid to Dr. Rajiv kumar Gupta,IAS for holding additional charge of MD. However, he was paid special pay as aforesaid with requisite approval in FY 2018-19. Hence, %age increase in remuneration is not comparable for FY 2018-19 with that of FY 2017-18. ## %age increase in remuneration is not comparable for FY 2018-19 with that of FY 2017-18 as he was appointed as MD w.e.f 16/07/2018. * %age increase in remuneration in case of CFO and CS is mainly due to Long Term Wage revision which was due from July, 2018 and payment of periodic claim of Long Term Wage revision in FY 2018-19. Non Executive Directors are paid only sitting fees for attending the Board / Committee Meetings.
3	Percentage increase in the median remuneration of employees.	20.40% considering full year present of employees in employment for FY 2018-19 & FY 2017-18. The Percentage rise is on higher side due to Long Term Wage Revision which was due from July, 2018
4	Number of permanent employees on the rolls of Company at the end of the year.	2541
5	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.	There was 28% average percentile increase in the salary of employees other than Key Managerial Personnel (KMP) whereas there was an increase of 127% in the remuneration of KMP for FY 2018-19 compared to FY 2017-18 . The average percentile increase in the remuneration of employees and CFO & CS as KMP is mainly due to Long Term Wage Revision due from July, 2018. The increase in remuneration of MD is not comparable as he was appointed as MD effective 16/07/2018.
6	Affirmation that the remuneration is as per the remuneration policy of the Company.	The Company has in place different grades of remuneration for KMP other than MD, Senior Management personnel and other employees. The remuneration is paid to them as per the grade in which they are employed and as per the terms of their appointment. The remuneration is paid to MD as per the terms and conditions prescribed and notified by GoG with requisite approval of Board of Directors and Members of the Company as per the law.

Annexure - F

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

Sr. No.	Name (S/Shri)	Age (Yrs.)	Qualification	Total Exp.(incl. Trg.)(Yrs.)	Designation	Remuneration Received (Rs.)	Date of Joining	Last Employment held
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
A. Employees 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.1,02,00,000/-								
– None –								
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. 8,50,000/- per month								
1	G B Bhatt	60	Diploma in Petro- -chemicals Technology	38	Sr. Operator	3,042,930	16/01/1982	Jr. Operator Trainee - GNFC Ltd.
2	H N Dabgar	60	ITI(Welder)	40	Sr. Technician(M)	4,263,297	10/11/1979	ITI(Welder) Trainee - GNFC Ltd.
3	A M Dalwadi	60	BSc(Chemistry), AMIE (Chemical), DIS	40	Chief Manager	5,981,708	01/11/1980	Chemical Plant Operator Trainee - GNFC Ltd.
4	A V Langoti	60	BSc(Agriculutre), PGDM (Agriculutre)	36	General Manager	9,178,402	20/04/1982	Asstt. Regional Sales Executive - GNFC Ltd.
5	A P Patel	60	ITI(Fitter)	40	Sr. Technician(M)	3,226,281	06/11/1979	ITI(Fitter) - GNFC Ltd.
6	B B Patel	60	DME, NCTVT(BA), Ist Class Boiler Prof. Exam, IInd Class Boiler Prof. Exam, PDIS	39	Manager	2,733,435	24/10/1979	SSC Boiler Attendant Apprentice - GSFC Ltd.
7	V D Patel	60	B.Sc. (Chemistry)	40	Sr. Manager	3,234,190	01/11/1980	Chemical Plant Operator Trainee - GNFC Ltd.
8	Y C Panchal	60	ITI (Electrical)	37	Sr. Technician (EL)	2,950,146	30/04/1982	Electrician-cum-Technical Assistant - Laxmi Construction, Bharuch
9	K N Patel	60	Diploma in Technology of Production of Fertilisers	39	Sr. Shift Engineer	3,720,260	01/03/1981	Shift Chemist - The Bhor Industries Ltd., Vadodara
10	R B Rohit	60	DME, NCTVT(BA), Ist Class Boiler Prof. Exam	39	Sr. Operator	3,097,541	24/10/1979	SSC Boiler Attendant Apprentice - GSFC Ltd.
11	K S Tandel	60	ITI(Instrument Mechanic)	39	Sr. Technician(I)	2,932,543	01/12/1980	Instrument/Operational Trainee - GNFC Ltd.
12	B M Valand	60	ITI(Fitter), NCTVT(Fitter), ATC	40	Sr. Mechanical Engineer	3,253,283	06/11/1979	ITI(Fitter) - GNFC Ltd.
13	A M Vashi	60	BSc(Chemistry)	40	Chief Manager	4,813,821	01/11/1980	Chemical Plant Operator Trainee - GNFC Ltd.
14	M S Shah	60	BE(Mechanical)	38	Gen. Manager	9,683,876	01/09/1982	Engineer Trainee(Mechanical) - GNFC Ltd.
15	Y B Gandhi	60	BE(Mechanical)	38	Exe. Director	10,803,690	01/09/1982	Shed Engineer Atic Industries Ltd.
16	N R Mahida	60	DEE	38	Sr. Manager	6,414,892	01/09/1982	Jr. Technician (El.) Trainee - GNFC Ltd.
17	M H Patel	60	BSc(Physics)	37	Sr. Manager	2,876,042	01/03/1983	Jr. Technician (I) Trainee - GNFC Ltd.
18	D B Shah	60	BE(Mechanical), IInd Class Boiler Prof. Exam	37	Exec. Director	10,376,043	01/10/1983	Graduate Engineer Trainee - GNFC Ltd.
19	A N Talati	60	BE(Chemical)	37	Addl Gen. Mgr	8,928,622	01/11/1983	Graduate Engineer Trainee - GNFC Ltd.
20	B M Tailor	60	BE(Chemical)	37	Gen. Manager	8,701,641	01/11/1983	Graduate Engineer Trainee - GNFC Ltd.
21	R G Rehani	60	BE(Chemical)	37	Gen. Manager	8,971,691	01/11/1983	Graduate Engineer Trainee - GNFC Ltd.
22	G C Shah	60	BE(Chemical)	37	EXE. Director	7,945,415	01/11/1983	Graduate Engineer Trainee - GNFC Ltd.
23	M M Patel	60	BBA, MBA(Marketing), Diploma in Import & Export	36	Chief Manager	3,375,353	01/02/1984	Store Clerk - Inductoheat Pvt. Ltd.
24	K B Purani	60	DEE	36	Sr. Ele. Eng.	4,397,632	16/08/1983	Jr. Technician(El.) Trainee - GNFC Ltd.
25	J D Patel	60	HSC, English Typing	36	Sr. Assistant	4,265,449	01/04/1983	Accounts Assistant - Sheth Industrial Corporation
26	K K Patel	60	DChE	36	Sr. Manager	4,414,140	16/02/1984	Technician Apprentice - GNFC Ltd.
27	R B Prajapati	60	BSc(Agriculutre)	36	Sr. Mkt. Manager	4,146,286	16/08/1983	Field Representative Trainee - GNFC Ltd.

Sr. No.	Name (S/Shri)	Age (Yrs.)	Qualification	Total Exp.(incl. Trg.)(Yrs.)	Designation	Remuneration Received (Rs.)	Date of Joining	Last Employment held
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
28	D V Khant	60	STD-I	36	Sr. Yard Operator	1,974,052	02/10/1982	Pump Operator - Patel Construction Company, Vadodara
29	I A Patel	60	BCom, English Steno, Diploma in Materials Mgt.	36	Personal Sec.	4,054,951	15/10/1982	Clerk - Judicial Deptt. (District Court), Surat
30	V B Modi	60	BCom	36	Manager	5,651,285	25/10/1982	Asstt. Store Keeper - GNFC Ltd.
31	R K Bhardwaj	60	BSc(Agriculutre)	35	Sr. Mkt. Manager	4,985,598	16/09/1983	Field Representative Trainee - GNFC Ltd.
32	S H Chauhan	60	DEE, Diploma in EDP & CM, PDIC	35	Sr. Manager	6,202,280	30/06/1984	Technician Apprentice - GNFC Ltd.
33	M G Patel	60	SSC Failed	36	Sr. Operator	3,523,091	17/01/1983	Driver - GNFC
34	K G Vaghasia	60	BSc(Agriculutre)	35	Mktg. Manager	3,921,842	01/02/1984	Field Representative Trainee - GNFC Ltd.
35	Ashutosh Singh	60	BSc(Agriculutre)	36	Addl General Mgr.	7,435,556	21/04/1983	Asstt. Agriculutre Officer, Govt. of Rajasthan, Sawai Madhopur
36	K M Solanki	60	BA, English Typing	35	Sr. Materials Officer	2,481,602	16/05/1985	Office Assistant - Linde's Ltd.
37	A S Banafer	60	BSc(Agriculutre)	35	Dy. Marketing Manager	5,147,605	14/04/1983	Field Asstt. - Union Carbide (I) Ltd., Indore
38	B L Joshi	58	BSc(Agriculutre)	35	Sr. Marketing Manager	4,203,973	17/05/1983	Asstt. Manager - Saradhana BKRD Sahkari Samiti Ltd., Ajmer
39	M R Patel	60	BSc(Chemistry), MSc(Chemistry)	35	Sr. Analyst	5,819,638	01/08/1985	Laboratory Technician Trainee - GNFC Ltd.
40	H A Patel	60	BCom., English Typing	34	Sr. Accounts Officer	2,267,795	01/02/1986	On the job Typist-cum-Clerk Trainee - GNFC Ltd.
41	J K Suvagia	60	BSc(Agriculutre)	33	Sr. Marketing Manager	3,172,687	01/10/1985	Field Representative Trainee - GNFC Ltd.
42	J D Kamani	60	BSc(Agriculutre)	34	Marketing Manager	6,027,357	01/11/1985	Fieldman - Gujarat Agriculture University, Junagadh
43	A K Mishra	60	BCom.	34	Sr. Accounts Officer	2,807,169	22/11/1984	Accountant-cum-Typist-Motwane Pvt. Ltd., Kanpur
44	C D Prajapati	60	BSc(Chemistry)	34	Sr. Operator	3,626,677	29/11/1984	Jr. Operator - IFFCO, Kalol
45	S T Pillai	60	BCom., LLB(G), Computer Course	32	Manager	3,498,083	30/12/1985	Clerk - Rellis India Ltd., Mumbai
46	T M Vekaria	60	Diploma in Elect. & Radio., BE (Elect. & Comm.)	33	Chief Manager	7,976,515	20/11/1986	Technical Asstt. - Spare Application Centre, A'bad
47	I D Patel	60	ITI(Machinist)	29	Sr. Technician(M)	2,263,152	30/11/1991	Asstt. Technician Jr. Trainee - GNFC Ltd.
48	P B Shastri	50	Diploma in Elect. & Radio, Certificate course in Applied Engg.	27	Sr. Instrument Engineer	3,715,521	01/08/1991	Jr. Technician (I) Trainee - GNFC Ltd.
49	R B Reddy	50	BSc(Agriculutre), MBA(Mktg.)	27	DY Marketing Manager	2,422,385	31/10/1992	Mktg. Manager - ITC Ltd.
50	I M Patel	60	VII Failed	25	Depot Assistant Jr.	1,498,051	01/07/1993	Mazdoor - Katau Zankar
51	B A Raj	60	BSc(Chemistry)	24	Manager	2,890,824	15/07/1994	Operator-I - Eastern Petrochemicals Ltd., Saudi Arabia
52	I P Bhatt	60	BE(Chemical), DIS, Diploma in Training & Development	1	Chief Manager	247,011	03/10/2017	Chief Manager - GNFC Ltd.

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.

STATEMENT SHOWING THE PARTICULARS OF TOP TEN (10) EMPLOYEES OF THE COMPANY IN TERMS OF REMMUNERATION DRAWN DURING THE YEAR 2018-19

Sr. No.	Name (S/Shri)	Age (Yrs.)	Qualification	Total Exp.(incl. Trg,) (Yrs.)	Designation	Remuneration Received (Rs.)	Date of joining in regular grade	Last Employment held
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	S I Thakar	59	BE (Chemical)	37	General Manager	5,154,248	01/11/1983	GET - GNFC Ltd.
2	P G Dave	59	BE(Chemical), DBM	37	Executive Director	3,665,610	01/11/1983	GET - GNFC Ltd.
3	H P Soni	59	BSc(Chemistry), MSc(Organic Chemistry)	37	Chief Manager	4,064,011	01/02/1984	Chemist - Alembic Chemicals Work Company Ltd.
4	K B Gosai	59	Diploma Electrical	39	Sr Manager	4,084,915	31/07/1982	Electrical Supervisor - KC. KAM. Engineering Co. Ltd.
5	N K Kadia	59	BE (Electrical)	37	General Manager	3,776,085	01/12/1983	GET - GNFC Ltd.
6	Y N Patel	59	BE (Chemical)	37	General Manager	3,852,962	01/11/1983	GET - GNFC Ltd.
7	G M Varliani	58	BSC(Statistics), IVWA	37	Head - Operations	3,520,679	24/07/2003	General Manager -Chase Infotech Ltd., Ahmedabad
8	D V Parikh	49	B.Com. C.A.	26	GM & CFO	3,728,613	29/06/2015	CFO - Flexituff International Ltd.
9	R R Shah	54	MSc	30	General Manager	3,441,449	16/01/2016	ANP ICT - TATA AIA Insurance Company Ltd.
10	G S Maharaj	59	BE(Chemical)	37	Executive Director	3,371,767	16/12/1983	GET - GNFC Ltd.

Annexure - G

To,

The Members,

GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED

P.O. NARMADANAGAR, DIST. BHARUCH-392015, GUJARAT

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

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

For J. J. Gandhi & Co.

Date : 14th May, 2019 **PRACTICING COMPANY SECRETARIES**

Place : VADODARA FCS No. 3519 and CP No. 2515

FORM NO. MR-3

SECRETARIAL AUDIT REPORT (FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019)

[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-392015, GUJARAT

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Gujarat Narmada Valley Fertilizers & Chemicals Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **31st March, 2019,** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on **31st March, 2019**, according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB);
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. - Not Applicable as the Company has not issued any security during the financial year under review.

D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable as the Company has not granted any options to its employees during the financial year under review.

E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable as the Company neither issued nor listed any debt securities during the financial year under review.

F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Shareholders. - The Company is registered with the Securities and Exchange Board of India as an in house Share Transfer Agent - Category II.

G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - The Company has not delisted its equity shares from any stock exchange in India during the financial year under review.

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

6. Considering representation of management and products, process and location of the Company, following laws are applicable specifically to the Company. Having regard to the compliance system prevailing in the Company and on examination of the relevant records on test check basis, we further report that the Company has complied with the following laws;

1. The Environment (Protection) Act, 1986
2. The Air (Prevention and Control of Pollution) Act, 1981
3. The Water (Prevention and Control of Pollution) Act, 1974
4. The Ammonium Nitrate Rules, 2012
5. The Petroleum Act, 1934
6. The Explosives Act, 1884 and Explosive Rules, 2008
7. The Fertilizers (control) Order, 1985 under the Essential Commodities Act, 1955 and
8. The Hazardous and other Wastes (Management and Transboundry Movement) Rules, 2016.

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

(i) Secretarial Standards (SS1 and SS2) issued by The Institute of Company Secretaries of India and approved by the Govt.

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

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

We further report that -

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

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

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

Based on the Compliance mechanism established by the Company and on the basis of information provided by the officers of the Company and the compliance certificates placed before the Board and taken on record by the Board of Directors at their meetings, we are of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

for J. J. Gandhi & Co.
PRACTICING COMPANY SECRETARIES
FCS No. 3519 and CP No. 2515

Place : VADODARA
Date : 14th May, 2019

DIVIDEND DISTRIBUTION POLICY

INTRODUCTION

Securities & Exchange Board of India (SEBI) has vide SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, on 8th July, 2016, inserted Regulation 43.A in the SEBI Listing Regulations, 2015, which requires top 500 listed companies based on market capitalization (calculated as on 31st March of every financial year) to formulate a 'Dividend Distribution Policy', which shall be disclosed in their Annual Reports and on their websites.

Gujarat Narmada Valley Fertilizers & Chemicals Limited (here-in-after referred to as 'the Company') being one of the top 500 listed companies as per the market capitalization as on the last day of immediately preceding financial year, hereby frames this policy to comply with the requirement of Listing Regulations, 2015.

OBJECTIVE AND SCOPE

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

EFFECTIVE DATE AND APPLICABILITY

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

The Policy shall not be applicable in the following circumstances :

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

STATUTORY REQUIREMENTS

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

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

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

FINANCIAL PARAMETERS / INTERNAL AND EXTERNAL FACTORS FOR DECLARATION OF DIVIDEND

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

Financial Parameters :

i) Quantum of anticipated capital expenditure,

ii) Magnitude of realized profits,

iii) Operating cash flow and liquidity,

iv) Investment opportunities,

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

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

vii) Sales volume,

viii) Anticipated expenses,

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

Internal & External Factors :

(a) Cash flow position of the Company,

(b) Stability of earnings,

(c) Cost of borrowings,

(d) Number of shareholders,

(e) Future growth plans / strategies / capital expenditure etc.

(f) Past dividend trends,

(g) Over-all economic / regulatory environment including tax laws,

(h) Macro-economic conditions / Industry outlook and stage of business cycle for underlined business,

(i) Dividend payout ratios of companies in same industries,

(j) Any other contingency plans.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

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

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

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

MANNER OF UTILIZATION OF RETAINED EARNINGS

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

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

PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has presently issued only one class of shares i.e. Equity Shares with equal voting rights. The Policy shall be suitably revisited at the time of issue of any new class of shares, subject to the provisions of the Companies Act, 2013 and other applicable laws prevailing from time to time.

AMENDMENT IN POLICY

Any amendment / modification in the SEBI Listing Regulations, 2015 and in the Companies Act, 2013 shall automatically apply to this Policy. Any amendment / modification in this Policy as may be deemed expedient will be carried out with the approval of Managing Director and as per the authorization granted by the Board.

CAUTIONARY STATEMENT

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

MANAGEMENT DISCUSSION AND ANALYSIS

1.0 INDIAN ECONOMIC SCENARIO :

India continues to remain the fastest growing major economy in the world in 2018- 19, despite a slight moderation in its GDP growth from 7.2 per cent in 2017-18 to 6.8 per cent in 2018-19. India's growth of real GDP has been high with average growth of 7.5 percent in the last 5 years. Real GDP growth for the year 2019-20 is projected at 7.5 percent, reflecting a recovery in the economy after a deceleration in the growth momentum throughout 2018-19. The growth in the economy is expected to pick up in 2019-20 as macro-economic conditions continue to be stable while structural reforms initiated in the previous few years are continuing on course.

As per the estimates of World Economic Outlook, India forms part of 30 per cent of the global economy, whose growth is not projected to decline in 2019. According to NITI Aayog, India has the potential to grow at 9-10% per annum to become a US$ 4 trillion economy by 2022-23 from the current US$ 3 trillion.

2.0 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.

The Fertilizers manufactured by your Company are sold under the brand name of 'NARMADA'.

The Company has set up core chemicals and petrochemicals plants such as Formic Acid, Nitric Acid, Acetic Acid, Methanol, Toluene Di - Isocyanate, Aniline, Ammonium Nitrate, Ethyl Acetate, Methyl Format etc. The Company is the only producer of Acetic Acid and one of the two producers of formic acid in India and has largest single stream Aniline plant in India. The Company is only manufacturer of Toluene Di-Isocynate (TDI) in South East Asia and Indian Sub Continent. The Company's chemical / Petrochemical products enjoy high brand value in the International and Domestic markets.

Fulfilling the Vision of Hon'ble Prime Minister of 100% Neem coating of urea, the Company has pioneered innovative socio economic Neem Project in the year 2015 and became the first Fertilizer Company in India to have such a multi-dimensional project. With the backward and forward integration in the Neem Project, the Company has achieved a commendable progress and has created shared value among the rural and urban poor people and empowering communities with targeted focus on women empowerment through income generation and improved livelihoods.

(n)Code Solutions - IT Division of the Company, provides several value-added IT services and solutions covering System Integration, Smart Cities Implementation, e-Auction, e-Procurement, Block Chain and Education Domain, e-Governance Projects, Data Centres, Cloud services, CCTV Surveillance Systems, etc.

3.0 INDUSTRY STRUCTURE AND DEVELOPMENT :

3.1 Fertilizer Business :

Indian fertilizers industry's main objective is to ensure the supply of primary and secondary nutrients in the required quantities. The Indian fertilizer industry is the most energy intensive sector in the context of environmental discussion.

Since Fertilizer Industry is highly regulated and monitored by Government of India (GoI), it continues to face some serious challenges in the form of - (i) availability and fluctuating prices of raw material required to produce fertilizers; (ii) heavy imports and lack of adequate domestic production capacity; (iii) lack of long term and stable Government Policy; and (iv) increasing demand of speciality Fertilizers.

The Direct Benefit Transfer (DBT) scheme for fertilizers has been implemented throughout the country from March 2018.Though the scheme is called DBT, subsidy continues to be routed through the industry. This scheme has changed the business model for fertilizers companies. Subsidy under the scheme becomes due only on sale of fertilizers by the retailers to the farmers through POS (Point of Sales) machines. Earlier 90 % and 95% of the subsidy amount of Nitro phosphate and Urea respectively was getting paid on receipt of fertilizers at the field warehouse / retailers.

This has postponed the payment of subsidy by about of six months as per the report of Fertilizer Association of India. This is because dispatches are continuous during the year but sales of fertilizers are seasonal. Hence, DBT has further increased the requirement of capital in general. This is because of lesser sales through POS machines (Quantity for payable subsidy in DBT era) than total quantity received (Quantity for payable subsidy in pre-DBT era) during the year.

3.2 Chemical Business :

Indian chemical industry is one of the fastest growing in the world. Currently, it ranks 3rd in Asia and is 6th largest market in the world with respect to output after USA, China, Germany, Japan and Korea. The Indian chemical industry is projected to reach $304 bn. by 2025. This industry's growth is largely driven by country's consumption growth story. Per capita consumption of chemicals in India is 1/10th of world average and even among developing countries, Indian consumption is low. This makes India a very attractive destination to invest and grow in Chemical sector.

Over the past few years, India has made considerable progress in its business environment, represented by Ease of Doing Business (EODB) matrix. Under its umbrella campaign 'Make in India' with the objective of making business environment conducive to invest and grow, Government of India implemented several structural reforms such as GST implementation and amending the Land Acquisition Act and increasing transparency. As a result, India saw quantum leap in its relative position from 100 to 77 in year 2019 of EODB ranking released by the World Bank.

To support and develop downstream chemical industries, Government is working towards the implementation of 4 designated Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs). PCPIRs are expected to operate as Cluster in Cluster mode and are aimed at reducing overall capital expenditure by building common infrastructure of utilities, pipelines and Effluent Treatment Plant. Chemical companies plan to invest 5% of their annual revenues on digitization over the next five years. Going forward, the online market places is likely to be the major trend in India.

The Indian chemical industry is projected to reach $ 304 bn by 2025. Demand of chemical products is expected to grow at approximately 9% p.a. over the next 5 years.

3.3 Information Technology (IT) Business :

This sector is highly innovative, intensively competitive and subject to constant technological development, which is characterized by rapidly changing technology, evolving Industry standards, frequent new product innovations, governance frame work and price and cost reduction.

Information technology and IT enabled industry, especially the niche areas in which the Company operates, has become very competitive and has slowed down, with outgoing software platforms, internal IT infrastructure, ERP solutions to new technologies; Block Chain, Artificial Intelligence, Business intelligence, Cloud computing, etc. Very soon, large requirements are expected with ambitious programme of e-Governance, Digitisation, Cashless drive being initiated /supported by Central and various State Governments.

4.0 OVERVIEW OF COMPANY'S PERFORMANCE:

4.1 Chemicals & Fertilizers :

(a) Operational Performance:

The Company's operational performance remained satisfactory for FY 2018-19 with 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. Special focus was given on energy conservation and cost reduction in all aspects.

During the year 2018-19, total 148 nos of new records were established, out of which 111 nos. of records were established in production.

The Company achieved satisfactory performance during FY 2018-19 as most plants of the Company operated at more than 100% capacity utilization, the details of which are given below:

Plant	Production (MT)	Capacity Utilization (%)
Ammonia	582,238	131
Urea (including Technical Grade)	730,323	115
Ammonium Nitro phosphate (ANP)	197,055	138
Methanol	164,191	061
Formic Acid	21,291	213
Acetic Acid	153,373	153
Ethyl acetate	62,434	125
Weak Nitric Acid (WNA-I)	298,699	121
Weak Nitric Acid (WNA-II)	126,108	126
Concentrated Nitric Acid (CNA) - (I/II/III)	124,099	107
Aniline	37,852	108
Toluene Di-Isocyanate (TDI-I)	18,270	131
Toluene Di-Isocyanate (TDI-II)	42,920	086

During the year, the Company has carried out revamp activities in Ammonia plant. Due to this plant, established record of continuous running for more than 1,900 MTPD for 127 days.

TDI reliability was achieved during the year with ever highest on-stream factor of 98% and capacity utilization of 86%.

The Company has achieved significant progress in its Innovative Neem Project, which was implemented in 2015 following the directive of Government of India for 100% Neem coating of Urea. Around 17,000 MTs of Neem Seeds were collected and 932 MTs of Neem Oil and 6,972 MTs of Neem De-oiled cake were produced during the year under review.To encourage Organic farming, it has also been decided to produce Oiled Neem Cake and Company produced 152 MTs of Oiled Neem cake during 2018-19.

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, diversions of excess gases / steams 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.

(b) Sales Performance:

During FY 2018-19, the Company has performed reasonably well 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 seized trading opportunities in both Chemicals and Fertilizers business to meet the growing needs of its valued customers.

In Fertilizer business, the Company has performed reasonably well during FY 2018-19 inspite of poor monsoon in the country. The Company achieved total sale of Urea (Manufactured and Traded) at 6.51 Lac MTs as compared to 7.31 Lac MTs in the previous year. The sale of Ammonium Nitro Phosphate (ANP) was at 2.01 Lac MTs compared to 2.23 Lac MTs in the previous year. Out of this, the Company sold 6.18 Lac MT of Urea and 2.03 Lac MT of ANP through POS machines.

The chemical business has satisfactorily contributed to the profitability of the Company despite cut-throat competition in both domestic and international market. The Company is one of the largest producers of industrial chemicals in India, with

TDI, Acetic Acid, and Formic Acid being its flagship products. The Company is the only manufacturer of Toluene-Di Isocyanate (TDI) in South-East Asia. The Company has so far exported its product to 82 countries across the globe.

Considering (n)Code's forte in its successful completion of Smart City Projects and conducting e-Auctions for Government Departments, efforts are on to explore similar markets PAN India including non-Government sector. Work is in progress to tie up with various OEMs for executing large projects and have increased presence outside Gujarat.

(c) Financial Performance:

The Financial Highlights for year 2018-19 is as under:

(Rs. in Crores)

Particulars	2018-19	2017-18	Growth
Revenue from Operations	5,896	5,917	0
Profit before Tax (PBT)	819	1,162	(30%)
Profit After Tax (PAT)	741	790	(6%)
EBITDA	1,089	1,532	(29%)
Export Revenue	437	629	(31%)
Book Value per Share (Rs.)	322	287	(12%)
Earnings per Share (EPS) (Rs.)	47.69	50.80	(6%)

During the year 2018-19, the Company has become the cash positive Company, leads to reduction in finance cost by 93%, from Rs. 100 crore during previous year to Rs. 6 crore.

During the year, there was an increase in employee cost from Rs. 395 crore to Rs. 524 crore mainly due to revision of salary structure of employees as per the policy of long term settlement, which is effective for the four years.

Further during the current year, the Company has written off unrealised subsidy income, relating to compensation for additional fixed cost of Rs. 127.38 crore already recognised in the books for the earlier years (i.e. April 1, 2014 to March 31, 2018) and has adjusted the receivables in the books. Also the Company has decided not to recognise additional fixed cost subsidy income for the period April 1, 2018 to March 31, 2019 amounting to Rs. 31.85 crores.

With lower spent by Government and reduced tenders, (n)Code Solutions - IT Division of your Company having posted lower total sales turnover of Rs. 96 crore, however strict cost controls helped the Company to contribute Net Profit of Rs. 30 crore (32% Margins).

5.0 OUTLOOK :

In the short run, growth will receive a boost from lower oil prices, 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.

5.1 Fertilizer Business :

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 Company maintaining its Fertilizer business. Further a good monsoon has been forecast this year. Accordingly, outlook for Company's fertilizer business is positive.

This year, Indian Metrological Department (IMD) has predicted a slightly deficit monsoon at around 93% of the long term average and forecast suggests around 80 % chances of below normal precipitation in some parts of India. The Company is confident of performing satisfactory in the Fertilizers business, even considering poor monsoon.

5.2 Chemicals Business :

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. Market leadership position is maintained in Formic Acid, Acetic Acid, Aniline and TDI. Key concern areas in Chemical business of the Company are operation of 50000 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. However, operation of 50000 MTPA TDI plant at Dahej is the key anxiety.

5.3 Information Technology (IT) Business :

India is the World's largest sourcing destination for IT Business. This sector ranked 3rd in the India's total Foreign Direct Investment share. Under Union Budget 2018-19, the Government had announced setting-up of National Level Programme that will enable efforts in Artificial Intelligence (AI) and will help in leveraging AI Technology for development works in the country.

As per National Association of Software and Services Companies (NASSCOM), outlook for IT Sector is 'cautiously positive' as challenges remain amidst prospects of greater IT spending with improvement in global and US economies.

Under the 'Digital India' initiative of Hon'ble Prime Minister, various initiatives have been taken to transform process and procedures in Government and Non-Government Organizations. Digital technologies have impacted business models, processes, new products and services offerings, access to new markets, new customer base etc., which has resulted into increased spending on technology. IT services sector in India has shown a remarkable record of accomplishment in the past two decades and the outlook for Company's IT business is positive.

6.0 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. Di-calcium Phosphate project is being set up at Dahej in a joint venture with M/s. Ecophos, Belgium, based on Hydrochloric Acid that is generated as by-product from TDI-II plant. Company would be able to monetize it and the issue of its disposal would also be eliminated. This would help the Company in improving its profitability .
3. The ability to operate at high capacity utilisation levels by innovative modifications, production enhancement scheme as well as effective upkeep and maintenance offer benefits of higher business volumes.
4. To reduce the cost of steam and to become self reliant in power, the Company is setting up coal based captive co-generation power plant at Dahej.
5. The Company has entered into Long Term / Annual Contracts for supplies of most of the critical Raw Materials like oil (FOHV), Rock Phosphate, Packaging Materials etc. which are essential for continuous production.
6. After the successful launch of Neem soap, Hand Wash, Shampoo, Hair Oil, Face Wash and Pesticide, Company is now planning to increase neem based product range by launching Neem based Hand Sanitizer, Moisturing cream, After Bath Body Oil, Face scrub, Tooth Paste, Shaving cream etc in the market in near future.
7. 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.

7.0 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. Chemical business is largely dependent upon domestic market which is highly competitive.
3. 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.

4. 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.

5. Information Technology business is highly competitive and is an extremely challenging domain. It demands high level of skilled and certified manpower with experience in specialized fields to operate. (n)Code Solution's capability to execute time bound projects with required quality standards calls for consistent performance. New era of technologies and start-ups offering agile solutions are also immense as era of competition and (n)Code is gearing up to meet the same. The Company's IT Business to a certain extent depend upon ability to compete for firm priced and / or cost plus contracts with time bound execution.

6. Recruitment and retention of talented human resource particularly at senior level is a matter of concern.

7. 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.

8.0 RISK MANAGEMENT :

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

9.0 ON-GOING PROJECTS / NEW PROJECTS / REVAMP SCHEMES :

With a view to accelerating growth momentum, the Company is constantly exploring potential business opportunities in the areas having synergy with existing business operations. With reducing long term debt burden and better profitability, the Company is actively considering for expanding its current product lines through debottlenecking of existing plants and putting-up additional capacities through new projects. Such projects include Formic Acid capacity enhancement, Acetic Acid capacity enhancement, setting-up of Nitric Acid Plant, Ammonia Plant Revamp, setting up 10 MW solar power generation project, setting-up of 2 Lac MTPA Di-Calcium Phosphate Project through joint venture Company and coal based captive co-generation power plant.

The details of growth plan undertaken by the Company have been furnished in the Directors' Report under the heading 'Ongoing Projects / Initiatives' and 'Growth Plan / Revamp Schemes'.

10.0 SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS :

Particulars	F.Y. 2018-19	F. Y. 2017-18
Debtors turnover ratio	5.00	5.30
Inventory turnover ratio	7.81	8.81
Interest coverage ratio	170.64	15.37
Current ratio	2.43	1.78
Debt equity ratio	0.04	0.07
Operating profit margin	14%	21%
Net profit margin	13%	13%
Return on net worth	17%	22%

- Interest coverage ratio has improved by 1011% due to reduction in finance cost by Rs. 94 crore as the Company has become long-term debt free Company during the year.

- Current ratio has improved by 32% due to increase in current asset by Rs. 380 crore and decrease in current liabilities by Rs. 159 crore.
- Debt equity ratio has improved by 39% due to reduction in short term and long term debt of the Company. The Company has become long term debt free Company during the year.

11.0 HUMAN RESOURCE MANAGEMENT :

The Company's Human Resource continues to be one of the most valued contributors to the success of business of the Company. Concerted efforts have been put up for ensuring well-being of employees on professional as well as familial fronts with focused attention to provide an inclusive environment for promoting diversity in gender, age and culture inculcating organizational values and ethics, learning cultures etc. in the functional areas. The Company makes all possible efforts for improving the well-being of their employees by implementing various welfare schemes leading to an atmosphere conducive to the sustenance of growth of the Company. The Company conducts various in-house training programs such as safety awareness, environmental protection, health awareness, awareness on sexual harassment policy, as also, for enhancing employee's skill, knowledge etc.

During the year, the Company signed a mutually agreed Long Term Wage Settlement (LTS) with employee's union effective 1st July, 2018 for tenure of four years on the expiry of previous LTS and also revised wages and other perquisites for Officers. The total strength of human assets of the Company was 2989 as on 31st March, 2019.

12.0 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.

13.0 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, transparency 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 in letter and spirit.

The corporate governance philosophy of your Company ensures transparency in all dealings and in the functioning of the management and the Board. The Company's policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances.

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

BOARD OF DIRECTORS

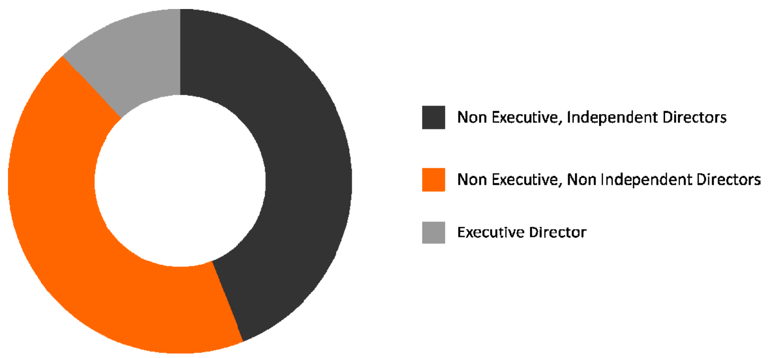
Composition of the Board for the FY 2018-19

Your Company is managed by a professional Board comprising Eight (8) Directors, of which seven (7) Directors are Non-Executive Directors including a Woman Director and four Independent Directors, constituting half of the total strength of the Board. Managing Director is the only Executive Director on the Board.

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

Sr. No.	Name of Director	DIN	Category
1	Dr. J.N. Singh, IAS, Chairman	00955107	Promoter, Non-Executive, Non-Independent
2	Smt. Mamta Verma, IAS	01854315	Non-Executive, Non-Independent
3	Prof. Arvind Sahay	03218334	Non-Executive, Independent
4	Shri C. S. Mani*	00031968	Non-Executive, Independent
5	Shri Sunil Parekh	06992456	Non-Executive, Independent
6	Shri Piruz Khambatta	00502565	Non-Executive, Independent
7	Shri V. D. Nanavaty**	07431075	Non-Executive, Non-Independent
8	Shri Sujit Gulati, IAS***	00177274	Non-Executive, Non-Independent
9	Dr. Rajiv Kumar Gupta, IAS #	03575316	Promoter, Executive, Non-Independent
10	Shri M S Dagur, Managing Director ##	01622222	Promoter, Executive, Non-Independent

* Ceased to be director vide resignation effective from 23.07.2019.
** Ceased to be director vide resignation dated 03.10.2018.
*** Appointed as Additional director w.e.f 09.10.2018
# Ceased to be MD w.e.f. 15.07.2018.
Appointed as MD w.e.f 16.07.2018



Number of Board Meetings Held

During FY 2018-19, Four 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 : 23.04.2018, 9.08.2018, 1.11.2018 and 11.02.2019. Requisite quorum was present for all the meetings.

Directors' Attendance Record

Attendance of Directors at the Board Meetings during 2018-19 and at the last Annual General Meeting (AGM) held on 29th September, 2018.

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	Dr. J. N. Singh,IAS	4	4	Not Attended
2	Shri M S Dagur	3	3	Attended
3	Smt. Mamta Verma,IAS	4	3	Not Attended
4	Prof. Arvind Sahay	4	3	Not Attended
5	Shri C. S. Mani	4	3	Attended
6	Shri Sunil Parekh	4	3	Not Attended
7	Shri Piruz Khambhatta	4	4	Not Attended
8	Shri V. D. Nanavaty	2	2	Not Attended
9	Dr, Rajiv Kumar Gupta, IAS	1	1	Not Applicable
10	Shri Sujit Gulati, IAS	2	1	Not Applicable

Other Directorship / Committee position of Directors

Number of Directorship and Committee position held by the Directors as on 31st March, 2019.

Sr. No.	Name of Director	No. of other Directorships*	No. of Committee position held in other Companies**	
			As Chairman	As Member
1	Dr. J. N. Singh, IAS	9	2	None
2	Smt. Mamta Verma, IAS	7	None	2
3	Shri Sujit Gulati, IAS	4	None	1
4	Prof. Arvind Sahay	2	1	2
5	Shri C. S. Mani	None	None	None
6	Shri Sunil Parekh	1	None	None
7	Shri Piruz Khambhatta	None	None	None
8	Shri M S Dagur	1	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 (here-in-after referred to as 'the Act'); and

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

Details of Directorship and Chairman / Membership of Board Committees of other Listed Companies showing the position as on 31st March, 2019 are given in the following table:

Sr.	Name of Director	No. of other Directorships*	Category of Directorship
1.	Dr. J. N. Singh, IAS	1. Guajrat Alkalies & Chemicals Ltd.	Chairman,Non-Executive, Non-Independent
		2. Gujarat State Petronet Ltd.	Managing Director, GSPC Nominee
		3. Gujarat Gas Ltd.	Chairman,Promoter and Non Executive Director
		4. Gujarat State Fertilizers & Chemicals Ltd.	Promoter, Non- Executive Non Independent
2.	Smt. Mamta Verma, IAS	None	None
3.	Shri Sujit Gulati, IAS	1. Gujarat State Fertilizers & Chemicals Ltd.	Managing Director, Non Executive, Non-Independent

4.	Prof. Arvind Sahay	1. IFCI Ltd.	Non Executive, Independent
		2. HIL Ltd.	Non Executive, Independent
5.	Shri C. S. Mani	None	Not Applicable
6.	Shri Sunil Parekh	None	Not Applicable
7.	Shri Piruz Khambhatta	None	Not Applicable
8.	Shri M S Dagur	None	Not Applicable

Notes :

i. Numbers of Directorships do not include Directorships of private limited companies, foreign companies, companies registered under Section 8 of the Companies Act, 2013.

ii. For the purpose of determination of limit of the Board Committees, chairmanship and membership of the Audit Committee and Stakeholders Relationship Committee has been considered as per Regulation 26 of the Listing Regulations.

iii. None of the Directors on the Board is related to any other Director.

iv. None of the Directors has any material pecuniary relationship or transaction with the Company.

v. None of the Directors has received any loans or advances from the Company during the year.

vi. None of the Directors on the Board are Independent Directors of more than seven listed companies.

The Company has received declarations on criteria of independence as prescribed in Section 149(6) of the Companies Act, 2013 ('Act') and Regulation 16 (1) (b) of the Listing Regulations from the Directors of the Company who have been classified as Independent Directors as on March 31, 2019.

The Board confirms that the Independent Directors fulfill the conditions specified in Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

There was no instance during the FY 2018-19 when the Board had not accepted any recommendation of any committe of the Board.

The following is the list of core skills/expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:

1. Knowledge - understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates,

2. Behavioral Skills - attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders,

3. Strategic thinking and decision making,

4. Financial Skills,

5. Technical/Professional skills and specialized knowledge to assist the ongoing aspects of the business.

Membership / Chairmanship of Committees of the Board

None of the Directors is a Member in more than 10 Committees or 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 have been made by the Directors.

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 Meeting. Agenda Papers are circulated to Directors in advance so as to have the focused and meaningful discussion at the meeting. At every Board

Meeting, a presentation is made on the matters covering finance, marketing, operations and any other material/ significant developments. In case of business exigencies or urgency of matters, resolutions are passed by Circulation and the same is put-up to the Board / Committee in the next meeting for taking note thereof. Action Taken Report on the decisions taken at the previous Board / Committee Meetings is placed at their immediately succeeding Meetings for noting.

As required under the Act and Listing Regulations, the Board has constituted mandatory committees. 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.

Disclosure regarding appointment/ reappointment of Director(s)

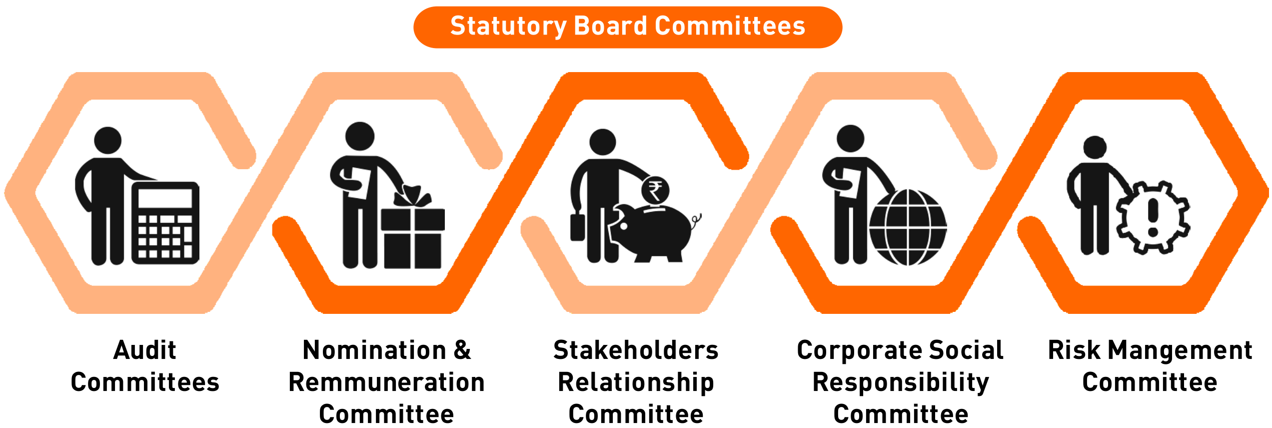
Information as required under Regulation 36(3) of the Listing Regulations is annexed to the Notice of AGM.

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 Act. The Board has also laid down the Code of Conduct for Senior Management Personnel of the Company. These Codes set ethical standards for Directors and Senior Management Personnel. Both the Codes are available on Company's website viz. www.gnfc.in All Board Members and Senior Management Personnel have affirmed their compliance with the said Code of Conduct. A declaration to this effect signed by the Managing Director for FY 2018-19 is annexed to this Report.

COMMITTEES OF THE BOARD

The committee constituted by Board play an important role on governance structure of the Comapany.The Committees are in line with SEBI (LODR) Regulations , 2015 and Companies Act , 2013.The minutes of the committee meetings are tabled at Board Meetings.



Composition of Committees Of Directors

Your Company has following Board level Committees :

A. Audit Committee

B. Nomination and Remmuneration Committee

C. Corporate Social Responsibility Committee

D. Stakeholders Relationship Committee

E. Project Committee

F. Human Resource Development Committee

G. Risk Mangement Committee

Various Committees of Directors have been appointed by Board for making informed decisions in best interest of the Company.These committees monitor the activites falling within their respective terms of reference.The Board's Committees are as follows :

A. AUDIT COMMITTEE

Constitution & Composition

Audit Committee seeks to ensure better Corporate Governance and provides assistance to the Board of Directors in fulfilling 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.

Audit Committee presently comprises of Four (4) Directors viz.

- Shri Sunil Parekh Chairman, Non-Executive & Independent Director,
- Prof.Arvind Sahay, Non-Executive & Independent Director
- Shri Piruz Khambatta, Non-Executive & Independent Director
- Shri M S Dagur, Managing Director, Executive & Non-Independent Director

All Members possess good knowledge of finance and accounts.

The Company Secretary acts as Secretary of the Committee.

Terms of Reference

The terms of reference of Audit committee is in line with SEBI (LODR) Regulations, 2015 read with Section 177 of the Act, which, inter-alia, include the following :

i. Review of Quarterly and Annual Financial Statements with the Management before submission to the Board for approval;

ii. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.

iii. Review of adequacy of Internal Control Systems and procedures;

iv. Evaluation of internal financial controls and Risk Management Systems;

v. Review of reports furnished by the Internal Auditors; and

vi. Reviewing the utilization of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

Number of Meetings

During FY 2018-19, Six 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 : 23.04.2018, 19.06.2018, 27.07.2018, 9.08.2018, 1.11.2018, and 11.02.2019. Requisite quorum was present for all the meetings.

Attendance at the Meetings

Attendance of each Member at the Audit Committee Meetings held during 2018-19.

No.	Name of Member	No. of Meetings held during the tenure of Membership	No. of Meetings Attended
1	Shri CS Mani*	6	4
2	Shri Sunil Parekh	6	5
3	Shri Piruz Khambhatta	4	3
4	Shri Sujit Gulati, IAS	1	1
5	Prof. Arvind Sahay	1	1
6	Dr. Rajiv Kumar Gupta, IAS**	2	2
7	Shri M S Dagur***	4	4

* Ceased to be a member w.e.f from 29.05.2019.

** Attended meetings as permanent invitee. Ceased to be director vide resignation dated 15th July, 2018.

*** The Board of Directors of the Company at its Meeting held on 29th May, 2019, has inducted Shri M S Dagur as Member of the said Committee.

Shri CS Mani, who was the Chairman of Audit Committee remained present at the AGM of the Company held on 29th September, 2018

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.

B. 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. This Committee presently comprises of Three (3) Directors viz.

- Shri Piruz Khambatta, Chairman, Non-Executive & Independent Director
- Prof. Arvind Sahay, Non-Executive & Independent Director and
- Shri Sunil Parekh, Non-Executive & Independent Director.

Terms of Reference

The terms of reference 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 for their appointment and removal; and

(ii) Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.

(iii) Recommend to the board, all remuneration, in whatever form, payable to senior management (Senior management include core management team one level below the Board of Directors, CFO and Company Secretary).

Number of Meetings and Attendance

During FY 2018-19, one meeting of the committee was held on 09.08.2018.All directors of the committee attended the said meeting.

Performance Evaluation Criteria For Independent Directors

Evaluation of Independent Director shall be carried out by the entire Board in the same way as it is done for other Directors of the Company keeping in view the role and responsibility of Independent Directors as mentioned in Schedule - IV to the Act. The interested Director shall not participate in the evaluation/s.

An Independent Director shall also be evaluated on the following parameters:

(1) Exercise of objective independent judgment in the best interest of the Company.

(2) Ability to contribute to and monitor Corporate Governance practice.

(3) Adherence to the Code of Conduct for Independent Directors

C. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Constitution & Composition

The Corporate Social Responsibility Committee was constituted in compliance with Section 135 and Schedule-VII of the Act. This Committee presently comprises Four (4) Directors viz.

- Prof. Arvind Sahay , Chairman, Non-Executive & Independent Director
- Shri Sunil Parekh , Non-Executive & Independent Director and
- Shri Piruz Khambatta, Non-Executive & Independent Director
- Shri M S Dagur, Managing Director, Executive & Non-Independent Director

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 CSR projects / programs / activities stated in CSR policy from time to time; and

(iii) Ensuring that the Company spends on CSR Activities, in every financial year, at least 2% of the average Net Profits made during the three immediately preceding financial years in pursuance of its CSR policy.

Numbers of Meetings & Attendance

During FY 2018-19, one meeting of the committee was held on 11.06.2018. Requisite quorum was present for the meeting.

D. STAKEHOLDERS RELATIONSHIP COMMITTEE

Constitution & Composition

The Stakeholders Relationship Committee was constitued in compliance with Section 178 of the Act and Regulation 20 of the Listing Regulations. This Committee presently comprises Three (3) Directors viz.

- Shri Sunil Parekh, Chairman, Non-Executive & Independent Director,
- Smt. Mamta Verma, IAS, Non-Executive & Non-Independent Director,
- Shri M S Dagur, Managing Director, Executive & Non-Independent Director.

Terms of Reference

The terms of reference of the Committee, inter alia, include -

(i) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

(ii) Review of measures taken for effective exercise of voting rights by shareholders.

(iii) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

(iv) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Number of Meetings and Attendance

During FY 2018-19, Fourteen (14) meetings of the Committee were held. Dates on which the said meetings were held are - 5.04.2018, 7.05.2018, 19.06.2018, 21.07.2018, 21.08.2018, 9.10.2018, 13.11.2018, 15.11.2018, 19.11.2018,5.01.2019, 20.2.2019, 28.2.2019, 19.3.2019, 28.3.2019.

No.	Name of Member	No. of Meetings held during the tenure of Membership	No. of Meetings Attended
1	Shri CS Mani *	14	6
2	Smt. Mamta Verma, IAS	14	12
3	Dr. Rajiv Kumar Gupta, IAS**	3	3
4	Shri M S Dagur	11	10

* Ceased to be a member w.e.f from 29.05.2019.

** Ceased to be a member w.e.f. from 15.07.2018.

E. RISK MANAGEMENT COMMITTEE

Constitution & Composition

The Risk Managment Committee was constitued at the Board Meeting held on 11th February, 2019 in compliance with the amended Regulation 21 of the Listing Regulations. This Committee presently comprises following members viz.

- Shri M S Dagur, Chairman, Managing Director, Executive & Non-Independent Director,
- Shri Sunil Parekh, Non-Executive & Independent Director
- Shri Piruz Khambatta, Non-Executive & Independent Director

- Shri D.V.Parikh, CFO
- Shri T.J.Lakhmapurkar, CS

The Company Secretary also acts as Secretary of the Committee.

Terms of Reference

The terms of reference of the Committee, inter alia, include -

(i) To implement and monitor the risk management plan and policy of the Company.

(ii) To assist the Board in monitoring and reviewing the risk management plan and implementation of the risk management framework of the Company.

(iii) Reviewing and evaluating the Company's risk management policy and practises from time to time on need basis.

(iv) Review of risk assessment and mitigation procedure including review of cyber security risk which are forever a threat on account of the fast evolving nature of the threat. In addition to impact on business operations, a security breach could result in reputational damage, penalties and legal and financial liabilities.

(v) Validating the process of risk management and risk minimization.

(vi) Be aware and concur with the Company's risk appetite including risk levels, if any, set for financial and operational risk.

(vii) Ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

(viii) Coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).

(ix) Assess risks to the effective execution of business strategy and review key leading indicators in this regard.

(x) Reviewing the top risk at function / business unit / Company level and critically examine whether the mitigation plans / procedure are on track or not and whether any interventions are required.

(xi) To carry out other functions as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Numbers of Meetings & Attendance

As the Committee was formed at the Board Meeting held on 11th February, 2019, no meeting of the Committee was held during the FY 2018-19.

COMPLIANCE OFFICER

Shri T.J. Lakhmapurkar, Company Secretary is the Compliance Officer of the Company for complying with the requirements of SEBI (LODR) Regulations, 2015 as also of SEBI (Prohibition of Insider Trading) Regulations, 2015.

INVESTORS' GRIEVANCE REDRESSAL

Shri T J Lakhmapurkar, Company Secretary, is the Compliance Officer for resolution of Shareholders' / Investors' complaints. During the financial year ended 31st March, 2019, 18 complaints were received from the shareholders.

As on 31st March, 2019 no complaint was pending for 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, without the attendance of Non-Independent Directors and Members of Management was held on 28th March, 2019 as required under Schedule IV to the Companies Act, 2013 read with Regulation 25(3) of the Listing Regulations.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

A system is in place to familiarize the Independent Directors about the Company by providing a Director's pact covering the details about the Company such as operational & financial highlights, various plants with installed capacity and products manufactured by the Company, CSR activities, etc., their role, rights & responsibility, the nature of industry in which the Company operates, business model of the Company, etc. While considering quarterly and Annual Financial Results, a presentation is made to the Audit Committee and Board, inter-alia, covering operational and financial performance of the Company.

The familiarization programme is disclosed on Company's website and can be accessed at web link - https://www.gnfc.in/PDFandWORD/Familarisation-of-IDs.pdf

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

The Board has approved 'Nomination, Remuneration & Evaluation Policy' based on the recommendation of Nomination & Remuneration Committee. 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 in place various grades for the purpose of remuneration to its employees including Senior Executives. KMP and SMP draw the remuneration of their respective grade and as per the terms & conditions of their appointment.

Details of remuneration paid to Directors

Managing Director

In exercise of the powers vested under Article 136 of the Articles of Association of the Company, the Governemnt of Gujarat (GoG) had vide its Notification No. AIS/35.2018/24/G dated 12.07.2018 nominated Shri M.S. Dagur, Additional Chief Secretary, as Mananging Director (MD) on the Board of the Company effective from 16.07.2018 for a period of two years.

GoG has vide its - (i) Resolution No.GNF/11-2001/2476/E dated 13.08.2018 prescribed and notified the terms & conditions of foreign services of Shri M.S. Dagur as MD of the Company for the period from the date of assumption of charge to the date of his superannuation i.e. from 16.07.2018 to 31.07.2018; and (ii) Resolution No.AIS/35.2018/ 466051/G dated 28.08.2018 prescribed and notified the terms & conditions of appointment of Shri M.S. Dagur as MD of the Company post retirement i.e. from 01.08.2018 to 15.07.2020. The said terms and consitions of remeuneration were approved by the Shareholder of the Company at its 42nd Annual General Meeting held on 29th September, 2018.

Dr. Rajiv Kumar Gupta, IAS, Addl. Chief Secretary to GoG, who was holding additional charge of MD, ceased to be the Director & MD of the Company effective 15/7/2018, consequent upon withdrawal of nomination by GoG vide its Notification dated 12.07.2018. He was paid special pay of Rs.228595/- as granted and conveyed by GoG for holding additional charge of MD in terms of approval / authorisation granted by the members at their 37th AGM held on 21.09.2013.

Non-Executive Directors

Remuneration of Non-Executive Directors (NEDs) is decided by the Board. NEDs are paid remuneration by way of Sitting Fees only for attending Board or Committees Meeting(s). They were paid sitting fees @ Rs.15,000/- per meeting attended by them during FY 2018-19.

Details of Sitting Fees paid to Non-Executive Directors during 2018-19.

Sr. No.	Name of Director	Sitting Fees paid
1.	Dr. J.N. Singh, IAS	60,000/- *
2.	Smt. Mamta Verma, IAS	1,80,000/- *
3.	Shri Sujit Gulati, IAS	30,000/- *
4.	Shri CS Mani[1]	2,10,000/-
5.	Prof. Arvind Sahay	75,000/-
6.	Shri Sunil Parekh	2,25,000/-
7.	Shri V.D. Nanavaty[2]	45,000/-
8.	Shri Piruz Khambatta**	NIL

[1]. Resigned from Board w.e.f.23.07.2019

[2]. Resigned from Board w.e.f.3.10.2018

* Amount deposited in Government Treasury

** Opted not to receive Sitting Fees

Equity shares held in the Company by Non-Executive Directors

None of the Non Executive Directors were holding Company's equity shares as on 31st March, 2019. 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 (AGM)

During the preceeding three years, Company's AGM were held at the Registered Office of the Company at Open Air Theatre, Sports Complex, Narmadanagar Township, P.O. Narmadanagar - 392 015. Dist. Bharuch. The date and time of AGMs held during last three years and the Special Resolutions passed thereat are as follows :

Year	Date of AGM	Time	Special Resolution passed
2017-18	29/9/2018	11:00 AM	(i) Re-Appointment of Shri Sunil Parekh as an Independent Director (ii) Re-Appointment of Shri Piruz Khambatta as an Independent Director
2016-17	29/9/2017	11:30 AM	(i) Re-Appointment of Shri C.S.Mani as an Independent Director. (ii) Re-Appointment of Prof. Arvind Sahay as an Independent Director.
2015-16	30/9/2016	11:30 AM	None

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 Members was held during FY 2018-19.

Postal Ballot

No postal ballot was conducted during FY 2018-19. 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 Company's website and can be accessed at web link - http://www.gnfc.in/PDFandWORD/Related-Party-Transactions-Policy.pdf.

During FY 2018-19, the Company had not entered into any contract / arrangement / transaction with Related Parties, which could be considered material in accordance with the policy on RPTs. In terms of the omnibus approval granted by Audit Committee, a Statement in the summary form of transactions with Related Parties, which are routine and repetitive in nature, in the ordinary course of business and on arm's length basis is periodically placed before the Audit Committee for review and approval. None of the transactions with Related Parties were in conflict with Company's interest.

GOVERNANCE OF SUBSIDIARY COMPANIES

The minutes of the Board Meetings of the subsidiary along with the details of significant transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors on a quarterly basis. The financial statements of the subsidiary companies are presented to the Audit Committee. The Company does not have a material subsidiary as on the date of this report, having a net worth exceeding 10% of the consolidated net worth or income of 10% of the consolidated income of your Company.

Accounting treatment

The Company has followed Indian Accounting Standards (Ind AS) in the preparation of Financial Statements for accounting period for F.Y.2018-2019 as per the road map announced by the Ministry of Corporate Affairs, Government of India. The significant accounting policies which are consistently applied are set out in the Notes to 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 related to capital markets during last three financial years.

Risk Management

The Company has laid down procedures to inform the Board Members about the risk assessment and risk mitigation mechanism. Risk Management Report is periodically reviewed by the Audit Committee / Board.

Reconciliation of Share Capital Audit

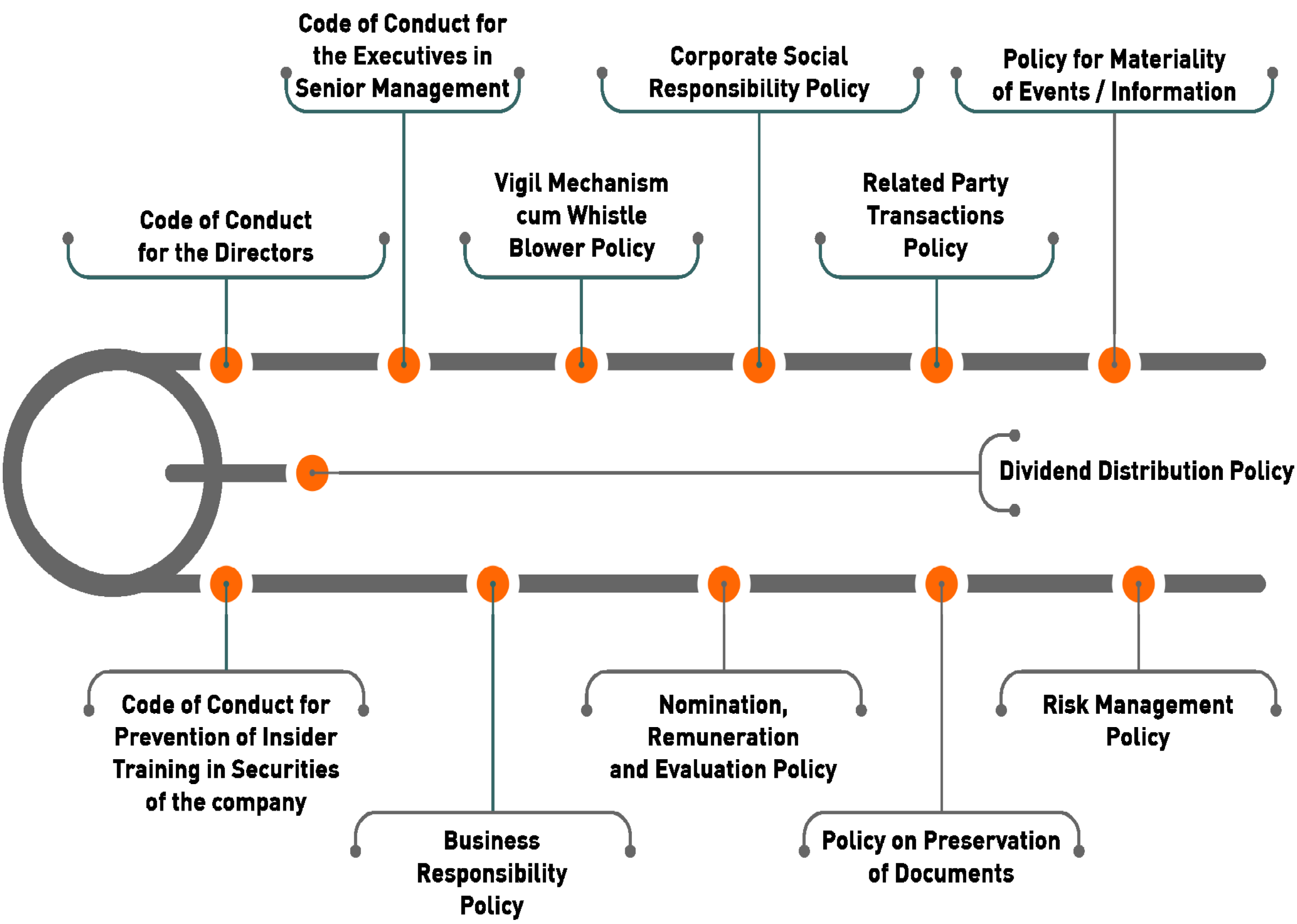
Reconciliation of Share Capital Audit, as mandated by SEBI, has been carried out by Company Secretary in Practice (PCS) on quarterly basis, and reports on the reconciliation of total issued and listed capital with that of total share capital admitted/ held in dematerialized form with NSDL and CDSL and those held in physical form.

The Audit Report issued by PCS certifies about reconciliation of total admitted capital with both depositories and the total issued and listed capital of the Company.Such Quarterly reports are submitted to BSE & NSE within 30 days from the end of each quarter and also placed before the Board.

Policy Framework

GNFC has a structured and well-defined policy framework for effective implementation of corporate governance practices. An Overview of key corporate policies is placed below.

Overview of Key Corporate Policies



Code of prevention of Insider Trading Practices

The Company has in place a Code of Conduct for Prevention of Insider Trading under SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. With a view to regulate trading in securities by the designated persons, the Code lays down the guidelines, which advises the designated persons, on the procedures to be followed and disclosures to be made by them, while dealing in Company's shares 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 genuine concerns about the unethical behaviour, actual or suspected fraud, etc. The mechanism provides for adequate safeguards against victimization of employees, who use such mechanism. During the year, no employee was denied access to the Audit Committee. The policy is displayed on the Company's website and can be accessed at link https://www.gnfc.in/ PDFand WORD/Vigill-Mechanism-Cum-Whistle%20 Blower-Policy_21102014.pdf.

CEO / CFO Certification

In terms of Regulation 17(8) of the Listing Regulations, the Managing Director (CEO) and Chief Financial Officer (CFO) have given Annual Certification on financial reporting and internal controls to the Board. They have also given quarterly certification on unaudited financial results to the Board under Regulation 33(2) of the Listing Regulations.

Subsidiary Company

The Company has incorporated a Wholly Owned Subsidiary (WOS) in the name of 'Gujarat Ncode Solutions Limited' on 28th February, 2017. The Minutes of Board Meetings of WOS are placed before the Company's Board regularly. Since the date of incorporation till the date of this report, the said Company has not commenced its commercial activities. The Company does not have any material subsidiary.

Foreign exchange risk and hedging activities.

During FY 2018-19, 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.

Compliance with Corporate Governance Requirements specified in Listing Regulations

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

The Company has also complied with Corporate Governance requirements specifed in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures have been made in this Corporate Governance report. No funds were raised through preferential allotment or Qualified Institutional Placement as per the Regulation 32(7A) of Listing Regulations.

A Certificate as to the compliance of conditions of Corporate Governance issued by Practising Company Secretary is appended with this report.

Management Discussion & Analysis

Management Discussion & Analysis Report forms part of 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 various information about the Company. A separate dedicated section on 'Shareholders' contains useful information and allows the investors to access the same 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 with BSE and NSE electronically on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.

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

The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and equality but also mutual trust, equal opportunity and respect for human rights. The Company is also committed to provide a work environment that ensures every woman employee is treated with dignity, respect and afforded equal treatment.

The Company has formulated a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is aimed at providing every woman at the workplace a safe, secure and dignified work environment.

The Company has constituted Internal Complaints Committee to redress the complaint(s).

The Details of the complaints

No. of Complaints filed during the financial year	1
No. of Complaints disposed of during the financial year	1
No. of Complaints pending as on end of the financial year	-

THE FOLLOWING IS THE LIST OF CREDIT RATINGS OBTAINED BY THE COMPANY DURING THE FINANCIAL YEAR 2018-19 :

Nature of Instrument	Current Rating
Fund Based facilities	(ICRA) AA+ (stable) (pronounced ICRA double AA plus)
Non-Fund Based facilities	(ICRA) A1+ (pronounced ICRA A one plus)
Commercial Paper Programme	(ICRA) A1+ (pronounced ICRA A one plus)

CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

Mr. Arvind D Gaudana of Gaudana and Gaudana, Practicing Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority. The certiifcate is enclosed with section as Annexure 1.

COMPLIANCE

Mandatory Requirement

The Company is fully compliant with the applicable mandatory requirements of the Listing Regulations for the FY 2018-19.

Adoption of Discretionary requirements

The following non-mandatory requirements under Part E of Schedule II of the Listing Regulations to the extent they have been adopted are mentioned below:

i. **Non-Executive Chairman's Office:** Chairman's office is separate from that of the Managing Director.

ii. **Shareholders' Rights:** The quarterly and half yearly financial performance are published in the newspapers and are also posted on the Company's website.

iii. **Modified Opinion in Auditors Report:** The Company's financial statements for the year ended March 31, 2019 do not contain any modified audit opinion.

iv. **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee and he regularly attends the meetings of the Audit Committee wherein he presents his internal audit observations to the Audit Committee.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Day	:	Thursday
Date	:	26th September, 2019
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, District : Bharuch.
Financial Year	:	1st April to 31st March.

Financial Calendar : (Tentative)

Results for the Quarter ending on		Announced / will be announced by
* 30th June, 2019	:	13th August, 2019
* 30th September, 2019	:	14th November, 2019
* 31st December, 2019	:	14th February, 2020
* 31st March, 2020	:	30th May, 2020

Book Closure :

Closure of Register of Members and Share Transfer Books	:	Saturday, the 24th August, 2019 to Wednesday, the 28th August, 2019 (Both days inclusive)
Dividend Payment Date	:	Dividend of Rs.7/- per equity share of Rs.10/- each will be paid on or after 4th October, 2019, 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)**

   Exchange Plaza, 5th Floor, Bandra-Kurla Complex, Bandra (E), Mumbai-400051

2) **BSE Limited**

   PJ Towers, Dalal Street, Mumbai-400001

Listing Fees to Stock Exchanges

The Company has paid Annual Listing Fees to NSE and BSE for FY 2019-20.

Custodial Fees to Depositories

The Company has also paid custodial fees to National Securities Depository Ltd., and Central Depository Services (India) Ltd., for FY 2019-20.

TOTAL FEES FOR ALL THE SERVICES RENDERED BY THE STATUTORY AUDITOR AND ALL ENTITIES IN THE NETWORK ENTITY IN WHICH THE STATUTORY AUDITOR IS A PART, IS GIVEN BELOW.

Name of the Staturory Auditor	Total Amount
(M/s SRBC & Co LLP)	(Rs. in Crore)
Statutory Audit	0.15
Other Services including reimbursement of expenses	0.46

OTHER DETAILS

Details of Security

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

Stock Market Price Data

Monthly High & Low of Company's share price on BSE Limited and National Stock Exchange of India Ltd., during FY 2018-19.

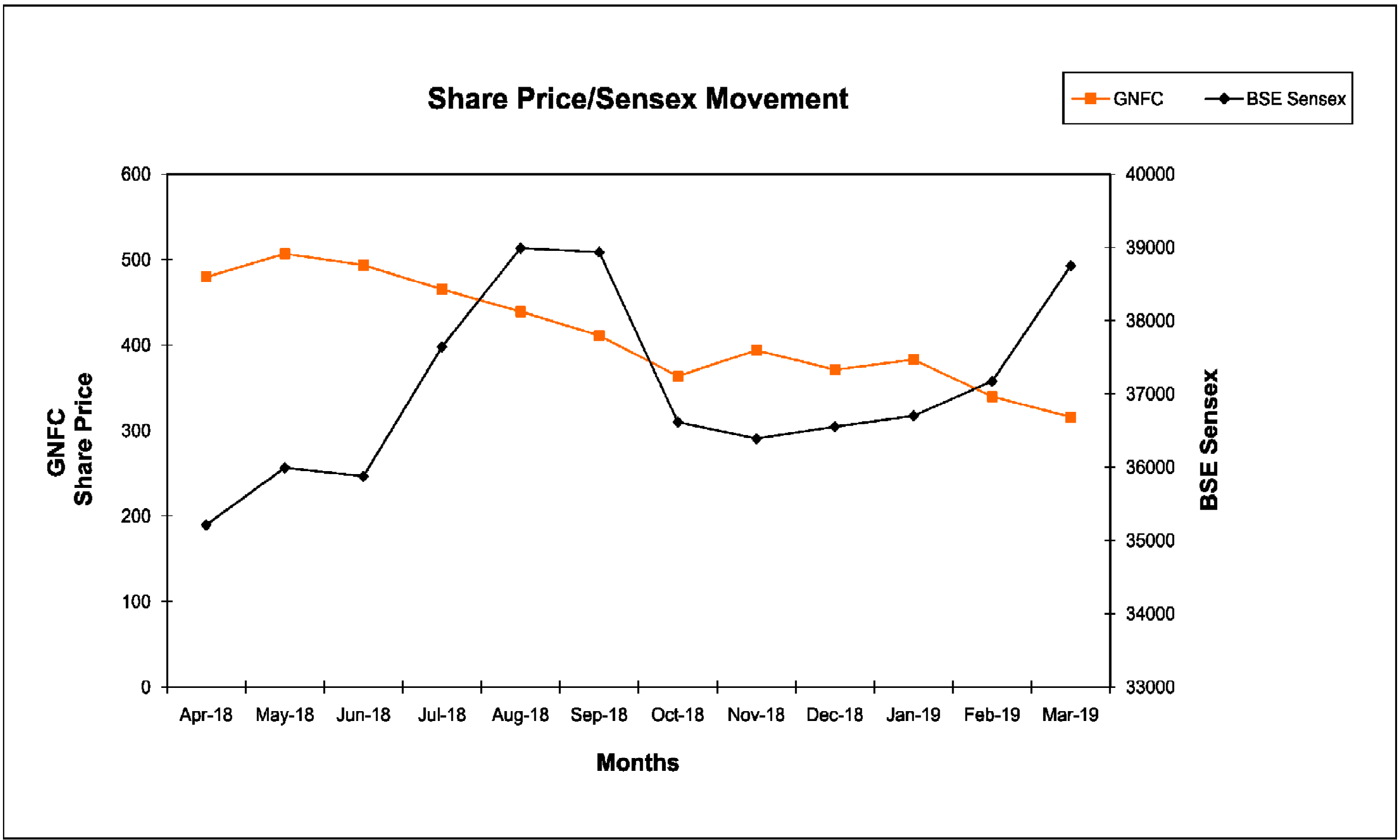
(Amount in Rs.)

MONTH	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-18	479.75	367.00	479.50	365.20
May-18	506.75	435.25	506.70	445.00
Jun-18	493.50	390.00	494.50	390.05
Jul-18	465.20	392.95	466.00	392.10
Aug-18	439.20	387.80	439.40	386.30
Sep-18	411.30	330.00	411.75	322.10
Oct-18	363.75	315.55	363.65	315.25
Nov-18	394.00	331.20	395.50	331.00
Dec-18	371.15	327.45	371.50	327.30
Jan-19	383.00	305.60	383.00	305.10
Feb-19	339.95	237.95	355.90	238.30
Mar-19	276.40	262.10	276.45	261.00

STOCK PERFORMANCE : 2018-19

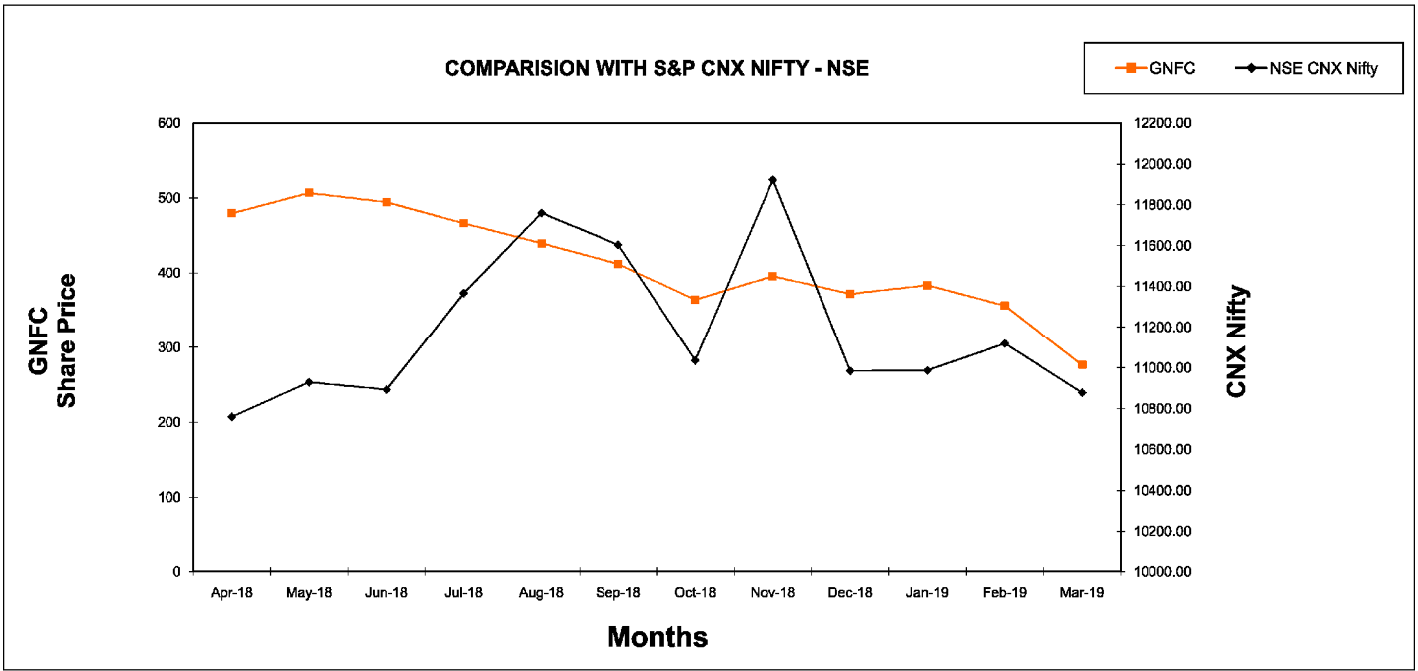
STOCK PERFORMANCE VS BSE INDEX

MONTH	GNFC HIGHEST (in Rs.)	SENSEX HIGHEST
Apr-18	479.75	35213.03
May-18	506.75	35993.53
Jun-18	493.50	35877.41
Jul-18	465.20	37644.59
Aug-18	439.20	38989.65
Sep-18	411.30	38934.35
Oct-18	363.75	36616.64
Nov-18	394.00	36389.22
Dec-18	371.15	36554.99
Jan-19	383.00	36701.03
Feb-19	339.95	37172.18
Mar-19	315.90	38748.54



STOCK PERFORMANCE VS S&P CNX NIFTY

MONTH	NIFTY HIGHEST	GNFC HIGHEST (in Rs.)
Apr-18	10759.00	479.50
May-18	10929.20	506.70
Jun-18	10893.25	494.50
Jul-18	11366.00	466.00
Aug-18	11760.20	439.40
Sep-18	11603.00	411.75
Oct-18	11035.65	363.65
Nov-18	11922.45	395.50
Dec-18	10985.15	371.50
Jan-19	10987.45	383.00
Feb-19	11118.10	355.90
Mar-19	10877.90	276.45



Unpaid / Unclaimed Dividends

In accordance with the provisions of Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The IEPF Rules mandate Companies to transfer shares of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority. In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement.

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, Rs. 0.92 crores of unpaid / unclaimed dividends and 2,33,203 shares were transferred during the financial year 2018-19 to the Investor Education and Protection Fund.

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 in physical form 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 authority for approving transfer / transmission of shares, etc., to Company Secretary. A summary of transfer / transmission of shares, etc., so approved by the Company Secretary is placed before the Stakeholders Relationship

Committee. The Company Secretary in Practice, has issued a half yearly Certificate to the effect that all share certificates have been issued within 30 days of the date of lodgment of transfer, sub-division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations and the Company has filed a copy of the said Certificate with BSE and NSE.

As per Securities and Exchange Board of India (SEBI) Notification dated 08-06-2018 & 30-11-2018 and Regulation 40 of SEBI (LODR) Regulations, 2015, it is mandated that the transfer of securities is to be carried out only in Dematerialized Form w.e.f 01-04-2019. Hence any request for effecting transfer of securities (except Transmission of shares & Transposition of names in shares) shall not be processed by the Company if the securities are held in the physical from with effect from 01-04-2019 onwards.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2019

Sr. No.	Category of Equity Shares	No. of Share holders	% to total Share holders	No. of Shares	% to Total Equity Capital
1	1 to 250	217103	90.16	14989047	9.64
2	251 to 500	13242	5.50	4985130	3.21
3	501 to 1000	5765	2.39	4516405	2.91
4	1001 to 2000	2446	1.02	3703064	2.38
5	2001 to 3000	756	0.31	1924209	1.24
6	3001 to 4000	368	0.15	1331444	0.86
7	4001 to 5000	259	0.11	1228653	0.79
8	5001 to 10000	417	0.17	3055811	1.97
9	10001 and above	452	0.19	119685020	77.00
	TOTAL	**240808**	**100.00**	**155418783**	**100.00**

SHAREHOLDING PATTERN OF THE COMPANY AS ON 31ST MARCH, 2019

Sr. No.	Category of Shareholders	Total No. of Shares	% of Total Equity Capital
1	Promoters & Promoters Group	64006713	41.18
2	Mutual Funds & UTI	4291259	2.76
3	Banks/ Financial Institution & Insurance Companies	16834420	10.83
4	Foreign Institutional Investors (FIIs)	114568	0.07
5	Foreign Portfolio Investors (FPIs)	21701701	13.97
6	NRIs / OCBs	2876231	1.86
7	Bodies Corporates	4871392	3.13
8	Co-operative Societies	332802	0.21
9	Indian Public	38376576	24.70
10	Shares In Pool A/c (As reported by Depositories)	239851	0.15
11	I E P F A/C	1773270	1.14
	TOTAL	**155418783**	**100.00**

Dematerialization of Shares & Liquidity:

As on 31st March, 2019, 95.16 % of the shares were held in dematerialized form and remaining shares in physical form. As notified by SEBI, the equity shares of the Company are permitted to be traded only in dematerialized form.

Non-resident Shareholders:

The non-resident shareholders are requested to notify the following to the Company in respect of shares held in physical form and to their Depository Participants in respect of shares held in dematerialized form:

- Indian address for sending all communications, if not provided so far;
- Change in their residential status on return to India for permanent settlement;
- Particulars of Bank Account maintained with a Bank in India, if not furnished earlier;
- RBI permission reference number with date to facilitate credit of dividend in their bank account.

Shares held in "Unclaimed Suspense Account" :

Statement showing the details of delivery of unclaimed shares given to shareholders during the period from 1st April, 2018 to 31st March, 2019 as per Clause 39(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 31.03.2019:

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.	813	44573
(ii)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	26	859
(iii)	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	26	859
(iv)	No. of Shares liable to be transferred to IEPF Authority Demat A/C as per IEPF Authority Rules and hence transferred on 20-11-2018.	82	2906
(v)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	705	40808

Notes :

1. All corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc. shall also be credited to such Unclaimed Suspense Account.
2. The voting rights on such shares shall remain frozen till the rightful owner claims the shares.
3. This Account is being held by the Company purely on behalf of the shareholders entitled for their unclaimed shares.

Outstanding GDRs:

The Company has delisted Global Depository Receipts (GDRs) from Luxembourg Stock Exchange, Luxembourg and terminated the Depository Agreement with the BNY Mellon.As on 31st March, 2019, No GDRs were outstanding.

Plant Locations :

All the manufacturing Plants of the Company are located at the Registered Office situated at P.O. Narmadanagar - 392 015, Dist. Bharuch. The Company has set up a 50,000 MTPA TDI-II Project at P.O. Dahej - 392130, Taluka - Vagra, Dist. Bharuch.

Activities in the area of Information Technology (IT) are being carried out at the Registered Office as also at GNFC Infotower, 3rd Floor, Bodakdev, Gandhinagar-Sarkhej Highway, Ahmedabad - 380 054 and at GIFT City, 14th Floor, GIFT One Road, 5-C Zone-5, Gandhinagar - 382355.

Address for Correspondence:

All correspondence relating to Company's shares 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 247002 (Extn : 2208), 02642-202227/202240/202282/202250/203755

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 of Company's Code of Conduct by the Board Members and Senior Management Personnel.

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

Sub : Compliance with Code of Conduct - Financial Year 2018-19

In accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with their respective Code of Conduct as adopted by the Board of Directors of the Company, for the Financial Year ended 31st March, 2019.

Place : Gandhinagar
Date : 29th May, 2019

M.S.DAGUR
MANAGING DIRECTOR

CERTIFICATE BY PRACTICING COMPANY SECRETARY ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNMANCE AS PER PROVISIONS OF CHAPTER - IV OF SECURITIES & EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOUSURE REQUIREMENTS) REGULATIONS, 2015

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')along with relevant registers, records, forms, returns and disclosures received from the Directors of Companyfor the year ended 31stMarch, 2019 as stipulated inregulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as 'SEBI Listing Regulations, 2015').

The compliance of conditions of Corporate Governance is the responsibility of the Company's 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 SEBI Listing Regulations, 2015. 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 SEBI Listing Regulations, 2015.

We state that as at 31st March, 2019, 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 Gaudana & Gaudana
(Company Secretaries)
(Formerly known as Arvind Gaudana & Company)

CS Arvind Gaudana
Senior Partner
FCS No: 2838, C.P. No: 2183

Place: Ahmedabad
Date : 2nd August, 2019

Annexure - 1

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members of Gujarat Narmada Valley Fertilizers & Chemicals Limited

We have examined the relevant registers, records, forms, returns and declaration received from the Directors and taken on record by the Board of Directors of Gujarat Narmada Valley Fertilizers & Chemicals Limited having CIN L24110GJ1976PLC002903 and having its registered office at P.O. Narmadanagar Dist. Bharuch- 392015 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 and as on the date of this certificate, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl No	Name of Director	Category	Director Identification Number (DIN)	Initial Date of Appointment	Date of Re-appointment, if any
1.	Dr. J.N. Singh, IAS Chairman	Promoter, Non-Executive, Non-Independent	00955107	30/01/2015	-
2	Smt. Mamta Verma, IAS	Non-Executive, Non-Independent	01854315	05/10/2015	29/09/2017
3	Prof. Arvind Sahay	Non-Executive, Independent	03218334	04/08/2014	29/09/2017
4	Shri C. S. Mani*	Non-Executive, Independent	00031968	04/08/2014	29/09/2017
5	Shri Sunil Parekh	Non-Executive, Independent	06992456	10/10/2014	29/09/2018
6	Shri Piruz Khambatta	Non-Executive, Independent	00502565	10/10/2014	29/09/2018
7	Shri Sujit Gulati, IAS**	Non-Executive, Non-Independent	00177274	09/10/2018	-
8	Shri M S Dagur, Managing Director	Promoter, Executive, Non-Independent	01622222	16/07/2018	-

* Ceased to be director vide resignation dated 23.07.2019.
** Appointed as Additional director w.e.f 09.10.2018

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

For Gaudana & Gaudana
(Company Secretaries)
(Formerly known as Arvind Gaudana & Company)

CS Arvind Gaudana
Senior Partner
FCS No: 2838, C.P. No: 2183

Place : Ahmedabad
Date : 2nd August, 2019

IMPORTANT INFORMATION FOR SHAREHOLDERS

GREEN INITIATIVE

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

Payment of Dividend

Dividend of Rs. 7.00 per equity share (70%) recommended by the Board of Directors of the Company for the financial year ended 31st March, 2019, will be paid to the shareholders on or after 4th October, 2019 subject to the approval of shareholders at the Annual General Meeting (AGM).

Closure of Register of Members & Share Transfer Books for Dividend

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 24th August, 2019 to Wednesday, the 28th August, 2019, (both days inclusive) for determining the entitlement for payment of dividend.

Transfer of Dividend and corresponding Ordinary Shares to the Investor Education and Protection Fund

In accordance with the provisions of Section 124 and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules made there under, the Company has transferred the dividend amount, remaining unclaimed for a period of seven years from the respective date of transfer to 'Unpaid Dividend Account' for the Financial Years 1994-95 to 2010-11 to Investor Education & Protection Fund (IEPF), set up by the Central Government.

Shareholders may claim their unclaimed dividend for the years prior to and including the financial year 2010-11 and the corresponding shares, from the IEPF Authority by applying in the prescribed Form No. IEPF-5. This Form can be downloaded from the website of the IEPF Authority www.iepf.gov.in , the access link of which is also available on the Company's website www.gnfc.in under the section 'Shareholders'.

The unclaimed dividend for the below mentioned years and the corresponding shares will be transferred by the Company to IEPF in accordance with the schedule given below. In this regard, we have informed, vide our letter dated 16/07/2019, to all those shareholders who have not claimed their dividend amount for a consecutive period of seven years from financial year 2011-12, advising them to write to the Investor Service Centre of the Company (ISC) and claim their dividend amount before due date of transfer of shares to IEPF Authority. The due date of transfer of such shares to IEPF Authority is 28.10.2019.

Financial Year	Dividend Identification No.	Date of Declaration of Dividend	Due Date for transfer to IEPF
2011-12	29th	22-09-2012	October, 2019
2012-13	30th	21-09-2013	October, 2020
2013-14	31st	26-09-2014	October, 2021
2015-16	32nd	30-09-2016	October, 2023
2016-17	33rd	29-09-2017	October, 2024
2017-18	34th	29-09-2018	October, 2025

Furnishing Bank Mandate and PAN to the Company

Securities and Exchange Board of India (SEBI) has vide circular dated 20/04/2018 made it mandatory to make the payment of dividend through electronic channel such as ECS/RTGS/NEFT or to print Bank Account details on Dividend Warrant/ Demand Draft/Banker's cheque.

Members who hold physical shares and have not yet submitted their Bank details are requested to provide their Bank Account and PAN details to the Company as this would enable them to receive the dividend directly in their Bank Account, thereby avoiding postal delay / loss of dividend warrants in postal transit.

Bank Mandate Form for furnishing bank account details has been provided on Page No.219 of this Annual Report and is also available on Company's website: www.gnfc.in.

Transfer of shares in Dematerialized Form only

Securities and Exchange Board of India (SEBI) has vide its notification dated 08/06/2018 amended Regulation 40 of SEBI (LODR) Regulations, 2015, mandating the transfer of securities to be carried out only in Dematerialized Form. Further, SEBI has vide its amended notification dated 30/11/2018 informed the Company that request for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1/4/2019 unless the securities are held in Dematerialized Form with the Depositories. With the said changes, equity shares of the Company shall be eligible for transfer only in the Dematerialized Form. Therefor, the members are requested to take necessary actions to Dematerialized their physical equity shares of the Company promptly.

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 19th September, 2019 as cut-off date for determining the voting rights of shareholders. The remote e-voting will commence at 9.00 AM on 23-09-2019 and will close at 5.00 PM on 25-09-2019.

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 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. In case of death of shareholder, the surviving / legal heir of deceased are requested to submit following documents to the Company for transmission of shares

In case where the shares are held jointly by the shareholder(s) ;

a. An application for deletion of name duly signed by the surviving shareholder(s).
b. Attested copy of Death Certificate of deceased shareholder(s).
c. Attested copy of PAN Card of surviving shareholder(s).
d. Original Share Certificate(s).

In case where the shares are held in Single Name.

a. An application for transmission of shares duly signed by the legal heir of the deceased shareholder(s).

b. An attested copy of Death Certificate of the deceased shareholder(s).

c. Attested copy of Certificate giving details of all legal heir(s) / Pedigree (Pedhi Nama) issued by any Competent Authority.

d. Attested copy of the PAN Card(s) of legal heir(s) in whose name the shares are to be transmitted.

Procedure for transposition of names in shares:

a. An application for transposition of name duly signed by all the Share holder(s).

b. Original Share Certificates. and Self attested copy of the PAN Card(s) of all the Share holder(s).

REGARDING ANNUAL REPORT / ANNUAL GENERAL MEETING

1. The Company has sent to the Members, Attendance Slip along with Annual Report. Kindly bring with you Attendance Slip and handover the same at the entrance of place of Meeting.
2. Arrangement for Buses from ST Depot, Bholav, Bharuch to the place of Meeting will be made by the Company on the day of Meeting from 9.30 A.M. onwards as the meeting is scheduled to be held at 11.30 A.M.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED

Report on Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Gujarat Narmada Valley Fertilizers & Chemicals Limited (the "Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013,as amended("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Recognition/de-recognition and measurement of Urea Subsidy Income	
Subsidy income on Urea is recognized and measured with reference to notification/circular/policies issued by the Department of Fertilizers, Government of India. During the current year, the Company has recognized Urea subsidy Income of aggregating to Rs 1,126.33 crores and de-recognized/write-off subsidy balance of Rs. 127.38 crores recognized in earlier years and outstanding as at March 31, 2018. The measurement of Urea subsidy income involves interpretation of relevant regulatory pronouncements, understanding of energy norms, and management estimates / judgements including in respect of escalation / de-escalation costs at each reporting date. Accuracy of revenues may deviate significantly because of revision/ changes in such interpretation, estimates and judgements. Accordingly, recognition and measurement of subsidy income was determined to be a key matter in our audit of standalone Ind AS financial statements.	• Our audit procedures included considering the appropriateness of the Company's income/ subsidy recognition accounting policies and assessing compliance with the policies in terms of the applicable accounting standards. • We performed test of controls, assisted by our IT specialists, over revenue recognition with specific focus on whether Urea subsidy income is recognised as per applicable regulatory pronouncements and consistency of judgement & estimation norms defined thereon. • We have reviewed the relevant regulatory pronouncement in respect of Urea subsidy income and verified the claims filed by the Company along-with underlying evidences in respect of such income. • The Subsidy income recognised and remained outstanding over significant period are discussed / enquired with management based on follow-up with Department of Fertilizers, Government of India including basis of management judgement and realisation certainty thereof. • We also verified the collections made during the year as well as subsequent period against such subsidy income recognized by the Company.
Write back of excess income tax provision relating to earlier years	
During the year the Company has provided tax provision of Rs.244.32 crore and has also has adjusted/credited excess tax provision of Rs. 133.86 crores on reconciliation of current tax provision of earlier years as per the books compared to tax liability acknowledged in respective year's income tax return / assessed tax liabilities as at date. Income tax provisioning for the year including write back adjustments involve interpretation of income tax laws and respective judgements pronounced by authorities. Amount of write back of income tax provision is a significant transaction that has occurred during the year. Accordingly, judgements and estimates for providing income tax provision and adjustments thereofwas determined to be a key matter in our audit of standalone Ind AS financial statements.	• Our audit procedures included review of income provision made in the books incl. review of income tax return filed by the Company for the previous year including tax liabilities acknowledged therein and tax provisions recorded/ carried in the books of account for the respective financial year. • We reviewed various orders/judgements awarded by different forums of income tax authorities against tax assessments/ appeals completed during the year that resulted in significant re-assessment of tax liabilities/ provisions in the books. • We verified the income tax refund collected during the year and reviewed the tax refund orders received in this regard by the Company including the reasons of additional deductions allowed therein by the tax authorities. • We reviewed the relevant judicial pronouncement made by different judicial forums, applicable tax laws and rules and prevailing tax propositions in respect of the matters that resulted into reduction of tax liabilities based on the representations made by the Company. • Reviewed the reconciliation of tax balances as per the books, as per the tax amount assessment and management judgement and estimation based on which tax provision was provided and excess provision was recorded in the financial results.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1"a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of accounts required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 36 to the standalone Ind AS 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

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Ravi Bansal

Partner

Membership Number: 49365

Place of Signature: Mumbai

Date: May 29, 2019

ANNEXURE 1 REFERRED TO IN PARAGRAPH ON REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE OF NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED FOR THE YEAR ENDED MARCH 31, 2019

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

(b) The fixed assets of the company were physically verified by the management pursuant to the program of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, this being the third year of physical verification program, the Company has started the process of compilation and reconciliation of results of physical verification and as at reporting date has completed the reconciliation in respect of few categories of property, plant and equipment with the fixed asset register. In the opinion of the management, no material adjustment would be required on completion of such reconciliation

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company. In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment (Note 4) in the financial statements, the lease agreements for two parcels of the leasehold land with an aggregate carrying value of Rs 41.33 crores (Aggregate Gross block of Rs. 43.05 crores) as at March 31, 2019, are yet to be entered in the name of the Company, although the Company is the lessee as per the arrangement.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.There was no inventory lying with third parties.

(iii) According to the information and explanations given to us, 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. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, The Company has not advanced any loans to directors/ to a Company in which the Director is interest to which provisions of Section 185 of the Companies Act, 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investment made and guarantees, and securities given have been complied with by the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year. However, in regard to the unclaimed deposits the Company has complied with the provisions of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture or service of fertilizer and industrial products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to employees' state insurance are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales-tax, duty of custom, duty of excise,value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of excise,value added tax and cess on account of any dispute, are as follows:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs. in Crores)	Amount Unpaid* (Rs. in Crores)
Central Excise Act, 1944	Excise Duty	Assistant/ deputy Commissioner	1997-2002	1.93	1.19
		CESTAT, Ahmedabad	2002-2005	0.06	0.01
			2011-2015	0.92	0.85
			2010-2011	0.11	0.11
			2015-2016	0.05	0.05
		Commissioner Appeals, Baroda	2015-2017	0.65	0.63
			2009-2013	118.02	118.02
		Supreme Court, New Delhi	2003-2005	12.14	5.69
Finance Act, 1994	Service Tax	CESTAT, Ahmedabad	2011-2014	23.82	20.69
Central Sales Tax Act, 1994/ Gujarat Value Added Tax Act, 2004	Value Added Tax/Central Sales tax	Gujarat Value added Tax tribunal	2006-07	13.18	12.68
			2007-08	18.12	17.62
		Joint Commissioner, Baroda	2012-13	12.60	5.72
			2014-15	14.18	14.08
Maharasatra VAT Act 2002		Joint Commissioner of Sales Tax, Pune	2010-11	0.05	0.05
Madhya Pradesh VAT Act 2002		VAT Appellate Authority, Bhopal	2015-16	0.11	0.09
The Income Tax Act 1961	Income tax	ITAT Surat	AY 2004-05	3.08	3.08
			AY 2003-04	1.11	1.11
			AY 2012-13	1.93	1.93
			AY 2013-14	42.06	42.06
		High Court Gujarat	AY 2003-04	0.04	0.04
		Income-tax Appellate Tribunal Surat	AY 2008-09	0.18	0.18

*Net of Amount paid under protest

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to banks. The Company did not have any outstanding loans or borrowings dues in respect of financial institutions, government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Ravi Bansal**
Partner
Membership Number: 49365

Place of Signature: Mumbai
Date: May 29, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMTED

We have audited the internal financial controls over financial reporting of Gujarat Narmada Valley Fertilizers & Chemicals Limited ("the Company") as of March 31, 2019 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, as amended to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, 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 S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Ravi Bansal**
Partner
Membership Number: 49365

Place of Signature: Mumbai
Date: May 29, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs. in Crores)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	4	**3,915.70**	4,114.73
(b) Capital work-in-progress	4	**25.36**	13.67
(c) Investment property	5	**18.55**	18.98
(d) Intangible assets	6	**24.66**	27.41
(e) Financial assets			
(i) Investments	7	**731.65**	726.00
(ii) Loans and advances	8	**247.37**	75.76
(iii) Other financial assets	9	**11.46**	10.05
(f) Income tax assets (net)	25	**23.16**	40.53
(g) Other non-current assets	11	**55.78**	37.45
		5,053.69	5,064.58
II. Current assets			
(a) Inventories	12	**829.03**	680.64
(b) Financial assets			
(i) Trade receivables	10	**1,240.19**	1,120.08
(ii) Cash and cash equivalents	13	**164.24**	6.14
(iii) Other bank balances	14	**70.67**	10.01
(iv) Loans and advances	8	**16.70**	15.41
(v) Other financial assets	9	**17.28**	31.83
(c) Other current assets	15	**149.80**	243.32
		2,487.91	2,107.43
Total Assets		**7,541.60**	7,172.01
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	**155.42**	155.42
(b) Other equity	17	**4,841.68**	4,302.56
		4,997.10	4,457.98
Liabilities			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	**-**	-
(b) Provisions	21	**235.90**	173.44
(c) Deferred tax liabilities (net)	25	**466.68**	478.67
(d) Government grants (deferred income)	22	**819.82**	880.47
		1,522.40	1,532.58
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	**207.93**	229.56
(ii) Trade payables:	19		
(A) total outstanding dues of micro and small enterprises		**31.36**	14.18
(B) total outstanding dues of creditors other than micro and small enterprises		**363.39**	411.89
(iii) Other financial liabilities	20	**182.50**	171.95
(b) Other current liabilities	23	**84.74**	133.19
(c) Provisions	24	**63.73**	55.12
(d) Government grants (deferred income)	22	**65.65**	65.65
(e) Current tax liabilities (net)	25	**22.80**	99.91
		1,022.10	1,181.45
Total Equity and Liabilities		**7,541.60**	7,172.01

The acompanying notes are an integral part of these financial statements.

For and on behalf of the Board of Directors,

D. V. Parikh	**T. J. Lakhmapurkar**	**M S Dagur**	**Dr. J. N. Singh**
General Manager & CFO	Company Secretary	Managing Director	Chairman

Place : Gandhinagar
Date : May 29, 2019

AS PER OUR REPORT OF EVEN DATE
For **S R B C & CO LLP**
Chartered Accountants
(Firm Registration No.: 324982E/E300003)

per Ravi Bansal
Partner
Membership No. 49365

Place : Mumbai
Date : May 29, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. in Crores)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations	26	**5,896.02**	5,916.59
Other income	27	**220.54**	141.52
Total		**6,116.56**	6,058.11
Expenses			
Cost of raw materials consumed	28	**2,848.11**	2,383.19
Purchase of traded goods	29A	**17.22**	45.02
Purchase of goods and services - IT division	29B	**44.53**	101.63
(Increase) / Decrease in inventories of finished goods, work-in-progress and traded goods	30	**(49.24)**	2.89
Power, fuel and other utilities		**890.27**	887.99
Excise duty		**-**	79.28
Employee benefits expense	31	**523.63**	394.96
Finance costs	32	**6.38**	99.71
Depreciation and amortization expense	33	**262.95**	270.47
Other expenses	34	**753.34**	631.00
Total		**5,297.19**	4,896.14
Profit before tax		**819.37**	1,161.97
Tax expense			
Current tax	25	**244.32**	383.70
Excess tax provision write back of earlier years	25	**(133.86)**	-
Deferred tax	25	**(32.26)**	(11.25)
Total tax expense		**78.20**	372.45
Profit for the year	**(A)**	**741.17**	789.52
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plans		**(74.47)**	(40.86)
Income tax effect credit	25	**26.02**	14.14
Net loss on FVTOCI equity investments		**(6.35)**	(36.45)
Income tax effect (charge) / credit	25	**(6.73)**	23.57
Net other comprehensive (expense) not to be reclassified to profit or loss in subsequent periods		**(61.53)**	(39.60)
Total other comprehensive (expense) for the year, net of tax	**(B)**	**(61.53)**	(39.60)
Total comprehensive income for the year, net of tax	**(A)+(B)**	**679.64**	749.92
Earnings per Share - (Face value of Rs. 10 each) Basic and Diluted (in Rs.)	35	**47.69**	50.80

The accompanying notes are an integral part of these financial statements.

For and on behalf of the Board of Directors,

D. V. Parikh	**T. J. Lakhmapurkar**	**M S Dagur**	**Dr. J. N. Singh**
General Manager & CFO	Company Secretary	Managing Director	Chairman

Place : Gandhinagar
Date : May 29, 2019

AS PER OUR REPORT OF EVEN DATE
For **S R B C & CO LLP**
Chartered Accountants
(Firm Registration No.: 324982E/E300003)

per Ravi Bansal
Partner
Membership No. 49365

Place : Mumbai
Date : May 29, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(A) Equity share capital **(Rs. in Crores)**

Particulars	Note	Amount
Balance as at April 01, 2017		**155.42**
Changes in equity share capital	16	-
Balance as at March 31, 2018		**155.42**
Changes in equity share capital	16	-
Balance as at March 31, 2019		**155.42**

(B) Other equity **(Rs. in Crores)**

Particulars	Reserve and surplus				Other Comprehensive Income	Total
	Capital reserve	Securities premium	General reserve	Retained earnings	FVTOCI reserve	
	Note 17.1	Note 17.1	Note 17.1	Note 17.1	Note 17.2	
Balance as at April 01, 2017	**0.64**	**313.31**	**2,189.76**	**635.19**	**507.27**	**3,646.17**
Profit for the year	-	-	-	789.52	-	789.52
Other comprehensive (expense) for the year	-	-	-	(26.72)	(12.88)	(39.60)
Total comprehensive income for the year	-	-	-	762.80	(12.88)	749.92
Dividend paid during the year (refer Note 17.3)	-	-	-	(77.71)	-	(77.71)
Dividend distribution tax (refer Note 17.3)	-	-	-	(15.82)	-	(15.82)
Transfer from retained earnings	-	-	115.00	(115.00)	-	-
Balance as at March 31, 2018	**0.64**	**313.31**	**2,304.76**	**1,189.46**	**494.39**	**4,302.56**
Profit for the year	-	-	-	741.17	-	741.17
Other comprehensive (expense) for the year	-	-	-	(48.45)	(13.08)	(61.53)
Total comprehensive income for the year	-	-	-	692.72	(13.08)	**679.64**
Dividend paid during the year (refer Note 17.3)	-	-	-	(116.56)	-	(116.56)
Dividend distribution tax (refer Note 17.3)	-	-	-	(23.96)	-	(23.96)
Transfer from retained earnings	-	-	175.00	(175.00)	-	-
Balance as at March 31, 2019	**0.64**	**313.31**	**2,479.76**	**1,566.66**	**481.31**	**4,841.68**

The accompanying notes are an integral part of these financial statements.

For and on behalf of the Board of Directors,

D. V. Parikh	**T. J. Lakhmapurkar**	**M S Dagur**	**Dr. J. N. Singh**
General Manager & CFO	Company Secretary	Managing Director	Chairman

Place : Gandhinagar
Date : May 29, 2019

AS PER OUR REPORT OF EVEN DATE
For **S R B C & CO LLP**
Chartered Accountants
(Firm Registration No.: 324982E/E300003)

per Ravi Bansal
Partner
Membership No. 49365

Place : Mumbai
Date : May 29, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. in Crores)

Particulars	March 31, 2019	March 31, 2018
Cash flow from operating activities		
Profit before tax as per statement of profit and loss	**819.37**	1,161.97
Adjustments for:		
Impairment - capital work in progress	**2.93**	-
Loss on sale / discard of property, plant and equipment (net)	**5.69**	1.70
Depreciation and amortization	**262.95**	270.47
Interest income	**(49.54)**	(12.51)
Dividend income	**(7.05)**	(6.57)
Amortization of grant received (income)	**(60.65)**	(71.67)
Unclaimed loans / liabilities / excess provision for doubtful debt written back	**(37.92)**	-
Gain (adjustment) on decapitalisation of property, plant and equipment	**(8.40)**	(10.91)
Unrealised foreign exchange fluctuation (gain) / loss	**(6.16)**	(4.67)
Finance costs	**3.21**	93.38
Premium on forward contracts	**0.73**	4.44
Provision for energy savings certificates	**1.60**	-
Contingencies cost	**3.04**	12.66
Expected loss of PF trust	**10.25**	-
Unrealised subsidy balances / bad debts written off (refer Note 44)	**127.59**	-
Provision for doubtful debts / advances (net)	**0.21**	4.70
Operating profit before working capital changes	**1,067.85**	**1,442.99**
Movements in working capital :		
Increase in trade receivables	**(243.84)**	(13.25)
Increase in inventories	**(148.39)**	(18.85)
Decrease in financial assets	**22.87**	351.04
(Increase) / decrease in loans and advances and other assets	**(88.03)**	75.01
Increase in provision	**70.44**	42.74
(Decrease) / increase in trade payables and other liabilities	**(143.48)**	150.42
Increase / (decrease) in financial liabilities	**112.52**	(4.25)
Cash generated from operations	**649.94**	**2,025.85**
Income taxes paid (net)	**(108.79)**	(207.27)
Net cash flow generated from operating activities (A)	**541.15**	**1,818.58**
Cash flows from investing activities		
Capital expenditure on property, plant & equipment (Including capital work In progress and capital advances)	**(130.99)**	(23.31)
Proceeds from sale / concession received of property, plant and equipment (refer Note 4)	**33.24**	55.15
Purchase of investments	**(12.00)**	(0.01)

(Rs. in Crores)

Particulars	March 31, 2019	March 31, 2018
Change in other bank balances (net)	**(60.66)**	1.60
Interest received	**15.85**	9.48
Dividend received	**4.29**	6.57
Net cash flow (used in) / generated from investing activities (B)	**(150.27)**	**49.48**
Cash flows from financing activities		
Proceeds from short term borrowings	**688.45**	3,982.68
Repayment of short term borrowings	**(658.77)**	(4,368.20)
Repayment of long-term borrowings	**(72.11)**	(825.65)
Interest paid	**(3.20)**	(90.90)
Dividend Paid (Including dividend distribution tax)	**(138.57)**	(93.53)
Premium on forward contracts	**(0.73)**	(4.44)
Net cash (used in) financing activities (C)	**(184.93)**	**(1,400.04)**
Net increase in cash and cash equivalents (A + B + C)	**205.95**	468.02
Cash and cash equivalents at the beginning of the year	**(96.72)**	(564.74)
Cash and cash equivalents at the end of the year	**109.23**	**(96.72)**
Notes:		
Component of Cash and Cash equivalents (refer note 2 below)		
- Cash on hand	**0.24**	0.12
- Debit balance in cash credit accounts	**8.38**	-
- Balances with bank on current accounts	**3.62**	6.02
- Deposit with original maturity of Less than three months	**152.00**	-
Total (refer Note 13)	**164.24**	6.14
Less: Cash credit and overdraft accounts (refer Note 18)	**55.01**	102.86
Total cash and cash equivalents	**109.23**	**(96.72)**

The accompanying notes are an integral part of these financial statements.

(1) The Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows issued by the Institute of Chartered Accountants of India.

(2) Disclosure under para 44A as set out in IND AS 7 'Cash flow statement' under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given as per Note 7.

For and on behalf of the Board of Directors,

D. V. Parikh	**T. J. Lakhmapurkar**	**M S Dagur**	**Dr. J. N. Singh**
General Manager & CFO	Company Secretary	Managing Director	Chairman

Place : Gandhinagar
Date : May 29, 2019

AS PER OUR REPORT OF EVEN DATE
For **S R B C & CO LLP**
Chartered Accountants
(Firm Registration No.: 324982E/E300003)

per Ravi Bansal
Partner
Membership No. 49365

Place : Mumbai
Date : May 29, 2019

Notes to the Standalone Financial Statements for the year ended March 31, 2019

1 Corporate information

The financial statements comprise financial statements of Gujarat Narmada Valley Fertilizers & Chemicals Limited ('the Company') for the year ended March 31, 2019. The Company is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at P.O: Narmadanagar -392 015, Dist.: Bharuch, Gujarat.

The Company is one of India's leading entities engaged in the manufacturing and selling of fertilizers, industrial chemical products and providing IT services.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 29, 2019.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) from time to time.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

-Derivative financial instruments,

-Defined benefit plans – plan assets measured at fair value; and

-Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

In addition, the financial statements are presented in INR and all values are rounded to the nearest Crore (INR 00,00,000), except when otherwise indicated.

2.2 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

b) Foreign currency transactions

The Company's financial statements are presented in INR, which is functional currency of the Company. The Company determines the functional currency and items included in the financial statements are measured using that functional currency.

c) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception that the Exchange differences arising on long-term foreign currency monetary items related to acquisition of a Property, Plant and Equipment (including funds used for projects work in progress) recognized in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. March 31, 2016 are capitalized / decapitalized to cost of Property, Plant and Equipment and depreciated over the remaining useful life of the assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions.

d) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative financial instruments and unquoted financial assets measured at fair value and for non recurring fair value measurement.

External valuers are involved for valuation of significant assets, such as properties, investments. Involvement of external valuers is decided upon annually by the Management and in specific cases after discussion with and approval by the Company's Audit Committee. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (refer Note 48)
- Quantitative disclosures of fair value measurement hierarchy (refer Note 48.2)
- Investment in unquoted equity shares (refer Note 7)
- Investment properties (refer Note 5)
- Financial instruments (including those carried at amortized cost) (refer Note 48.1)

e) Revenue from contracts with customer

Revenue from contracts with customers is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company derives its revenues from sale of goods such as fertilizers, industrial chemicals, government subsidies on sale of fertilizers and information technology related hardware / software services. The Company is generally the principal in its revenue arrangements because it controls goods or services before transferring them to the customer, except for the agency services where revenue is recognised on net basis.

The disclosure of significant accounting judgements, estimates and assumptions relating to revenue from contract with customers are provided in Note 3.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

The Company considers whether there are other promises in the contract (supply of information technology goods) that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. installation, warranties etc.) based on materiality of such obligation. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration and consideration payable to the customer (if any).

Installation, as applicable, is integral part of delivery of goods. The Company typically provides warranties for general repairs of defect that existed at the time of sale, as required by law. These assurance type warranties are accounted for under Ind AS 37 - Provisions , Contingent Liabilities and Contingent Assets unless it is fully realisable from the supplier.

Urea product subsidy

Urea Subsidy under the New Urea Policy - 2015 is recognised as per concession rates notified by the Government of India (GoI) at the point in time when the quantity is transferred / delivered to customers. Urea Subsidy is further adjusted for input price escalation/ de-escalation as estimated by the Management based on the prescribed norms. The Company recognises for the same on sales quantity basis.

ANP product subsidy

ANP Subsidy under Nutrient Based Subsidy (NBS) w.e.f. 01.04.2010 and amendments thereto is recognised as per the concession rates notified by the Government of India (GoI) at the point in time when the quantity is transferred / delivered to customers. The Company recognises for the same on sales quantity basis.

Urea and ANP freight subsidy

Freight Subsidy is recognized for the quantity transferred / delivered to customers based on the notified rates approved by the GoI in case of Urea and on the normative notified rates approved by the GoI or the actual freight whichever is lower in case of ANP.

Rendering of services (including contracted services)

Income from services rendered by the Information Technology division (including operation and maintenance) is recognized as and when the services are transferred to the customer at an amount that reflect the consideration to which the Company expects to be entitled in exchange for those services.

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is included in other income in the statement of profit or loss.

Dividends

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Insurance claims

Claims receivable on account of insurance are accounted for to the extent no significant uncertainty exist for the measurement and realisation of the amount.

Government grants and export incentives

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset except to the extent adjustments are recognised on account of change in estimate as per para 37 of Ind AS 8 to the carrying amount of the related assets.

Export incentive

Export incentives under various schemes notified by government are accounted for in the year of exports based on the eligibility, reasonable accuracy and conditions precedent to claim are fulfilled.

f) Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Q 'Financial instruments – initial recognition and subsequent measurement'.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

g) Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax (including Minimum Alternate Tax (MAT)) is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Current income tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

  Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse In the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

The Company is eligible and claiming tax deductions available under section 80IA of the Income Tax Act, 1961 for a period of 10 years w.e.f FY 2011-12 in respect of windmill income and w.e.f FY 2012-13 in respect of co-generation power and steam unit (CPSU). In view of Company availing tax deduction under Section 80IA of the Income Tax Act, 1961, deferred tax has been recognized in respect of temporary difference, which will reverse after the tax holiday period in the year in which the temporary difference originate and no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the temporary difference which originate first are considered to reverse first.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Company recognizes deferred tax credits in the nature of Minimum Alternate Tax (MAT) credit entitlement only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT tax credit is allowed to be carried forward, sufficient to utilize the MAT credit entitlement. In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The carrying amount of tax credit is reviewed at each reporting date as stated above.

h) Property, plant and equipment

Property, plant and equipment (PPE) and capital work in progress is stated at original cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replaced part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately considering their specific useful lives based on technical assessment, manufacturers warranties and maintenance support. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Company adjusts exchange differences arising on translation difference/settlement of long term foreign currency monetary items outstanding in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial statements i.e. March 31, 2016 and pertaining to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for the lease hold land which is amortized over the lease term of 99 years. The identified component of Property, Plant and Equipments are depreciated over their useful lives and the remaining components are depreciated over the life of the principal assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

An item of Property, Plant and Equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

i) Investment Properties

Investment properties are measured initially at original cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Company depreciates building component of investment property over 60 years from the date of original purchase.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

j) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Cost incurred on internally generated intangible assets are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

A summary of the policies applied to the Company's intangible assets is as follows:

Intangible Assets	Method of Amortization	Estimated Useful life
Computer software	on straight line basis	Six years or validity period whichever is lower
Licenses	on straight line basis	Over its useful life of 20 years

k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

l) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 01, 2017, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

m) Inventories

Inventories of Raw material, Work-in-progress, Finished goods and Stock-in-trade are valued at the lower of cost and net realisable value. However, Raw material and work-in-progress held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on Weighted Average Cost basis.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost basis.

All other inventories of stores and consumables (including coal) are valued at Weighted Average Cost.

Stores and Spares includes equipment spare parts, catalyst and others which are held as inventory by the Company.

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

n) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budget / forecast the Company extrapolates cash flow projection in the budget working a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case this growth rate does not exceed the long term average growth rate for the products, industry or the market in which the asset is used.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss as an exceptional item.

o) Provisions

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

p) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

The employee's gratuity fund scheme and post-retirement medical benefit schemes are Company's defined benefit plans. The contributions under the plans are made to separately administered funds. The cost of providing benefits under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

- Net interest expense or income

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The Company measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimate that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months as long term compensated absences which are provided for based on actuarial valuation as at the end of the period. The actuarial valuation is done as per Projected Unit Credit Method.

q) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus in case of financial asset not recorded at fair value through profit and loss, transaction cost that are attributable to the acquisition of the financial assets.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the Practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies for Revenue from contracts with customers.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date. i.e. the date that the Company commits to purchase or sales the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instrument at amortized cost

- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost

A Debt instrument is measured at amortized cost if both the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss except where the Company has given temporary waiver of interest not exceeding 12 months period. This category generally applies to trade, loans and other receivables.

Debt instruments at fair value through profit or loss

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

After initial measurement, such financial assets are subsequently measured at fair value with all changes recognized in Statement of profit and loss.

Equity instruments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment / de-recognition of investment on restructuring by investee. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit or Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement: and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure ;

a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balances.

b) Financial assets that are debt instruments and are measured at fair value through other comprehensive income (FVTOCI)

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

Under the simplified approach the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default over the expected life of a financial instrument.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / (expense) in the statement of profit and loss (P&L). This amount is reflected under the head 'Other Expense' in the P&L.

The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risk are recognized in OCI. These gains / losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at FVTPL.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

r) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value through profit or loss (FVTPL) on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivative financial instrument or on settlement of such derivative financial instruments are recognized in statement of profit and loss and are classified as Foreign Exchange (Gain) / Loss except those relating to borrowings, which are separately classified under Finance Cost.

s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the Company's cash management.

t) Cash dividend to equity holders of the Company

The Company recognizes a liability to make cash to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

u) Earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.3 Changes in accounting policies and disclosures

The following standards and amendments became applicable for the first time for the annual reporting period commencing from 1st April, 2018:

- Ind AS 115 - Revenue from contracts with Customer
- Amendment to Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance.
- Appendix B - Foreign Currency Transaction and Advance Consideration to Ind AS 21 - The effect of Changes in Foreign Exchange Rates.
- Amendment to Ind AS 12 - Income Taxes
- Amendment to Ind AS 40 - Investment Property
- Amendment to Ind AS 28 - Investment in Associates and Joint Ventures and Ind AS 112 - Disclosure of interest in Other Entities.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The adoption of the standard did not have any material impact on the financial statement of the Company.

Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

3 Significant accounting judgments, estimates and assumptions

The preparation of the Company's Ind AS Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Companies accounting policies, management has made the following judgements which have the most significant effects on the amounts recognised in the financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

Deferred tax assets (including tax credit under Minimum Alternate Tax (MAT)) are recognized for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in Note 25.

Defined benefit plans (gratuity benefits and other post-employment medical benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of these obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, medical cost escalations and mortality rates etc. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates and Company's obligation under Long Term Wage Settlement which is evaluated in block of four years. Medical cost escalations are based on expected future medical expenditure.

Further details about gratuity and post-employment medical benefits obligations are given in Note 41.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 48 for further disclosures.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Note 4 : Property, plant and equipment

(Rs. in Crores)

	Land freehold	Land lease hold	Buildings	Plant and equipment	Furniture and fixture	Vehicles	Office equipment	Roads, culverts and compund wall	Water supply and drainage system	Railway sidings	Total
COST											
As at April 01, 2017	**111.03**	**214.69**	**426.74**	**6,661.65**	**31.96**	**6.80**	**11.57**	**63.54**	**121.47**	**3.77**	**7,653.22**
Additions	-	-	0.72	16.22	1.01	1.21	0.67	1.00	1.07	-	21.90
Disposals	-	-	-	(95.27)	(0.29)	(0.22)	(0.05)	-	-	-	(95.83)
Adjustments for foreign currency fluctuation	-	-	-	10.38	-	-	-	-	-	-	10.38
As at March 31, 2018	**111.03**	**214.69**	**427.46**	**6,592.98**	**32.68**	**7.79**	**12.19**	**64.54**	**122.54**	**3.77**	**7,589.67**
Additions	-	25.85	2.24	71.15	0.75	0.44	0.66	-	4.63	-	105.72
Disposals	-	-	-	(53.21)	(0.26)	(1.08)	(0.03)	-	-	-	(54.58)
Adjustments for foreign currency fluctuation	-	-	-	(2.49)	-	-	-	-	-	-	(2.49)
As at March 31, 2019	**111.03**	**240.54**	**429.70**	**6,608.43**	**33.17**	**7.15**	**12.82**	**64.54**	**127.17**	**3.77**	**7,638.32**
DEPRECIATION / AMORTIZATION											
As at April 01, 2017	-	**11.22**	**84.57**	**3,055.72**	**18.82**	**2.60**	**9.88**	**25.07**	**45.88**	**3.58**	**3,257.34**
Depreciation for the year	-	2.24	11.50	237.06	1.61	0.77	0.52	4.76	9.03	-	267.49
Disposals	-	-	-	(49.50)	(0.26)	(0.10)	(0.03)	-	-	-	(49.89)
As at March 31, 2018	-	**13.46**	**96.07**	**3,243.28**	**20.17**	**3.27**	**10.37**	**29.83**	**54.91**	**3.58**	**3,474.94**
Depreciation for the year	-	2.36	11.58	228.33	2.25	0.78	0.51	4.61	9.35	-	259.77
Disposals	-	-	-	(11.36)	(0.19)	(0.53)	(0.01)	-	-	-	(12.09)
As at March 31, 2019	-	**15.82**	**107.65**	**3,460.25**	**22.23**	**3.52**	**10.87**	**34.44**	**64.26**	**3.58**	**3,722.62**
NET BLOCK											
As at March 31, 2019	**111.03**	**224.72**	**322.05**	**3,148.18**	**10.94**	**3.63**	**1.95**	**30.10**	**62.91**	**0.19**	**3,915.70**
As at March 31, 2018	111.03	201.23	331.39	3,349.70	12.51	4.52	1.82	34.71	67.63	0.19	4,114.73

Notes :

1. Leasehold Land pertains to the costs incurred for leasehold land in possession of the Company as a Licensee, pending completion formalities of the lease agreement for a term of 99 years in respect of certain land areas situated at Dahej and Atali. Addition to lease hold land represents cost of increase in land area earlier allotted to the Company and payment of stamp duty on registration of lease agreement in respect of lease hold land situated at Dahej.
2. Feed Stock Conversion Projects from 'LSHS/FO' to 'Gas' acquired under Government of India policy for reimbursement of project cost over a period of five years from the date of commercial production, was capitalized on 01.10.2013. Accordingly, plant and equipment includes assets amounting to Rs. 1,215.64 crores (net of decapitalisation as per note 3 below) represented by capital grant of Rs. 1,213.06 crores as disclosed in Note 22.
3. During the year the Company has received concession amounting to Rs. 32.75 crores (Rs. 52.44 crores in previous year) towards Feed Stock Conversion Project, which has been adjusted to the carrying value of plant and equipment in terms of para 37 of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The gain (adjustment) of Rs. 5.69 crores (Rs. 10.91 crores in previous year) arising on decapitalisation of plant & equipment is transferred to Other income (refer Note 27).
4. During the year the Company has received concession amounting to Rs. 12.26 crores towards TDI II project, which has been adjusted to the carrying value of plant and equipment in terms of para 37 of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The gain (adjustment) of Rs. 2.71 crores arising on decapitalisation is transferred to Other income (refer Note 27).
5. Assets given on lease includes plant and equipment :
   - Cost as at March 31, 2019 is Rs. 9.39 crore (March 31, 2018 Rs. 9.39 crore)
   - Depreciation as at March 31, 2019 is Rs. 8.92 crore (March 31, 2018 Rs. 8.92 crore)
   - Net block as at March 31, 2019 is Rs. 0.47 crore (March 31, 2018 Rs. 0.47 crore)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

6. Capital work in progress is as under:
   - Gross block as at March 31, 2019 is Rs. 28.29 crore (March 31, 2018 Rs. 13.67 crore)
   - Impairment provision as at March 31, 2019 is Rs. 2.93 crore (March 31, 2018 Nil)
   - Net block as at March 31, 2019 is Rs. 25.36 crore (March 31, 2018 Rs. 13.67 crore)

   It mainly includes cost incurred on plant and equipment procured at Neem project, TDI-I and TDI-II locations.
7. Additions to property, plant & equipment during the year include Rs. 0.36 crore (previous year: Rs. 0.18 crore) used for research and development activities.

Note 5 : Investment property

(Rs. in Crores)

Particulars	Building	Total
COST		
As at April 01, 2017	**25.93**	**25.93**
Additions (subsequent expenditure)	-	-
As at March 31, 2018	**25.93**	**25.93**
Additions (subsequent expenditure)	**-**	**-**
As at March 31, 2019	**25.93**	**25.93**
DEPRECIATION		
As at April 01, 2017	**6.52**	**6.52**
Depreciation for the year	0.43	0.43
As at March 31, 2018	**6.95**	**6.95**
Depreciation for the year	0.43	0.43
As at March 31, 2019	**7.38**	**7.38**
NET BLOCK		
As at March 31, 2019	**18.55**	**18.55**
As at March 31, 2018	18.98	18.98

Information regarding income and expenditure of Investment property (Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rental income derived from Investment properties	**11.41**	10.97
Direct operating expenses (including repairs and maintenance) generating rental income	**(3.64)**	(5.81)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	**(1.69)**	(0.68)
Profit arising from investment property before depreciation and indirect expenses	**6.08**	4.48
Less : Depreciation	**(0.43)**	(0.43)
Profit arising from investment property before indirect expenses	**5.65**	4.05

(i) As at March 31, 2019 and March 31, 2018 the fair values of the investment property is Rs 85.25 crore and Rs. 57.61 crore respectively, based on valuations performed by an accredited independent valuer, who is a specialist in valuing such types of investment properties.

(ii) The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iii) Fair value hierarchy disclosure for investment properties have been provided in Note 48.2.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note 6 : Intangible assets

(Rs. in Crores)

Particulars	Computer software	Licenses	Total
COST			
As at April 01, 2017	**22.67**	**34.27**	**56.94**
Additions	3.03	-	3.03
As at March 31, 2018	**25.70**	**34.27**	**59.97**
Additions	-	-	-
As at March 31, 2019	**25.70**	**34.27**	**59.97**
AMORTIZATION			
As at April 01, 2017	**18.38**	**11.63**	**30.01**
Amortization for the year	1.00	1.55	2.55
As at March 31, 2018	**19.38**	**13.18**	**32.56**
Amortization for the year	1.20	1.55	2.75
As at March 31, 2019	**20.58**	**14.73**	**35.31**
NET BLOCK			
As at March 31, 2019	**5.12**	**19.54**	**24.66**
As at March 31, 2018	6.32	21.09	27.41

Note 7 : Investments

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Investments		
(i) Investment in a Subsidiary at cost (Unquoted)		
Investment in equity instrument-unquoted (In fully paid up equity shares)		
10,000 (previous year 10,000) Equity shares of Gujarat Ncode Solutions Limited of Rs. 10/- each	**0.01**	0.01
Total	**0.01**	0.01
(ii) Investment in Associate at cost (Unquoted)		
Investment in equity instrument-unquoted (In fully paid up equity shares)		
12,50,000 (previous year 12,50,000) Equity shares of Gujarat Green Revolution Company Limited of Rs. 10/- each	**1.25**	1.25
Total	**1.25**	1.25
Non- Trade Investments		
(i) Investments at fair value through other comprehensive income (FVTOCI)[Refer note (a & b)]		
Investments at FVTOCI		
Investments in equity instruments-quoted		
(In fully paid up equity shares)		
A) 75,00,000 (previous year 75,00,000) Equity Shares of Gujarat State Fertilizers & Chemicals Limited of Rs 2/- each	**78.19**	85.58

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
B) 17,59,996 (previous year 17,59,996) Equity Shares of Gujarat Alkalies & Chemicals Limited of Rs 10/- each	**86.82**	122.94
C) 80,00,000 (previous year 80,00,000) Equity Shares of Gujarat State Petronet Limited of Rs 10/- each	**152.56**	151.60
D) 2,66,445 (previous year 53,289) Equity Shares of Gujarat Gas Limited of Rs 2/- each (previous year Rs. 10/- each)	**3.94**	4.44
	321.51	364.56
Investments in equity instruments-unquoted		
A) 2,15,43,200 (previous year 2,15,43,200) equity shares of Gujarat State Petroleum Corporation Limited of Rs 1/- each	**17.26**	17.30
B) 42,000 (previous year 42,000) equity shares of Bharuch Enviro Infrastructure Limited of Rs 10/- each @	**4.53**	5.13
C) 20,000 (previous year 20,000) equity shares of Gujarat Venture Finance Limited of Rs 10/- each @	**0.30**	0.25
D) 18,39,60,000 (previous year 18,39,60,000) equity shares of Gujarat Chemical Port Terminal Company Limited of Rs 1/- each	**347.68**	279.62
E) 2,42,10,000 (previous year 2,42,10,000) equity shares of Ecophos GNFC Private Limited of Rs. 10/- each	**24.21**	19.17
F) 6,12,60,000 (previous year 4,92,60,000) equity shares of Bhavnagar Energy Company Limited of Rs 10/- each #	**-**	24.38
G) 1,35,30,000 (previous year 1,35,30,000) equity shares of Bharuch Dahej Railway Company Limited of Rs 10/- each @	**14.90**	14.33
H) 10 (previous year 10) shares of GESIA IT Association of Rs. 10/- each	**- ***	- *
	408.88	360.18
Total	**730.39**	724.74
Non-current	**731.65**	726.00
Current	**-**	-
Total investments	**731.65**	726.00
Aggregate book value of quoted investments and market value thereof	**321.51**	364.56
Aggregate amount of unquoted investments	**410.14**	361.44

* Amount nullified on conversion to Rs in Crores

\# During the year, the Company has recognized losses on investment in unquoted equity shares of Bhavnagar Energy Company Limited (BECL) that got merged into Gujarat State Electricity Corporation Ltd (GSECL) vide Government of Gujarat notification dated August 27, 2018 for transfer and vesting in GSECL the undertaking of BECL in all respects by issuance of one equity share to each shareholder of BECL against the total number of shares held by them, and thus Company valued such investment as at March 31, 2019 at the nominal consideration receivable of one share in GSECL resulting into aggregate losses of Rs. 61.26 crores (Rs. 24.88 crores till March 31, 2018) recognized though other comprehensive income.

@ Company was carrying physical share certificate in respect of these investments and has applied for dematerialization (Demat) during the year.

(a) The fair value of the quoted equity investments are derived from quoted market prices in active market.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(b) Investments include investment in unquoted equity shares. Fair value of unquoted investment in equity instrument have been carried out by independent valuer using Net Assets Value model and comparable companies model following Market Approach and Income Approach. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk, volatility, net assets and market multiples. The probabilities of various estimates within the range can be reasonably assessed and are used in management's estimates for fair value for these unquoted equity instruments.

Reconciliation of Fair value measurement of the investment in equity shares (Rs. in Crores)

	As at March 31, 2019	As at March 31, 2018
Opening Balance	**724.74**	761.19
Add : Investment made during the year	**12.00**	-
Fair value (loss) / gain recognised in Other Comprehensive Income	**(6.35)**	(36.45)
Closing Balance	**730.39**	724.74

Note 8 : Loans and advances (unsecured)

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Loans		
Unsecured - considered good		
Loans to employees *	**16.70**	15.41
Total	**16.70**	15.41
Non-Current		
Loans		
Unsecured - considered good		
Deposits with corporate	**160.00**	-
Loans to employees *	**87.37**	75.76
Unsecured - considered doubtful		
Amount recoverable from employee	**1.57**	1.57
Less: Provision for doubtful loans	**(1.57)**	(1.57)
	-	-
Loan to other companies	**0.40**	0.40
Less: Provision for doubtful loans	**(0.40)**	(0.40)
	-	-
Total	**247.37**	75.76
Total loans and advances	**264.07**	91.17

* includes interest accrued Rs 3.07 crores on current loans to employees and of Rs. 32.94 crores on non-current loans to employees.

Note 9 : Other financial assets

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Other financial assets		
Capital grant recoverable from Government of India (*)	**-**	31.38
Dividend receivable	**2.76**	-
Accrued interest	**7.40**	0.43
Other receivables	**0.01**	0.02
Deposits with suppliers	**7.11**	-
Total	**17.28**	31.83

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current		
Other financial assets		
Deposits with suppliers	**11.25**	8.38
Fair value of derivative contracts	**-**	1.47
Other receivables	**0.21**	0.20
Total	**11.46**	10.05
Total other financial assets	**28.74**	41.88

(*) Represents the Grant to be disbursed by Government of India for feed stock conversion project from 'LSHS/ FO' to 'Gas' as contemplated in Note 22.

Note 10 : Trade receivables (Unsecured)

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables		
- Considered good	**306.71**	458.94
- Credit impaired	**5.17**	5.03
Subsidy receivables (Considered good)	**933.48**	665.14
	1,245.36	1,129.11
Less : Impairment Allowances (Allowance for doubtful debts)		
Trade receivables		
- Considered good	**-**	(4.00)
- Credit impaired	**(5.17)**	(5.03)
Total	**1,240.19**	1,120.08

Note: No trade or other receivables are due from Directors or other officers of the Company either severally or jointly with any other person; nor any trade or other receivables are due from firms or private companies in which any Director is a partner, a director or a member.

The fair value of trade receivables (including subsidy receivables) is not materially different from the carrying value presented. Trade receivables are non interest bearing and are generally on terms of 30 to 90 days. Trade receivables of (n)Code division (IT) are of Rs 112.91 crores (previous year Rs 153.47 crores) are governed by the terms of respective contract agreement.

Note 11 : Other non-current assets

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Unamortized employee loan benefits	**25.43**	24.35
Capital advances	**12.62**	0.71
Deposits / Recoverable balances from customs, excise and others	**12.02**	12.39
Prepaid Expense	**5.71**	-
Unsecured - considered doubtful		
Advances to suppliers	**5.67**	5.67
Less: Provision for doubtful advances	**(5.67)**	(5.67)
	-	-
Balances / deposits recoverable from customs, taxes, cess etc.	**5.08**	5.01
Less: Provision for doubtful balances	**(5.08)**	(5.01)
	-	-
Total	**55.78**	37.45

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note 12 : Inventories (Valued at lower of Cost and Net realisable value)

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	**166.00**	97.85
Work-in-progress	**40.34**	35.06
Finished goods *	**138.85**	93.97
Traded goods	**2.44**	3.36
Stores and spares (Including coal) (Includes in transit inventory as on March 31, 2019 Rs.0.03 crore; as on March 31, 2018 Rs. 19.45 crore)	**481.40**	450.40
Total	**829.03**	680.64

* During the current year the Company has adjusted finished goods by Rs 14.57 crores so as to value such inventories at net realizable value which is lower than the cost.

Note 13 : Cash and cash equivalents

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents		
Balances with banks in:		
- Current accounts	**3.62**	6.02
- Debit balance in cash credit accounts	**8.38**	-
Cash on hand	**0.24**	0.12
Deposits with original maturities less than three months	**152.00**	-
Total	**164.24**	6.14

Changes in liabilities arising from financing activities:

(Rs. in Crores)

Particulars	As at April 01, 2018	Cash flows (net)	Foreign exchange management	Changes in fair values	Other	As at March 31, 2019
Current borrowings (excluding items listed below)	229.56	(18.99)	0.41	-	(3.05)	**207.93**
Derivatives	(1.47)	-	1.47	-	-	**-**
Current maturities of long-term borrowings	73.47	(72.11)	(2.19)	-	0.83	**-**
Deposits from customers / vendors	50.23	(2.45)	-	-	-	**47.78**
Unclaimed dividends	8.06	1.95	-	-	-	**10.01**
Total	**359.85**	**(91.60)**	**(0.31)**	**-**	**(2.22)**	**265.72**

Note 14 : Other bank balances

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
- Unpaid dividend accounts	**10.01**	8.06
- Bank balances in escrow accounts *	**8.70**	-
Deposit with original maturity of less than twelve[12] months but more than three months (Pledged with lenders and Government authorities)	**51.96**	1.95
Total	**70.67**	10.01

* Balances in escrow account represents amounts received on behalf of customers of (n)code division.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note 15 : Other current assets **(Rs. in Crores)**

Particulars	As at March 31, 2019	As at March 31, 2018
Deposits / Recoverable balances from customs, excise and others	**59.91**	116.80
Advance to suppliers	**45.92**	83.67
Contract assets	**19.49**	20.18
Receivable from others	**14.60**	14.18
Prepaid expenses	**5.03**	3.53
Unamortized employee loan benefits	**4.85**	4.96
Energy savings certificates *	**-**	-
Total	**149.80**	243.32

* Amount nullified on conversion to Rs in Crores

Note 16 : Share capital **(Rs. in Crores)**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Authorised share capital				
Equity shares of Rs.10 each	**25,00,00,000**	**250.00**	25,00,00,000	250.00
	25,00,00,000	**250.00**	25,00,00,000	250.00
Issued, subscribed and fully paid up				
Equity shares of Rs.10 each subscribed and fully paid up	**15,54,18,783**	**155.42**	15,54,18,783	155.42
Total issued, subscribed and fully paid up share capital	**15,54,18,783**	**155.42**	15,54,18,783	155.42

Note 16.1. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
At the beginning of the year	**15,54,18,783**	**155.42**	15,54,18,783	155.42
Issued/reduction, if any during the year	**-**	**-**	-	-
Outstanding at the end of the year	**15,54,18,783**	**155.42**	15,54,18,783	155.42

Note 16.2. Terms/rights attached to the equity shares

Rights preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having par value of Rs 10 per share, i.e. equity shares which rank pari passu in all respects. Each holder of equity share is entitled to one vote per share.

For the current financial year 2018-19, the Company has proposed dividend of Rs. 7 per equity share to equity shareholder (for the previous financial year dividend of Rs. 7.5 per share declared). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note 16.3. Number of Shares held by each shareholder holding more than 5% Shares in the Company

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of Share holding	No. of Shares	% of Share holding
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 Corporations of India	**1,17,91,612**	**7.59**	1,17,91,612	7.59

Note 17 : Other equity

Note 17.1 Reserves and Surplus

(Rs. in Crores)

Particulars	Capital reserve	Securities Premium	General reserve	Retained earnings	Total
As at April 01, 2017	**0.64**	**313.31**	**2,189.76**	**635.19**	**3,138.90**
Profit for the year				789.52	789.52
Re-measurement losses on defined benefit plans (Net of Taxes)				(26.72)	(26.72)
Balance available for appropriation				**1,397.99**	**3,901.70**
Less : Appropriations					
Transfer to General reserve			115.00	(115.00)	-
Dividend				77.71	77.71
Tax on equity dividend				15.82	15.82
As at March 31, 2018	**0.64**	**313.31**	**2,304.76**	**1,189.46**	**3,808.17**
Profit for the year				741.17	741.17
Re-measurement losses on defined benefit plans (net of taxes)				(48.45)	(48.45)
Balance available for appropriation				**1,882.18**	**4,500.89**
Less : Appropriations					
Transfer to General reserve			175.00	(175.00)	-
Dividend				116.56	116.56
Tax on equity dividend				23.96	23.96
As at March 31, 2019	**0.64**	**313.31**	**2,479.76**	**1,566.66**	**4,360.37**

Securities Premium:
Securities premium is used to record the premium on issue of shares. This reserve is utilized in accordance with the provision of section 52 (2) (c) of the Companies Act, 2013.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note 17.2 Other Comprehensive Income (OCI)

(Rs. in Crores)

Particulars	Net gain / (loss) on FVTOCI equity Investments	Total
As at April 01, 2017	**507.27**	**507.27**
Other comprehensive income / (expense) during the year		
Net (loss) on FVTOCI equity investments for the year	(36.45)	(36.45)
Income tax effect	23.57	23.57
As at March 31, 2018	**494.39**	**494.39**
Other comprehensive income / (expense) during the year		
Net (loss) on FVTOCI equity investments for the year	(6.35)	(6.35)
Income tax effect	(6.73)	(6.73)
As at March 31, 2019	**481.31**	**481.31**

Note 17.3 Dividend distribution made and proposed

(Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash dividends on equity shares declared and paid		
Final dividend for year ended March 31, 2018: Rs. 7.5 per share (March 31, 2017: 5 per share)	**116.56**	77.71
Dividend distribution tax on final dividend	**23.96**	15.82
	140.52	93.53
Proposed dividends on equity shares		
Final cash dividend proposed for the year ended March 31, 2019: Rs. 7 per share (March 31, 2018: Rs.7.5 per share)	**108.79**	116.56
Dividend distribution tax on proposed dividend	**22.36**	23.96
	131.15	140.52

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at balance sheet date.

Note 18 : Borrowings

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities interest bearing borrowings		
Secured		
Term loans		
- Foreign currency term loan from bank	**-**	73.47
Regrouped with other current financial liabilities (refer note 20)	**-**	73.47

Security details

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Short-term interest bearing borrowings **(Rs. in Crores)**

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
From Bank- cash credit and overdraft accounts	**55.01**	102.86
Other loans and advances from banks *	**152.92**	51.22
Packing credit in foreign currency (PCFC)	-	6.66
Unsecured		
Loan repayable on demand from others	-	3.05
Other loans and advances		
- Buyers' credit in foreign currency from banks	-	65.77
Total	**207.93**	229.56

* During the year, the Company has availed Special Banking Arrangement (SBA) as approved by Ministry of Finance, Department of Economic Affairs to enable the indigenous Urea, Indigenous P&K manufacturers to raise loans from Punjab National Bank against outstanding subsidy receivables from the Government of India.

Terms of repayment, interest and secured

SBA carries interest rate of 8.20% per annum of which GOI shall be bearing 7.72% and 0.48% shall be borne by the Company.

SBA is secured by hypothecation of subsidy receivables in respect of indigenous urea and indigenous P&K as identified and lien marked by Government of India. SBA is further secured by letter of comfort from Department of Fertilizers (DOF), GOI for timely payment of principle and interest to the extent of 7.72%. p.a.

SBA is repayable within maximum period of 60 days from the date of disbursement with one day prior notice.

Security details

Short term borrowings from banks as cash credit and overdraft accounts of Rs. 55.01 Crore (March 31, 2018: Rs. 102.86 Crore), Short-Term Loans and Advances from Banks of Rs. 152.92 Crore (March 31, 2018: Rs. 51.22 Crore) and PCFC Export Credit in Foreign Currency from Banks of Nil (March 31, 2018: Rs. 6.66 Crore) are secured by first charge by way of hypothecation of inventories and trade receivables and all other movable assets, both present and future and further secured by second charge by way of mortgage on all immovable properties. These charges are ranking pari-passu among the working capital lenders.

Interest rate details for short term borrowings:

(i) Cash credit facilities and overdrafts carries interest rates ranging from 7.95% to 8.40% p.a.

(ii) Other loans and advances from banks carries interest rate of 0.48% p.a. (0.96% previous year)

Note 19 : Trade payables **(Rs. in Crores)**

Particulars	As at March 31, 2019	As at March 31, 2018
(A) total outstanding dues of micro enterprises and small enterprises	**31.36**	14.18
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	**363.39**	411.89
Total	**394.75**	426.07

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"):		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	**31.36**	14.18
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**-**	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**-**	-
(iv) The amount of interest due and payable for the year	**-**	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	**-**	-

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

Note 20 : Other current financial liabilities

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Other financial liabilities at amortized cost		
Current maturities of long-term borrowings	**-**	73.47
Liability towards excess capital grant received (net) (*)	**85.06**	-
Deposits from customers / vendors	**47.78**	50.23
Payable for capital goods	**23.82**	25.05
Rebate / discounts payable to customers	**15.83**	4.11
Interest accrued but not due on borrowings	**-**	11.03
Unclaimed dividends #	**10.01**	8.06
Total	**182.50**	171.95

Not due for credit to "Investors Education and Protection Fund"

(*) Represents the excess Grant received by the Company against feed stock conversion project from 'LSHS/ FO' to 'Gas' as disclosed in Note 22.

Note 21 : Provisions (Non-current)

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for leave encashment	**177.73**	130.71
Provision for post retirement medical benefit (refer Note 41)	**47.92**	42.73
Expected loss of PF trust *	**10.25**	-
Total	**235.90**	173.44

* Employees' Provident Fund Trust of the Company (GNFC-EPFT) is holding investments aggregating to Rs. 41 Crore in various long term secured/unsecured listed debt securities issued by IL&FS Group. In view of uncertainties regarding recoverability of such investment, during the year the Company has, as a matter of prudence, provided Rs. 10.25 Crore i.e. 25% of the total investment of Rs.41 Crore, towards probable incremental employee benefit liability that may arise on the Company on account of any likely deficit in the GNFC-EPFT in meeting its obligations.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note 22 : Government grant (Deferred Income) **(Rs. in Crores)**

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Grant from Government of India (refer note a)	**60.65**	60.65
Government grant of Export Promotion Capital Grant (EPCG) (refer note b)	**5.00**	5.00
Total	**65.65**	65.65
Non Current		
Grant from Government of India (refer note a)	**818.82**	879.47
Other Government grant	**1.00**	1.00
Total	**819.82**	880.47
Total government grant (deferred income)	**885.47**	946.12

(a) Movement in Grant from Government of India **(Rs. in Crores)**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening	**940.12**	1,000.77
Released to statement of profit and loss	**(60.65)**	(60.65)
Closing	**879.47**	940.12

The capital grant from Government of India, Ministry of Chemicals & Fertilizers, Department of Fertilizers for feed stock conversion project from 'LSHS/FO' to 'Gas' vide sanction letter no 14023/22/2007-FP dated 14.12.2009 has accrued to the Company since the conditions attached to the grant have been fulfilled by the Company. Accordingly, the grant of Rs. 1,215.74 crore was recorded as contemplated under Para 7 and 12 of Ind AS - 20 on 'Accounting for Government Grants and Disclosure of Government Assistance'. The aforesaid grant have been disbursed by the Government of India. further the scrutiny of project cost have been completed by the Government appointed team and the Grant amount was finalised at Rs. 1,213.06 crore.

During the current year, the government has disbursed Rs. 89.18 crore on account of capital grant, cumulative capital grant received upto at March 31, 2019 Rs.1,146.43 crores against total receivable of Rs 1,213.06 crores and Rs. 27.31 crores towards grant as reimbursement of borrowing cost, cumulative reimbursement of borrowing costs upto March 31, 2019 is Rs.348.45 crores against total borrowing cost incurred of Rs.195.47 crores. Accordingly, the Company has, pending settlement, recorded a net liability of Rs 85.06 crores (net of adjustment of receivable against return on investment of Rs.1.29 crores as at March 31, 2019) towards excess amount received over and above the actual grant receivable. (refer note 20)

(b) Movement in Government grant of EPCG **(Rs. in Crores)**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening	**5.00**	16.02
Released to statement of profit and loss	**-**	(11.02)
Closing	**5.00**	5.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note 23 : Other current liabilities

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory and other liabilities	**16.65**	70.99
Other current liabilities (Refer Note 43)	**50.56**	41.67
Contract liabilities (Advance from customers)	**17.53**	20.53
Total	**84.74**	133.19

Note 24 : Provisions (current)

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for leave encashment	**59.11**	41.04
Provision for contingencies (refer note a)	**3.04**	12.66
Provision for post retirement medical benefit (Refer Note 41)	**1.58**	1.42
Total	**63.73**	55.12

Note: a

The Company has created a contingency provision of Rs. 3.04 crores for possible contractual obligation of IT business (previous year Rs. 12.66, towards policy uncertainties related to the Company's claims with the Government authorities based on the management assessment.) The movement of provision for contingencies is as under:

(Rs. in Crores)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening balance	**12.66**	**-**
Provision made during the year	**3.04**	**12.66**
Amount utilised / reversed during the year	**(12.66)**	**-**
Closing balance	**3.04**	**12.66**

Note 25 : Income Tax

The major component of income tax expenses for the year ended March 31, 2019 and March 31, 2018 are as under

a) Statement of Profit and Loss Section

(Rs. in Crores)

Particulars		Year Ended March 31, 2019	Year Ended March 31, 2018
Current Income tax			
Current tax charges	**A**	**244.32**	383.70
Excess tax provision write back of earlier years (refer note (h) below)	**B**	**(133.86)**	-
Deferred Tax			
Relating to origination and reversal of temporary differences		**(32.26)**	10.67
Tax (credit) under Minimum Alternate tax		**-**	(21.92)
	C	**(32.26)**	(11.25)
Tax Expense reported in the Statement of Profit and Loss	**A + B + C**	**78.20**	372.45
Other Comprehensive Income ('OCI') Section			
Income tax / Deferred tax related to items recognised in OCI during the year			
Re-measurement losses on defined benefit plans, credit		**26.02**	14.14
Unrealised (loss) / gain on FVTOCI equity investments, (charge) /credit		**(6.73)**	23.57
		19.29	37.71

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

b) Balance Sheet Section (Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Liabilities for current tax (net)	**22.80**	99.91
Income tax assets (net)	**(23.16)**	(40.53)
Net Tax Provision Outstanding	**(0.36)**	59.38

c) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018 (Rs. in Crores)

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	%	Amount	%	Amount
Profit Before tax		**819.37**		1,161.97
Tax using domestic tax rate for Company	**34.94**	**286.32**	34.61	402.13
Tax Effect of:				
Income exempted from tax	**(0.30)**	**(2.46)**	(0.20)	(2.27)
Deduction u/s 80IA	**(8.49)**	**(69.54)**	(2.01)	(23.33)
Expenses with weighted deduction in tax	**(0.06)**	**(0.52)**	(0.03)	(0.30)
Non-deductible expenses	**0.27**	**2.24**	0.12	1.45
Sale of assets	**0.24**	**1.99**	0.05	0.59
MAT credit entitlement of earlier years	**-**	**-**	(1.89)	(21.92)
Realised gain on ECB derivative	**(0.06)**	**(0.52)**	-	-
Income taxable under long term capital gain tax	**-**	**-**	0.00	0.04
Adjustment in depreciation net book value of assets	**(0.67)**	**(5.45)**	0.98	11.39
Change in rate of cess (from 3% to 4%)	**-**	**-**	0.41	4.80
Other adjustments	**-**	**-**	(0.01)	(0.13)
Effective tax rate and tax	**25.88**	**212.06**	32.05	372.45
Excess tax provision write back of earlier years	**(16.34)**	**(133.86)**	-	-
Tax expenses as per Books	**9.54**	**78.20**	32.05	372.45

d) Deferred Tax Liability (net) (Rs. in Crores)

	Balance Sheet as at		Statement of Profit and Loss	
	March 31,2019	March 31,2018	Year ended March 31,2019	Year ended March 31,2018
(Liability) on Accelerated depreciation for tax purpose	**(873.65)**	(904.24)	**(30.59)**	1.42
Assets on provision for Leave encashment	**80.03**	57.28	**(22.75)**	(7.84)
Assets on deferred government grant of ASGP	**307.32**	328.52	**21.20**	17.84
Assets on deferred government grant of EPCG	**1.75**	1.75	**-**	3.79
Assets on Provision for doubtful debts and advances	**14.76**	15.86	**1.10**	(6.16)
Asset / (Liability) on equity investment FVTOCI	**(30.40)**	(23.67)	**6.73**	(23.57)
Assets / (liability) on other adjustments	**2.52**	1.30	**(1.22)**	1.62
	(497.67)	(523.20)	**(25.53)**	(12.90)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

e) Deferred tax liabilities reflected in the balance sheet as follows **(Rs. in Crores)**

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities	**497.67**	523.20
Less :Tax credit entitlement under MAT	**(30.99)**	(44.53)
Deferred tax liabilities (net)	**466.68**	478.67

f) Reconciliation of deferred tax liabilities (net) **(Rs. in Crores)**

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance as of April 01	**478.67**	386.92
Tax expenses during the period recognised in statement of profit and loss	**(32.26)**	10.67
Tax (credit) under Minimum Alternate tax (current year amount pertains to earlier years) (previous year amount includes Rs. 21.92 crore pertaining to earlier years)	**(58.20)**	(21.92)
Tax credit during the period recongnised in OCI	**6.73**	(23.57)
Utilisation of MAT credit entitlement	**71.74**	126.57
Closing balance	**466.68**	478.67

g) The Company made tax provision as per normal income tax provisons of the Income Tax Act, 1961. Based on this, the Company has made provision of Rs. 244.32 crore (previous year Rs. 383.70 Crore).

h) During the year, the Company has carried out reconciliation of income tax liabilities pertaining to current tax provision of earlier years as per books of account with tax liabilities acknowledged in respective year's income tax return/assessed tax liabilities. Accordingly, based on such reconciliation, excess tax provision aggregating to Rs. 133.86 crores related with earlier years has been written back during the year.

i) The Company has following unutilised MAT credit under the Income Tax Act, 1961 for which deferred tax assets has been recognised in the Balance Sheet at.

Financial Year	Rs. in Crores	Year of expiry
2016-17	30.99	2031-32
Total	**30.99**	

j) During the year ended March 31, 2019, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity. (refer Note 17.3).

Note 26 : Revenue from operations

(Rs. in Crores)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
26.1	**Sale of products**		
	Own products	**5,749.44**	5,667.94
	Traded products	**49.03**	133.73
		5,798.47	5,801.67
	Rendering of services	**66.43**	97.36
	Other operating revenue		
	Export incentive	**15.47**	10.41
	Purchase Tax reimbursement	**6.93**	-
	Recovery of administrative charges (Fly Ash)	**4.32**	4.07
	Sale of scrap / surplus / unserviceable materials	**4.40**	3.08
		31.12	17.56
	Total	**5,896.02**	5,916.59

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Crores)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
26.2	**Timing of revenue recognition**		
	Goods transferred / services rendered at point in time	**5,882.38**	5,902.95
	Services transferred over time	**13.64**	13.64
	Total	**5,896.02**	5,916.59

26.3 There are no inter-segment transfers in case of revenue from contracts with customers, accordingly no reconciliation is required with amounts disclosed in the segment information.

26.4 **Reconciliation of amounts of revenue recognized in the statement of profit and loss with the contracted price.**

(Rs. in Crores)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
Revenue as per contracted price (inclusive of excise duty)	**A**	**6,133.39**	6,168.11
Adjustments:			
Rebates / discounts / incetives		**206.91**	229.68
Dearler's margin		**30.46**	21.84
	B	**237.37**	251.52
Revenue from contract with customers	**A-B**	**5,896.02**	5,916.59

Note 27 : Other income

(Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Grant income	**64.56**	81.96
Interest income * @	**49.54**	12.51
Rent income	**12.37**	11.31
Gain (adjustment) on decapitalisation of property, plant and equipment	**8.40**	10.91
Unclaimed loans / liabilities written back $	**33.91**	-
Dividend income **	**7.05**	6.57
Exchange variance gain on monetary items	**6.16**	4.67
Excess provision of doubtful debt written back	**4.01**	0.07
Insurance claim	**23.65**	9.69
Miscellaneous income	**10.89**	3.83
Total	**220.54**	141.52

* Including Rs. 8.88 crore (previous year Rs. 7.54 crore) on FVTPL Financial Assets.

@ Includes Rs. 22.31 crore (previous year Rs. 0.44 crore) interest on income tax refunds.

$ During the year, the Company has written back loan from Government of Gujarat that was received by the Company during financial years 1979 to 1984 pursuant to then prevailing water supply scheme. Over the years the Company has also accrued interest liability of Rs. 10.21 crores on such loan. Since there has been no demand by the Government of Gujarat since disbursement of such loan to recover such loan, the Company has written back the liability of Rs. 13.26 crores.

** Including Rs. 6.98 crore (previous year Rs. 6.51 crore) on FVTOCI Financial Assets.

Note 28: Cost of raw materials consumed (Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Inventory at the beginning of the year	**97.85**	130.23
Add : Purchases	**2,916.26**	2,350.81
	3,014.11	2,481.04
Less : Inventory at the end of the period	**166.00**	97.85
Total	**2,848.11**	2,383.19

Note 29A : Purchase of traded goods (Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of traded goods	**17.22**	45.02
Total	**17.22**	45.02

Note 29B : Purchase of goods and services IT division (Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of goods and services IT division	**44.53**	101.63
Total	**44.53**	101.63

Note 30 : Changes in inventories of finished goods, work-in-progress and traded goods (Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Inventory at the beginning of the year		
Work-in-progress	**35.06**	21.43
Finished goods	**93.97**	96.05
Traded goods	**3.36**	17.80
	132.39	135.28
Inventory at the end of the period		
Work-in-progress	**40.34**	35.06
Finished goods	**138.85**	93.97
Traded goods	**2.44**	3.36
	181.63	132.39
Total	**(49.24)**	2.89

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note 31 : Employee benefits expense (Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	**403.74**	303.65
Contribution to provident and pension fund (refer Note 41)	**39.25**	31.95
Contribution and provision towards gratuity (refer Note 41)	**11.04**	9.17
Employees' welfare expenses	**59.35**	50.19
Expected loss of PF trust *	**10.25**	-
Total	**523.63**	394.96

* Employees' Provident Fund Trust of the Company (GNFC-EPFT) is holding investments aggregating to Rs. 41 Crore in various long term secured / unsecured listed debt securities issued by IL&FS Group. In view of uncertainties regarding recoverability of such investment, during the year the Company, as a matter of prudence, has provided Rs. 10.25 Crore i.e. 25% of the total investment of Rs.41 Crore, towards probable incremental employee benefit liability that may arise on the Company on account of any likely deficit in the GNFC-EPFT in meeting its obligations.

Note 32 : Finance costs (Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest on borrowings	**2.94**	88.50
Interest others	**0.27**	4.88
Other borrowing costs	**0.83**	3.83
Bank charges and commission	**2.34**	2.50
Total	**6.38**	99.71

Note 33 : Depreciation and amortization expense (Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on property, plant and equipment (refer Note 4)	**259.77**	267.49
Depreciation on investment property (refer Note 5)	**0.43**	0.43
Amortization on intangible assets (refer Note 6)	**2.75**	2.55
Total	**262.95**	270.47

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note 34 : Other expenses (Rs. in Crores)

Particulars		Year ended March 31, 2019		Year ended March 31, 2018
Stores, chemicals and catalysts		**113.67**		69.62
Packing expenses		**89.05**		90.42
Insurance		**10.05**		11.90
Repairs and maintenance :				
- Building	**8.58**		10.95	
- Plant and equipment	**162.41**		134.38	
- Others	**5.40**	**176.39**	4.93	150.26
Material handling expenses		**9.74**		9.55
Lease Rent		**0.02**		0.02
Outward freight and other charges		**106.68**		104.21
Sales promotion expenses		**2.58**		7.62
Selling commission		**0.81**		3.50
Rates & taxes		**5.91**		7.98
Rent		**7.75**		8.87
Printing & stationery, communication and advertisement expense		**8.11**		7.69
Traveling and conveyance expenses		**4.93**		5.25
Fire fighting, safety and security expenses		**7.84**		8.59
Processing charges to contractors		**2.92**		3.69
Electricity charges		**3.72**		3.67
Professional and consultancy charges		**4.70**		4.84
Payment for contract services		**13.85**		13.19
Loss on sale / discard of property, plant and equipment (net)		**5.69**		1.70
Director's fees		**0.09**		0.09
Payment to auditors (refer note (a) below)		**0.61**		0.61
Donations		**-**		10.00
Contributions towards Corporate Social Responsibilities (refer Note 40)		**3.51**		8.38
Premium on forward contracts		**0.73**		4.44
Provision for doubtful debts / advances		**0.21**		4.70
Unrealised subsidy balances written off (refer Note 44)		**127.38**		-
Bad debts written off		**0.21**		-
Contingencies cost (refer Note 24)		**3.04**		12.66
Impairment - capital work in progress		**2.93**		-
Loss in value of Energy Savings Certificates		**-**		36.80
Provision for Energy Savings Certificates		**1.60**		-
Miscellaneous expenses		**38.62**		40.75
Total		**753.34**		631.00

(a) Payment to auditors includes following :

Payments to Statutory Auditors comprise: (Net of Service Tax Input Credit, where applicable)

As auditor:		
(i) Statutory Audit Fees	**0.15**	0.14
(ii) Limited review Fees	**0.13**	0.12
In other capacity:		
(i) Certification fees	**0.27**	0.19
(ii) Others	**0.05**	0.14
Reimbursement of Expenses	**0.01**	0.02
Total	**0.61**	0.61

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note 35 : Earning per share

(Rs. in Crores)

Particulars	Unit	Year ended March 31, 2019	Year ended March 31, 2018
Net profit after tax	Rs. in Crore	**741.17**	789.52
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.	**47.69**	50.80

Note 36 : Contingent liabilities and other commitments (to the extent not provided for)

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
(A) Contingent liabilities		
(i) Claims against the Company not acknowledged as debts	**217.93**	256.97
(ii) Income tax assessment orders contested	**27.19**	4.99
(iii) Demands in respect of Central Excise Duty, Custom Duty, Service Tax and Value Added Tax as estimated by the Company	**219.38**	235.38
Total contingent liabilities	**464.50**	497.34
In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute.		
(B) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**120.24**	48.68
(C) Other commitments		
(i) The Company is committed to grant subordinate debt to Bhavnagar Energy Company Limited (BECL) in the manner and in the form as may be finalized by the promoters of BECL	**-**	40.64
(ii) Export obligation on account of benefit of concessional rate of Custom duty availed under EPCG license scheme on imports of capital goods.	**-**	41.40
Total other commitments	**-**	82.04

Note 37 :Related party disclosures:

Related party disclosures, as required by Ind AS-24, "Related Party Disclosures", are given below:

(i) Related parties with whom transactions have taken place during the period:

Associate : Gujarat Green Revolution Company Limited

Wholly Owned Subsidiary : Gujarat Ncode Solutions Limited

Key Management Personnel and their relatives :
Dr J N Singh, IAS, Chairman & Director
Shri M S Dagur, IAS, Managing Director #
Dr. Rajiv Kumar Gupta, IAS, Managing Director @
Smt. Mamta Verma, IAS, Director
Shri Sujit Gulati, IAS, Director *
Shri Anil Mukim, IAS, Director **
Prof. Arvind Sahay, Independent Director
Shri C S Mani, Independent Director
Shri Sunil Parekh, Independent Director
Shri Piruz Khambatta, Independent Director
Shri V D Nanavaty, Director ***
Shri D V Parikh, GM (Finance) & Chief Financial Officer
Shri T J Lakhmapurkar, GM (Legal) & Company Secretary

Appointed as managing director w.e.f 16.07.2018
@ Resigned as managing director w.e.f 15.07.2018
* Appointed as director w.e.f 09.10.2018
** Resigned from board w.e.f 07.03.2018
*** Resigned from board w.e.f 03.10.2018

Entities over which Key Management Personnel having significant influence : EcoPhos GNFC India Private Limited

(ii) Aggregate of transactions for the year with these parties have been given below: **(Rs. in Crores)**

Name of the Company	Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Gujarat Green Revolution Co. Ltd.	Sale of goods & servicers	**0.01**	0.04
	Dividend received	**0.06**	0.06
	Receivable	**-**	-
Ecophos GNFC India Private Limited	Expenses incurred on behalf of	**-**	3.48
	Receivable	**3.48**	3.48
Gujarat Ncode Solutions Limited	Expenses incurred on behalf of	**-**	0.04
	Receivable	**0.04**	0.04

(Amount in Rs.)

Name of the Person	Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Dr J N Singh, IAS @	Sitting Fees	**60,000**	45,000
Shri M S Dagur, IAS, Managing Director	Managerial remuneration	**37,74,110**	-
Dr. Rajiv Kumar Gupta, IAS, Managing Director	Managerial remuneration	**2,28,595**	-
Shri Anil Mukim, IAS @	Sitting Fees	**-**	55,000
Smt. Mamta Verma, IAS @	Sitting Fees	**2,25,000**	1,75,000
Shri Sujit Gulati, IAS @	Sitting Fees	**30,000**	-
Shri C S Mani	Sitting Fees	**2,25,000**	2,35,000
Prof Arvind Sahay	Sitting Fees	**75,000**	1,00,000
Shri Sunil Parekh	Sitting Fees	**2,25,000**	2,35,000
Shri V D Nanavaty	Sitting Fees	**45,000**	40,000
Shri D V Parikh	Remuneration	**37,28,614**	25,06,164
Shri T J Lakhmapurkar	Remuneration	**32,18,233**	23,27,439

@ Amount deposited in Government Treasury

Note 38 : Research and development expenses

The statement of profit and loss includes following nature of research & development expenses in the respective heads:

(Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Personnel expenses	**1.67**	1.37
Consumables and spares	**0.47**	0.28
Power and fuel consumption	**0.08**	0.07
Total research & development expenses	**2.22**	1.72

Note 39 : Pursuant to Ind AS-17 - 'Leases', the following information is disclosed:

(i) The Company has taken various warehouses, godowns, guesthouses and office premises under operating lease or rental agreements. These are generally cancellable having a term between one to three years extendable for further period as per the terms of rental agreements. Rental payments are recognised in the statement of profit and loss under Note 34 - Other expenses.

(ii) Rent income also includes rentals received from lease of office premises. Such operating lease is generally for a period of three to four years. There are no restrictions imposed by lease arrangements.

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Future minimum lease payments receivables:		
Not later than one year	**0.23**	1.24
Later than one year not later than five years	**-**	-
Later than Five years	**-**	-
Total	**0.23**	1.24

Note 40 : Corporate social responsibility

(Rs. in Crores)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
a) **Gross amount required to be spent by the Company during the year:**		**12.20**	3.56
b) **Amount spent during the year ended on March 31, 2019**	**In Cash**	**Yet to be paid in cash**	**Total**
(i) Construction/acquisition of any asset	-	**-**	-
(ii) On purpose other than (i) above	**3.51**	**8.69**	**12.20**
c) **Amount spent during the year ended on March 31, 2018**			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purpose other than (i) above	8.38	-	8.38

Note 41: Gratuity and other post employment benefit plans:

A. Defined contribution plans:

Amount of Rs. 39.25 Crores (March 31, 2018: Rs. 31.95 Crores) is recognised as expenses and included in note no. 31 "Employee benefit expense"

(Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Provident fund	**21.94**	18.02
Contribution to pension scheme	**17.31**	13.93
	39.25	31.95

B. Defined benefit plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

(b) Post retirement medical benefit

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity as per payment of Gratuity Act, 1972. The Scheme is funded with Gratuity Trust, which in turn makes contribution to Life Insurance Corporation of India (LIC) in the form of qualifying insurance policy for future payment of gratuity to the employees.

Each year the management reviews the level of funding in the gratuity fund. Such review includes the asset - liability matching strategy. The management decides its contributions based on the results of this review. The management aims to keep annual contributions relatively stable at a level such that no plan deficit (based on valuation performed) will arise.

The plan for the Post retirement medical benefit is unfunded.

The following table summarises the components of net benefit expense recognised in statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

March 31, 2019 : Changes in defined benefit obligation and plan assets **(Rs. in Crores)**

	Cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income (OCI)						
	April 01, 2018	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjust-ments	Sub-total included in OCI	Contributions by employer	**March 31, 2019**
Gratuity												
Defined benefit obligation	(222.83)	(11.04)	(17.96)	(29.00)	20.23	-	-	(11.74)	(60.33)	(72.07)	-	**(303.67)**
Fair value of plan assets	222.83	-	17.96	17.96	(20.23)	(2.00)	-	-	-	(2.00)	85.11	**303.67**
Benefit (liability) / Assets	**-**	**(11.04)**	**-**	**(11.04)**	**-**	**(2.00)**	**-**	**(11.74)**	**(60.33)**	**(74.07)**	**85.11**	**-**
Post retirement medical benefit												
Defined benefit obligation	(44.15)	(2.46)	(3.54)	(6.00)	1.05	-	-	(0.76)	0.36	(0.40)	-	**(49.50)**
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit (liability) / Assets	**(44.15)**	**(2.46)**	**(3.54)**	**(6.00)**	**1.05**	**-**	**-**	**(0.76)**	**0.36**	**(0.40)**	**-**	**(49.50)**

March 31, 2018 : Changes in defined benefit obligation and plan assets **(Rs. in Crores)**

	Cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income (OCI)						
	April 01, 2017	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjust-ments	Sub-total included in OCI	Contributions by employer	**March 31, 2018**
Gratuity												
Defined benefit obligation	(198.87)	(9.22)	(14.68)	(23.90)	20.86	-	-	(25.09)	4.17	(20.92)	-	(222.83)
Fair value of plan assets	199.60	-	14.73	14.73	(20.86)	0.26	-	-	-	0.26	29.10	222.83
Benefit (liability) / Assets	0.73	(9.22)	0.05	(9.17)	-	0.26	-	(25.09)	4.17	(20.66)	29.10	-
Post retirement medical benefit												
Defined benefit obligation	(22.42)	(1.12)	(1.69)	(2.81)	1.28	-	-	(14.00)	(6.20)	(20.20)	-	(44.15)
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit (liability) / Assets	(22.42)	(1.12)	(1.69)	(2.81)	1.28	-	-	(14.00)	(6.20)	(20.20)	-	(44.15)

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	March 31, 2019	March 31, 2018
Insurance fund with LIC*	**100%**	100%

* As the gratuity fund is managed by LIC, details of fund invested by insurer are not available with the Company.

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	Gratuity		Post retirement medical benefit	
	Year ended March 31, 2019	Year ended March 31,2018	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	**7.94%**	8.06%	**7.92%**	8.03%
Future salary increase	**7.00%**	10% in next year and 6% thereafter	**N.A**	N.A
Medical Inflation Rate	**N.A**	N.A	**5.00%**	5.00%
Expected rate of return on plan assets	**7.94%**	8.06%	**N.A**	N.A
Employee Turnover Rate	**1.00%**	1.00%	**1.00%**	1.00%
Mortality rate during employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	**N.A**	N.A	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)

A quantitative sensitivity analysis for significant assumption is as shown below: **(Rs. in Crores)**

Particulars	Sensitivity level	(increase) / decrease in defined benefit oblligation (Impact)			
		Gratuity		Post retirement medical benefit	
		Year ended March 31, 2019	Year ended March 31,2018	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	1% increase	**(18.72)**	(13.55)	**(6.26)**	(5.49)
	1% decrease	**21.41**	15.34	**7.88**	6.86
Salary increase	1% increase	**21.40**	15.43	**N.A**	N.A
	1% decrease	**(19.04)**	(13.85)	**N.A**	N.A
Medical cost inflation	1% increase	**N.A**	N.A	**8.04**	7.01
	1% decrease	**N.A**	N.A	**(6.47)**	(5.68)
Employee turnover	1% increase	**1.48**	2.15	**(2.25)**	(1.91)
	1% decrease	**(1.69)**	(2.42)	**2.65**	2.21

The followings are the expected future benefit payments for the defined benefit plan: (Rs. in Crores)

Particulars	Gratuity		Post retirement medical benefit	
	Year ended March 31, 2019	Year ended March 31,2018	Year ended March 31, 2019	Year ended March 31, 2018
Within the next 12 months (next annual reporting period)	**33.44**	19.04	**1.58**	1.42
Between 2 and 5 years	**122.16**	91.31	**8.74**	7.73
Between 6 and 10 years	**147.97**	119.14	**16.98**	15.40
Total expected payments	**303.57**	229.49	**27.30**	24.55

Weighted average duration of defined plan obligation (based on discounted cash flows) (Years)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gratuity	**8**	8
Post retirement benefit obligation	**16**	16

The followings are the expected contributions to planned assets for the next year: (Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gratuity	**15.47**	12.32
Post retirement medical benefit	**-**	-

NOTE: 42 Investments in Subsidiary and Associates

Name of Entity	Relationship	Place of Business	Ownership	
			March 31, 2019	March31, 2018
Gujarat Ncode Solutions Limited	Subsidiary	India	**100.00%**	100.00%
Gujarat Green Revolution Company Limited	Associate	India	**46.87%**	46.87%

Note: Method of accounting of investments in subsidiary and associate Company is at cost.

NOTE: 43

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 was 1st April, 2010.

Subsequent to the Order passed by the Hon'ble High Court of Gujarat, sanctioning the Scheme of Demerger, two separate applications for transfer of V-SAT and ISP Gateway Licences standing in the name of the Company to the name of Transferee Company viz. ING Satcom Limited were submitted to Department of Telecommunications (DOT) on January 31, 2013 which are still pending for approval before DOT.

As per the legal opinion 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 the Company to ING Satcom Limited.

During the year 2014-15, an agreement-Cum-Indemnity Bond was executed on 12.04.2014 between the Company and ING Satcom Limited whereby, pending transfer of Licences, the assets of demerged business (other than Licences) have been handed over to ING Satcom Limited subject to certain terms and conditions, inter alia, including the terms of settling the transaction under different eventualities of rejection of transfer applications / non-transfer of Licences by 31.12.2014.

Since disposal of applications for transfer of Licences in the name of ING Satcom Limited by the competent authorities as well as settlement of transaction between the Company and ING Satcom Limited are still pending, no accounting treatment is given in the books of account of the Company since 2014-15 till the financial year ended 31.03.2019.

Necessary accounting treatment will be given in the books of accounts 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. An amount received is classified under other current liabilities (refer Note 23).

NOTE: 44 - Unrealised subsidy balances written off

In terms of subsidy notification no. 12012/1/2015-FPP dated May 25, 2015 read with subsidy notification no. 12012/3/2010-FPP dated April 2, 2014 of Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India, the Company, based on the eligibility criteria in the notification, had recognised the subsidy income of Rs. 127.38 crores relating to compensation for additional fixed cost during the financial period April 1, 2014 to March 31, 2018. The aforesaid claim for the said subsidy was neither acknowledged nor paid by the Department of Fertilizer till date. Accordingly, during the current year, the Company had written off the unrealized subsidy balances of Rs. 127.38 crores already recognised in the books for the earlier years and has adjusted the receivables in the books. The management based on the evaluation believes that there is uncertainty to realise the said subsidy claims from the government in terms of the above notifications considering that substantial time has elapsed since the subsidy became initially due to the Company and authorities have not acknowledged the Company's claim.

Further the Company has decided not to recognise additional fixed cost subsidy income for the period April 1, 2018 to March 31, 2019 amounting to Rs. 31.85 crores in terms of the notifications no. 12012/1/2015-FPP dated May 25, 2015 read with subsidy notification no. 12012/3/2010-FPP dated April 2, 2014 of Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India due to uncertainty to realise the said subsidy claims from the Ministry of Chemicals and Fertilizers (Department of Fertilizers)for the aforesaid reasons.

Note: 45 Segment Information

Operating Segments

The identified reportable segments are Fertilizers, Chemicals and Others in terms of the requirements of Ind AS 108 "Operating Segments" as notified under section 133 of the Companies Act, 2013. Other Segment mainly includes Information Technology division activities and neem product related activities.

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure and unallocable income.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Segment assets and liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, inventory and other operating assets. Segment liabilities primarily include trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segments are shown as unallocable assets / liabilities.

Inter Segment transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the Company level.

Summary of segment information is given below:

45.1: Financial information about the primary business segment's Revenue & Results : **(Rs. in Crores)**

	Fertilizers		Chemicals		Others		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
A REVENUE:								
External sales revenue	**1,985.94**	1,743.62	**3,780.90**	3,987.29	**129.18**	185.68	**5,896.02**	5,916.59
Intersegment revenue	**-**	-	**-**	-	**-**	-	**-**	-
Total Revenue	**1,985.94**	1,743.62	**3,780.90**	3,987.29	**129.18**	185.68	**5,896.02**	5,916.59
B RESULT:								
Segment result	**(170.44)**	(40.46)	**902.69**	1,335.33	**23.30**	32.89	**755.55**	1,327.76
Unallocable income							**103.85**	28.27
Unallocable expenses							**(33.65)**	(94.35)
Operating profit							**825.75**	1,261.68
Finance costs							**(6.38)**	(99.71)
Profit before tax							**819.37**	1,161.97

45.2: Financial information about the primary business segment's assets and liabilities : **(Rs. in Crores)**

	Fertilizers As At		Chemicals As. At		Others As At		Total As At	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Segment assets	**2,638.80**	2,481.23	**2,695.17**	2,823.20	**215.35**	240.79	**5,549.32**	5,545.22
Segment liabilities	**(1,216.52)**	(1,180.95)	**(368.20)**	(287.34)	**(124.27)**	(150.42)	**(1,708.99)**	(1,618.71)
Other unallocable corporate assets	-	-	-	-	-	-	**1,992.28**	1,626.79
Other unallocable corporate liabilities	-	-	-	-	-	-	**(835.51)**	(1,095.32)
Total capital employed	**1,422.28**	1,300.28	**2,326.97**	2,535.86	**91.08**	90.37	**4,997.10**	4,457.98
Capital assets / expenditure incurred during the year:								
Capital assets including capital work in progress	**63.62**	1.58	**21.18**	19.03	**1.54**	0.86	**86.34**	21.47
Other unallocable capital expenditures	-	-	-	-	-	-	**31.07**	13.10
Total	**63.62**	1.58	**21.18**	19.03	**1.54**	0.86	**117.41**	34.57

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Note: 46 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below. **(Rs. in Crores)**

Particulrs	FVTOCI Reserve		Retained Earnings		Total	
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
Re-measurement losses on defined benefit plans (net of tax)	-	-	**(48.45)**	(26.72)	**(48.45)**	(26.72)
Net (loss) / gain on FVTOCI on equity Investments (net of tax)	**(13.08)**	(12.88)	**-**	-	**(13.08)**	(12.88)
	(13.08)	(12.88)	**(48.45)**	(26.72)	**(61.53)**	(39.60)

Note 47 : Details of hedged and unhedged exposure in foreign currency denominated monetary items :

(a) Exposure in foreign currency - Hedged

(i) Amounts Payable in Foreign Currency :

Particulars	Hedged against	As at March 31, 2019			As at March 31, 2018		
		Rs. in Crore	Amount in FC		Rs. in Crore	Amount in FC	
External Commercial Borrowings	Forward Contract	-	**Euro**	-	74.30	Euro	92,16,554
Buyers credit	Forward Contract	-	**USD**	-	65.77	USD	1,01,12,027
Interest accrued but not due	Forward Contract	-	**USD**	-	0.29	USD	44,816
Payables for import	Forward Contract	-	**USD**	-	53.52	USD	81,95,742
Payables for PCFC Export Credit		-	**USD**	-	6.66	USD	10,23,944
Interest accrued but not due in External Commercial Borrowings	Interest rate swaps	-	**Euro**	-	0.53	Euro	65,180

(ii) Interest rate swaps :

Particulars	As at March 31, 2019			As at March 31, 2018		
	Notional amount Rs. In Crore	Notional Amount in FC		Notional amount Rs. In Crore	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	-	**Euro**	-	75.37	Euro	92,16,554

(b) Exposure in foreign currency - Unhedged

(i) Amounts payable in foreign currency :

Particulars	As at March 31, 2019			As at March 31, 2018		
	Rs. in Crore	Amount in FC		Rs. in Crore	Amount in FC	
Payables for Import	**17.81**	**Euro**	**22,71,992**	66.70	Euro	81,85,587
Payables for Import	**142.09**	**USD**	**2,04,56,597**	15.92	USD	24,38,731
Payables for Import	**0.07**	**GBP**	**7,540**	0.01	GBP	947
Payables for Import	**0.04**	**CHF**	**5,418**	0.00*	CHF	217
Payables for Import	**0.00**	**SEK**	**-**	0.38	SEK	4,77,384

* Amount nullified on conversion to Rs in Crores

(ii) Amounts receivable in foreign currency :

Particulars	As at March 31, 2019			As at March 31, 2018		
	Rs. in Crore	Amount in FC		Rs. in Crore	Amount in FC	
Receivables for export	**6.23**	**USD**	**9,13,013**	59.65	USD	91,70,040

The following significant exchange rates have been applied during the year:

INR	Year end spot rate	
	March 31, 2019	March 31, 2018
USD 1	**Import - 69.46** **Export - 68.24**	Import - 65.30 Export - 65.04 Borrowings - 65.04
EURO	**78.37**	Import - 81.48 Borrowing - 80.62
GBP 1	**90.85**	92.75
CHF 1	**70.05**	69.28
SEK 1	**-**	7.98

Note 48 : Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management

48.1 Category-wise classification of financial instruments: **(Rs. in Crores)**

Particulars	Refer Note	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
As at March 31, 2019					
Financial assets					
Cash and cash equivalents	13	-	-	**164.24**	**164.24**
Other bank balances	14	-	-	**70.67**	**70.67**
Investments in equity shares (other than investment in subsidiary & associate entity)	7	**730.39**	-	-	**730.39**
Investments in unquoted equity shares of subsidiary entity and associate entity	7	-	-	**1.26**	**1.26**
Trade receivables	10	-	-	**1,240.19**	**1,240.19**
Loans and advances	8	-	**104.07**	**160.00**	**264.07**
Other financial assets	9	-	-	**28.74**	**28.74**
Total		**730.39**	**104.07**	**1,665.10**	**2,499.56**
Financial liabilities					
Borrowings (including current maturities)	18 & 20	-	-	**207.93**	**207.93**
Trade payables	19	-	-	**394.75**	**394.75**
Other financial liabilities	20	-	-	**182.50**	**182.50**
Total		**-**	**-**	**785.18**	**785.18**
As at March 31, 2018					
Financial assets					
Cash and cash equivalents	13	-	-	6.14	6.14
Other bank balances	14	-	-	10.01	10.01
Investments in equity shares (other than investment in subsidiary & associate entity)	7	724.74	-	-	724.74
Investments in unquoted equity shares of subsidiary entity and associate entity	7	-	-	1.26	1.26
Trade receivables	10	-	-	1,120.08	1,120.08
Loans and advances	8	-	91.17	-	91.17
Derivatives instruments not designated as hedge	9	-	-	1.47	1.47
Other financial assets	9	-	-	40.41	40.41
Total		**724.74**	**91.17**	**1,179.37**	**1,995.28**
Financial liabilities					
Borrowings (including current maturities)	18 & 20	-	-	303.03	303.03
Trade payables	19	-	-	426.07	426.07
Other financial liabilities	20	-	-	98.48	98.48
Total		**-**	**-**	**827.58**	**827.58**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

48.2 Fair value measurements:

a) Quantitative disclosures of fair value measurement hierarchy for financial assets and financial liabilities

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities:

(Rs. in Crores)

Particulars	As at March 31, 2019				As at March 31, 2018			
	Significant observable inputs (Level 1*)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)	Total	Significant observable inputs (Level 1*)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)	Total
Financial assets measured at fair value								
Investment in quoted equity investments measured at FVTOCI (refer Note 7)	**321.51**	-	-	**321.51**	364.56	-	-	364.56
Investment in unquoted equity investments measured at FVTOCI (refer Note 7)	-	-	**408.88**	**408.88**	-	-	360.18	360.18
Loans and advances (refer Note 8)	-	-	**104.07**	**104.07**	-	-	91.17	91.17
Derivative instruments (refer Note 9)	-	-	-	-	-	1.47	-	1.47
Total	**321.51**	-	**512.95**	**834.46**	364.56	1.47	451.35	817.38
Asset for which fair values are disclosed								
Investment properties (refer Note 5)	-	-	**85.25**	**85.25**	-	-	57.61	57.61

*The fair value of the quoted equity investments are derived from quoted market prices in active market.

b) Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2019 and March 31, 2018 are as shown below:

Particulars	Valuation Technique	Significant unobservable input	Range (weighted average)	Sensitivity of the input to fair value
FVTOCI assets in unquoted equity shares (Gujarat State Petroleum Corporation Limited)	Discounted free cash flow method	Gas trading margin	10% increase (decrease) in the Gas trading margin would result in increase / (decrease) in fair value as of March 31, 2019 : Rs. 6.69 crore (Rs. 6.69 crore). {10% increase / decrease in the Gas trading margin would result in increase / (decrease) in fair value as of March 31, 2018 : Rs. 6.08 crore (Rs. 6.13 crore).}	
FVTOCI assets in unquoted equity shares (Gujarat Chemical Port Terminal Company Limited)	Market Approach - Comparable companies	Market Multiple Discount	31 March 2019 : 15% - 25% (20%) 31 March 2018 : 15% - 25% (20%)	5% increase / decrease in the market multiple discount would result in decrease (increase) in fair value as of March 31, 2019 : Rs. 20.97 crore (Rs. 21.16 crore) {5% increase / decrease in the market multiple discount would result in decrease (increase) in fair value as of March 31, 2018 : Rs. 18.40 crore (Rs. 18.21 crore)}
		EBITDA (Rs. Crores)	31 March 2019 : Rs 252.65 crores - Rs. 279.24 crores (Rs.265.95 crores) 31 March 2018 : Rs 197.18 crores - Rs. 217.94 crores (Rs.207.56 crores)	Rs. 13.30 crore increase / decrease in the EBITDA would result in increase (decrease) in fair value as of March 31, 2019 : Rs. 16.92 crore (Rs. 16.74 crore) {Rs. 10.38 crore increase / decrease in the EBITDA would result in increase (decrease) in fair value as of March 31, 2018 : Rs. 14.53 crore (Rs. 14.72 crore)}

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Particulars	Valuation Technique	Significant unobservable input	Range (weighted average)	Sensitivity of the input to fair value
FVTOCI assets in unquoted equity shares (Bhavnagar Energy Company Limited)	Net asset value	Discount to Book Value	31 March 2019 : NA 31 March 2018 : 15% - 25% (20%)	As of March 31, 2019 Company has fair valued this investment to zero value. {5% increase / decrease in the discount book value would result in decrease (increase) in fair value as of March 31, 2018 : Rs. 1.53 crore (Rs. 1.53 Crore)}.
FVTOCI assets in unquoted equity shares (Gujarat Venture Finance Limited)	Net asset value	Share holders fund (Rs. Crores)	31 March 2019 : Rs 19.50 crores - Rs. 21.50 crores (Rs. 20.50 crores) 31 March 2018 : Rs 16.10 crores - Rs. 17.80 crores (Rs. 17 crores)	Rs. 1 crore increase / decrease in the shareholders fund would result in increase (decrease) in fair value as of March 31, 2019 by Rs. 0.01 crore (Rs. 0.01 crore) {Rs. 0.80 crore increase / decrease in the shareholders fund would result in increase (decrease) in fair value as of March 31, 2018 by Rs. 0.01 crore (Rs. 0.01 crore)}
		Discount to Book Value	31 March 2019 : 15% - 25% (20%) 31 March 2018 : 15% - 25% (20%)	5% increase / decrease in the discount to book value would result in decrease (increase) in fair value as of March 31, 2019 : Rs. 0.02 crore (Rs. 0.02 crore) {as of March 31, 2018 by Rs. 0.02 crore (Rs. 0.02 crore)}
FVTOCI assets in unquoted equity shares (Bharuch Enviro Infrastructure Limited)	Market Approach - Comparable companies	Market Multiple Discount	31 March 2019 : 15% - 25% (20%) 31 March 2018 : 15% - 25% (20%)	5% increase / decrease in the market multiple discount would result in decrease (increase) in fair value as of March 31, 2019 : Rs. 0.28 crore (Rs. 0.28 crore) {5% increase / decrease in the market multiple discount would result in decrease (increase) in fair value as of March 31, 2018 : Rs. 0.32 crore (Rs. 0.32 crore)}
		Consolidated PAT (Rs. Crores)	31 March 2019 : Rs 26.20 crores - Rs. 28.90 crores (Rs. 27.60 crores) 31 March 2018 : Rs 25.30 crores - Rs. 28.10 crores (Rs. 26.70 crores)	Rs. 1.40 crore increase / decrease in the consolidated PAT would result in increase (decrease) in fair value as of March 31, 2019 : Rs. 0.23 crore (Rs. 023 crore) {Rs. 1.40 crore increase / decrease in the consolidated PAT would result in increase (decrease) in fair value as of March 31, 2018 : Rs. 0.26 crore (Rs. 026 crore)}
FVTOCI assets in unquoted equity shares (Bharuch Dahej Railway Company Limited)	Market Approach - Comparable companies	Market Multiple Discount	31 March 2019 : 10% - 20% (15%) 31 March 2018 : -5% -+5% (0%)	5% increase / decrease in the market multiple discount would result in decrease (increase) in fair value as of March 31, 2019 : Rs. 1.46 crore (Rs. 1.37 crore) {5% increase / decrease in the market multiple discount would result in decrease (increase) in fair value as of March 31, 2018 : Rs. 1.76 crore (Rs. 1.76 crore)}
		EBITDA (Rs. Crores)	31 March 2019 : Rs 25.20 crores - Rs. 27.90 crores (Rs.26.50 crores) 31 March 2018 : Rs 28.60 crores - Rs. 31.60 crores (Rs.30.10 crores)	Rs. 1.30 crore increase / decrease in the EBITDA would result in increase (decrease) in fair value as of March 31, 2019 : Rs. 1.15 crore (Rs. 1.24 crore) { Rs. 1.50 crore increase / decrease) in the EBITDA would result in increase (decrease) in fair value as of March 31, 2018 : Rs. 1.15 crore (Rs. 1.15 crore)}
FVTOCI assets in unquoted equity shares (Ecophos GNFC India Private Limited)	Net Asset Value	Share holders fund (Rs. Crores)	31 March 2019: NA 31 March 2018 : Rs 8.66 crores - Rs. 9.57 crores (Rs. 9.12 crores)	As of March 31, 2019 this unobservable input is not used for valuation. {Rs. 0.46 crore increase / decrease in the shareholders fund would result in increase (decrease) in fair value as of March 31, 2018 by Rs. 0.56 crore (Rs. 0.56 crore)}
		Discount to Book Value	31 March 2019: NA 31 March 2018 : 15% - 25% (20%)	As of March 31, 2019 this unobservable input is not used for valuation.{5% increase / decrease in the discount to book value would result in decrease (increase) in fair value as of March 31, 2018 : Rs. 0.56 crore (Rs. 0.56 crore)}

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

c) Financial Instrument measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

48.3 Financial Risk objective and policies:

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, deposits, investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

In the ordinary course of business, the Company is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. The Company's senior management oversees the management of these risks. It manages its exposure to these risks through derivative financial instruments by hedging transactions as required. It uses derivative instruments such as interest rate swaps and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favourable and unfavourable fluctuations.

The Company's risk management activities are subject to the management direction and control of the management of the Company under the guideline of the Board of Directors of the Company. The management ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Company is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in management's judgment, are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

Further, all currency and interest risk as identified above is measured on a daily basis by monitoring the mark to market (MTM) of open and hedged position. For year ends, the MTM for each derivative instrument outstanding is obtained from respective banks. All gain / loss arising from MTM for open derivative contracts and gain / loss on settlement / cancellation / roll over of derivative contracts is recorded in statement of profit and loss.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, FVTOCI investments and derivative financial instruments. The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analysis have been prepared on the basis that the amount of net debt, interest rates of the debt and derivatives are all constant as at March 31, 2019. The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analysis: - The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

(i) Interest rate risk

The Company is exposed to changes in market interest rates due to financing, investing and cash management activities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations. During the year, the Company has repaid its long-term borrowings.

(ii) Foreign currency risk

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR), have an impact on the Company's operating results. The Company manages its foreign currency risk by entering into various foreign exchange contracts to mitigate the risk arising out of foreign exchange rate movement on trade payables. Further, to hedge foreign currency future transactions in respect of which firm commitment are made or which are highly probable forecast transactions (for instance, foreign exchange denominated income) the Company has entered into foreign currency forward contracts as per the policy of the Company.

The details of exposures hedged using forward exchange contracts are given as a part of Note 47 and the details of unhedged exposures are given as part of Note 47.

The Company is mainly exposed to changes in USD and EURO. The below table demonstrates the sensitivity to a 5% increase or decrease in the respective foreign currency rates against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

(Rs. in Crores)

Particulars	Impact on Profit before tax For the year ended		Impact on Pre-tax Equity For the year ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
USD Sensitivity				
RUPEES / USD – Increase by 5%	**(6.79)**	(3.76)	**(6.79)**	(3.76)
RUPEES / USD – Decrease by 5%	**6.79**	3.76	**6.79**	3.76
EURO Sensitivity				
RUPEES / EURO – Increase by 5%	**(0.89)**	(3.33)	**(0.89)**	(3.33)
RUPEES / EURO – Decrease by 5%	**0.89**	3.33	**0.89**	3.33

(III) Commodity price risk

The Company's operating activities require the ongoing purchase of natural gas. Natural gas being an international commodity is subject to price fluctuation on account of the change in the crude oil prices, demand supply pattern of natural gas and exchange rate fluctuations. The Company is not affected by the price volatility of the natural gas to the extent consumed for Urea as under the Urea pricing formula the cost of natural gas is pass through if the consumption of natural gas is within the permissible norm for manufacturing of Urea.

The Company also deals in purchase of other feed stock materials (i.e Rock phosphate, and Denatured Ethyl Alcohol) which are imported by the Company and used in the manufacturing of Ammonium Nitro Phosphate and Ethyl Acetate. The import prices of these materials are governed by international demand and supply pattern. There is a price and material availability risk, which is managed by senior management team through sensitivity analysis, commodity price tracking.

(IV) Equity price risk

The Company's investments in listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was Rs. 408.88 crore. Sensitivity analyses of these investments have been provided in Note 48.2(b).

At the reporting date, the exposure to listed equity securities at fair value was Rs. 321.51 crore. A decrease of 5% on the BSE market price could have an impact of approximately Rs. 16.08 crore on the OCI or equity attributable to the Company. An increase of 5% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data.

Credit risk from balances with banks and non-banking finance companies is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's management. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Trade Receivables

The Company's receivables can be classified into two categories, one is from the customers/ dealers in the market and second one is from the central and state Government in the form of subsidy. As far as Government portion of receivables is concerned, credit risk is Nil except where there are uncertainties due to non-acknowledgement of claims. In respect of market receivables from the customers/ dealers, the Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extensions of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as for certain products it extends rolling credit to its customers, against the collateral.

The Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables, other than those receivables from the Government of India. For the purpose of measuring lifetime ECL allowance for trade receivables, the Company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience in respect of certain categories of the customers. Individual trade receivables are written off when management deems them not to be collectible.

c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and bank balances. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analyses derivative and non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(Rs. in Crores)

Particulars	Refer Note	On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
As at March 31, 2019						
Borrowings (including current maturities)	18 & 20	55.01	152.92	-	-	207.93
Trade payables	19	-	394.75	-	-	394.75
Other financial liabilities	20	-	182.50	-	-	182.50
Total		**55.01**	**730.17**	**-**	**-**	**785.18**
As at March 31, 2018						
Borrowings (including current maturities)	18 & 20	105.91	197.12	-	-	303.03
Trade payables	19	-	426.07	-	-	426.07
Other financial liabilities	20	-	98.48	-	-	98.48
Total		**105.91**	**721.67**	**-**	**-**	**827.58**

48.4 Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity. The primary objective of the Company's capital management is to maximize shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is net debt (total debt less cash and bank balance) divided by total capital plus net debt.

(Rs. in Crores)

Particulars	March 31, 2019	March 31, 2018
Total Borrowings (refer Note 18 and 20)	**207.93**	303.03
Less: Cash and bank balances (refer Note 13 and 14)	**234.91**	16.15
Net (Assets) / Debt (A)	**(26.98)**	286.88
Total Equity (B)	**4,997.10**	4,457.98
Total Equity and Net Debt (C = A + B)	**4,970.12**	4,744.86
Gearing ratio	**-**	6%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

Note 49 : Standards issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 amending the following standard:

Ind AS 116 Leases

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019 The new standard introduces a single model of lease accounting and eliminates the classification of leases as either finance leases or operating leases for a lessee as was required under Ind AS 17. Ind AS 116 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For all leases except as noted above, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in its financial statement.

Lessee will recognise depreciation of right of use assets and interest on lease liabilities in the statement of profit or loss. In the Cash Flow statement, operating cash flows will be higher as payment of the lease liability and related interest are to be classified within financing activities.

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The effective date for adoption of Ind AS 116 is financial year beginning on or after April 1, 2019. The standard permits two possible methods of transition:

1) Fully retrospective- Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

2) Modified retrospective- Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application, or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The Company is in the process of reviewing all its leasing arrangements in light of the new lease accounting rules in Ind AS 116. The Company will utilise the practical expedient available under Ind AS 116 and not reassess whether a contract is or contains a lease at the date of initial application. The Company also intends to use the exemptions provided by Ind AS 116 for short-term leases (less than a year) and leases for low value assets. The transition to the new lease accounting from the existing rules will be accomplished using the modified retrospective transition approach with no restatement of comparative information. The Company has elected certain available practical expedients on transition.

The Company is currently evaluating the impact, this standard will have on the financial statements.

Note 50 : Event occurred after the Balance Sheet Date:

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 29, 2019, there were no material subsequent events to be recognized or reported that are not already previously disclosed.

For and on behalf of the Board of Directors,

D. V. Parikh	**T. J. Lakhmapurkar**	**M S Dagur**	**Dr. J. N. Singh**
General Manager & CFO	Company Secretary	Managing Director	Chairman

Place : Gandhinagar
Date : May 29, 2019

AS PER OUR REPORT OF EVEN DATE
For **S R B C & CO LLP**
Chartered Accountants
(Firm Registration No.: 324982E/E300003)

per Ravi Bansal
Partner
Membership No. 49365

Place : Mumbai
Date : May 29, 2019

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Gujarat Narmada Valley Fertilizers & Chemicals Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), and its associate comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary and an associate, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Recognition and measurement of Urea Subsidy Income (as described in Note 2.3 of the Consolidated Ind AS financial statement)	
Subsidy income on Urea is recognized and measured with reference to notification/ circular/ policies issued by the Department of Fertilizers, Government of India. During the current year, the Holding Company has recognized Urea subsidy Income of aggregating to Rs 1,126.33 crores and de-recognized/write-off subsidy balance of Rs. 127.38 crores recognized in earlier years and outstanding as at March 31, 2018. The measurement of Urea subsidy income involves interpretation of relevant regulatory pronouncements, understanding of energy norms, and management estimates / judgements including in respect of escalation / de-escalation costs at each reporting date. Accuracy of revenues may deviate significantly because of revision/ changes in such interpretation, estimates and judgements. Accordingly, recognition and measurement of subsidy income was determined to be a key matter in our audit of consolidated Ind AS financial statements.	• Our audit procedures included considering the appropriateness of the Company's income/ subsidy recognition accounting policies and assessing compliance with the policies in terms of the applicable accounting standards. • We performed test of controls, assisted by our IT specialists, over revenue recognition with specific focus on whether Urea subsidy income is recognised as per applicable regulatory pronouncements and consistency of judgement & estimation norms defined thereon. • We have reviewed the relevant regulatory pronouncement in respect of Urea subsidy income and verified the claims filed by the Company along-with underlying evidences in respect of such income. • The Subsidy income recognised and remained outstanding over significant period are discussed / enquired with management based on follow-up with Department of Fertilizers, Government of India including basis of management judgement and realisation certainty thereof. • We also verified the collections made during the year as well as subsequent period against such subsidy income recognized by the Company.
Judgement and Estimation of income tax provision and adjustments thereof (as described in Note 3 of the consolidated Ind AS financial statement)	
During the year the Holding Company has provided tax provision of Rs.244.32 crore and has also has adjusted/credited excess tax provision of Rs. 133.86 crores on reconciliation of current tax provision of earlier years as per the books compared to tax liability acknowledged in respective year's income tax return / assessed tax liabilities as at date. Income tax provisioning for the year including write back adjustments involve interpretation of income tax laws and respective judgements pronounced by authorities. Amount of write back of income tax provision is a significant transaction that has occurred during the year. Accordingly, judgements and estimatesfor providing income tax provision and adjustments thereofwas determined to be a key matter in our audit of consolidated Ind AS financial statements.	• Our audit procedures included review of income provision made in the books incl. review of income tax return filed by the Company for the previous year including tax liabilities acknowledged therein and tax provisions recorded/ carried in the books of account for the respective financial year. • We reviewed various orders/judgements awarded by different forums of income tax authorities against tax assessments/ appeals completed during the year that resulted in significant re-assessment of tax liabilities/ provisions in the books. • We verified the income tax refund collected during the year and reviewed the tax refund orders received in this regard by the Company including the reasons of additional deductions allowed therein by the tax authorities. • We reviewed the relevant judicial pronouncement made by different judicial forums, applicable tax laws and rules and prevailing tax propositions in respect of the matters that resulted into reduction of tax liabilities based on the representations made by the Company. • Reviewed the reconciliation of tax balances as per the books, as per the tax amount assessment and management judgement and estimation based on which tax provision was provided and excess provision was recorded in the financial results.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidatedstatement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate arealso responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associateto cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of the subsidiary, whose Ind AS financial statements include total assets of Rs 0.01 crores and net assets of Rs. (0.03) crores as at March 31, 2019, and total revenues of Rs Nil and net cash inflows of Rs Nil for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditors.

(b) The consolidated Ind AS financial statements include the Group's share of net profit of Rs.8.58 crores for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of an associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of such associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary, as noted in the 'other matters' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon 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 Ind AS financial statements;

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

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directorsof the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company, associate company, none of the directors of the Group's companies, its associate incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary company, associate company incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company, its subsidiary, associate incorporated in India for the year ended March 31, 2019;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary as noted in the 'Other matters' paragraph":

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate in its consolidated Ind AS financial statements - Refer Note 36 to the consolidated Ind AS financial statements;

   ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary, associate incorporated in India during the year ended March 31, 2019.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Ravi Bansal

Partner

Membership Number: 49365

Place of Signature: Mumbai

Date: May 29, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED Ind AS FINANCIAL STATEMENTS OF GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Gujarat Narmada Valley Fertilizers & Chemicals Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Gujarat Narmada Valley Fertilizers & Chemicals Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, 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 with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary company, its associate company, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31,2019, based on the internal control over financial reporting criteria established by the Holding 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 report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to the subsidiary company incorporated in India, is based on the corresponding report of the auditors of such subsidiary incorporated in India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003
per Ravi Bansal
Partner
Membership Number: 49365

Place of Signature: Mumbai
Date: May 29, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(Rs. in Crores)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	4	**3,915.70**	4,114.73
(b) Capital work-in-progress	4	**25.36**	13.67
(c) Investment property	5	**18.55**	18.98
(d) Intangible assets	6	**24.66**	27.41
(e) Financial assets			
(i) Investments	7	**799.32**	785.09
(ii) Loans and advances	8	**247.37**	75.76
(iii) Other financial assets	9	**11.46**	10.05
(f) Income tax assets (net)	25	**23.16**	40.53
(g) Other non-current assets	11	**55.78**	37.45
		5,121.36	5,123.67
II. Current assets			
(a) Inventories	12	**829.03**	680.64
(b) Financial assets			
(i) Trade receivables	10	**1,240.19**	1,120.08
(ii) Cash and cash equivalents	13	**164.25**	6.15
(iii) Other bank balances	14	**70.67**	10.01
(iv) Loans and advances	8	**16.70**	15.41
(v) Other financial assets	9	**17.28**	31.83
(c) Other current assets	15	**149.76**	243.28
		2,487.88	2,107.40
Total Assets		**7,609.24**	7,231.07
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	**155.42**	155.42
(b) Other equity	17	**4,909.31**	4,361.62
		5,064.73	4,517.04
Liabilities			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	**-**	-
(b) Provisions	21	**235.90**	173.44
(c) Deferred tax liabilities (net)	25	**466.68**	478.67
(d) Government grants (deferred income)	22	**819.82**	880.47
		1,522.40	1,532.58
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	**207.93**	229.56
(ii) Trade payables:	19		
(A) total outstanding dues of micro and small enterprises		**31.36**	14.18
(B) total outstanding dues of creditors other than micro and small enterprises		**363.39**	411.89
(iii) Other financial liabilities	20	**182.50**	171.95
(b) Other current liabilities	23	**84.75**	133.19
(c) Provisions	24	**63.73**	55.12
(d) Government grants (deferred income)	22	**65.65**	65.65
(e) Current tax liabilities (net)	25	**22.80**	99.91
		1,022.11	1,181.45
Total Equity and Liabilities		**7,609.24**	7,231.07

The accompanying notes are an integral part of these Consolidated financial statements.

For and on behalf of the Board of Directors,

D. V. Parikh
General Manager & CFO

T. J. Lakhmapurkar
Company Secretary

M. S. Dagur
Managing Director

Dr. J. N. Singh
Chairman

Place : Gandhinagar
Date : May 29, 2019

AS PER OUR REPORT OF EVEN DATE
For **S R B C & CO LLP**
Chartered Accountants
(Firm Registration No.: 324982E/E300003)

per Ravi Bansal
Partner
Membership No. 49365

Place : Mumbai
Date : May 29, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Crores)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations	26	**5,896.02**	5,916.59
Other income	27	**220.54**	141.52
Total		**6,116.56**	6,058.11
Expenses			
Cost of raw materials consumed	28	**2,848.11**	2,383.19
Purchase of traded goods	29A	**17.22**	45.02
Purchase of goods and services - IT division	29B	**44.53**	101.63
(Increase) / Decrease in inventories of finished goods, work-in-progress and traded goods	30	**(49.24)**	2.89
Power, fuel and other utilities		**890.27**	887.99
Excise duty		**-**	79.28
Employee benefits expense	31	**523.63**	394.96
Finance costs	32	**6.38**	99.71
Depreciation and amortization expense	33	**262.95**	270.47
Other expenses	34	**753.35**	631.04
Total		**5,297.20**	4,896.18
Profit before tax		**819.36**	1,161.93
Tax expense			
Current tax	25	**244.32**	383.70
Excess tax provision write back of earlier years	25	**(133.86)**	-
Deferred tax	25	**(32.26)**	(11.25)
Total tax expense		**78.20**	372.45
Profit for the year		**741.16**	789.48
Share in profit of Associate		**8.58**	5.46
Profit for the year	**(A)**	**749.74**	794.94
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plans		**(74.47)**	(40.86)
Income tax effect credit	25	**26.02**	14.14
Net loss on FVTOCI equity investments		**(6.35)**	(36.45)
Income tax effect (charge) / credit	25	**(6.73)**	23.57
Net other comprehensive (expense) not to be reclassified to profit or loss in subsequent periods		**(61.53)**	(39.60)
Total other comprehensive (expense) for the year, net of tax	**(B)**	**(61.53)**	(39.60)
Total comprehensive income for the year, net of tax	**(A)+(B)**	**688.21**	755.34
Earnings per Share - (Face value of Rs. 10 each) Basic and Diluted (in Rs.)	35	**48.24**	51.15

The accompanying notes are an integral part of these financial statements.

For and on behalf of the Board of Directors,

D. V. Parikh	**T. J. Lakhmapurkar**	**M. S. Dagur**	**Dr. J. N. Singh**
General Manager & CFO	Company Secretary	Managing Director	Chairman

Place : Gandhinagar
Date : May 29, 2019

AS PER OUR REPORT OF EVEN DATE
For **S R B C & CO LLP**
Chartered Accountants
(Firm Registration No.: 324982E/E300003)

per Ravi Bansal
Partner
Membership No. 49365

Place : Mumbai
Date : May 29, 2019

Consolidated Statement of changes in equity for the year ended March 31, 2019

(A) Equity share capital (Rs. in Crores)

Particulars	Note	Amount
Balance as at April 01, 2017		155.42
Changes in equity share capital	16	-
Balance as at March 31, 2018		155.42
Changes in equity share capital	16	-
Balance as at March 31, 2019		**155.42**

(B) Other equity (Rs. in Crores)

Particulars	Reserve and surplus				Other Comprehensive Income	Total
	Capital reserve	Securities premium	General reserve	Retained earnings	FVTOCI reserve	
	Note 17.1	Note 17.1	Note 17.1	Note 17.1	Note 17.2	
Balance as at April 01, 2017	**0.64**	**313.31**	**2,189.76**	**688.83**	**507.27**	**3,699.81**
Profit for the year	-	-	-	794.94	-	794.94
Other comprehensive (expense) for the year	-	-	-	(26.72)	(12.88)	(39.60)
Total comprehensive income for the year	-	-	-	768.22	(12.88)	755.34
Dividend paid during the year (refer Note 17.3)	-	-	-	(77.71)	-	(77.71)
Dividend distribution tax (refer Note 17.3)	-	-	-	(15.82)	-	(15.82)
Transfer from retained earnings	-	-	115.00	(115.00)	-	-
Balance as at March 31, 2018	**0.64**	**313.31**	**2,304.76**	**1,248.52**	**494.39**	**4,361.62**
Profit for the year	-	-	-	749.74	-	749.74
Other comprehensive (expense) for the year	-	-	-	(48.45)	(13.08)	(61.53)
Total comprehensive income for the year	-	-	-	701.29	(13.08)	688.21
Dividend paid during the year (refer Note 17.3)	-	-	-	(116.56)	-	(116.56)
Dividend distribution tax (refer Note 17.3)	-	-	-	(23.96)	-	(23.96)
Transfer from retained earnings	-	-	175.00	(175.00)	-	-
Balance as at March 31, 2019	**0.64**	**313.31**	**2,479.76**	**1,634.29**	**481.31**	**4,909.31**

The accompanying notes are an integral part of these financial statements.

For and on behalf of the Board of Directors,

D. V. Parikh	**T. J. Lakhmapurkar**	**M. S. Dagur**	**Dr. J. N. Singh**
General Manager & CFO	Company Secretary	Managing Director	Chairman

Place : Gandhinagar
Date : May 29, 2019

AS PER OUR REPORT OF EVEN DATE
For **S R B C & CO LLP**
Chartered Accountants
(Firm Registration No.: 324982E/E300003)

per Ravi Bansal
Partner
Membership No. 49365

Place : Mumbai
Date : May 29, 2019

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Crores)

Particulars	March 31, 2019	March 31, 2018
Cash flow from operating activities		
Profit before tax as per consolidated statement of profit and loss	**819.36**	1,161.93
Adjustments for:		
Impairment - capital work in progress	**2.93**	-
Loss on sale / discard of property, plant and equipment (net)	**5.69**	1.70
Depreciation and amortization	**262.95**	270.47
Interest income	**(49.54)**	(12.51)
Dividend income	**(7.05)**	(6.57)
Amortization of grant received (income)	**(60.65)**	(71.67)
Unclaimed loans / liabilities / excess provision for doubtful debt written back	**(37.92)**	-
Gain (adjustment) on decapitalisation of property, plant and equipment	**(8.40)**	(10.91)
Unrealised foreign exchange fluctuation (gain) / loss	**(6.16)**	(4.67)
Finance costs	**3.21**	93.38
Premium on forward contracts	**0.73**	4.44
Provision for energy savings certificates	**1.60**	-
Contingencies Cost	**3.04**	12.66
Expected loss of PF trust	**10.25**	-
Unrealised subsidy balances / bad debts written off (refer Note 44)	**127.59**	-
Provision for doubtful debts / advances (net)	**0.21**	4.70
Operating profit before working capital changes	**1,067.84**	**1,442.95**
Movements in working capital :		
Increase in trade receivables	**(243.84)**	(13.25)
Increase in inventories	**(148.39)**	(18.85)
Decrease in financial assets	**22.87**	351.04
(Increase) / decrease in loans and advances and other assets	**(88.03)**	75.05
Increase in provision	**70.44**	42.74
(Decrease) / increase in trade payables and other liabilities	**(143.47)**	150.42
Increase / (decrease) in financial liabilities	**112.52**	(4.25)
Cash generated from operations	**649.94**	**2,025.85**
Income taxes paid (net)	**(108.79)**	(207.27)
Net cash flow generated from operating activities (A)	**541.15**	**1,818.58**
Cash flows from investing activities		
Capital expenditure on property, plant & equipment (Including capital work In progress and capital advances)	**(130.99)**	(23.31)
Proceeds from sale / concession received of property, plant and equipment (refer Note 4)	**33.24**	55.15
Purchase of investments	**(12.00)**	-

(Rs. in Crores)

Particulars	March 31, 2019	March 31, 2018
Change in other bank balances (net)	**(60.66)**	1.60
Interest received	**15.85**	9.48
Dividend received	**4.29**	6.57
Net cash flow (used in) / generated from investing activities (B)	**(150.27)**	**49.49**
Cash flows from financing activities		
Proceeds from short term borrowings	**688.45**	3,982.68
Repayment of short term borrowings	**(658.77)**	(4,368.20)
Repayment of long-term borrowings	**(72.11)**	(825.65)
Interest paid	**(3.20)**	(90.90)
Dividend Paid (Including dividend distribution tax)	**(138.57)**	(93.53)
Premium on forward contracts	**(0.73)**	(4.44)
Net cash (used in) financing activities (C)	**(184.93)**	**(1,400.04)**
Net increase in cash and cash equivalents (A + B + C)	**205.95**	468.03
Cash and cash equivalents at the beginning of the year	**(96.71)**	(564.74)
Cash and cash equivalents at the end of the year	**109.24**	**(96.71)**
Notes:		
Component of Cash and Cash equivalents (refer note 2 below)		
- Cash on hand	**0.24**	0.12
- Debit balance in cash credit accounts	**8.38**	-
- Balances with bank on current accounts	**3.63**	6.03
- Deposit with original maturity of Less than three months	**152.00**	-
Total (refer Note 13)	**164.25**	**6.15**
Less: Cash credit and overdraft accounts (refer Note 18)	**55.01**	102.86
Total cash and cash equivalents	**109.24**	**(96.71)**

The accompanying notes are an integral part of these financial statements.

(1) The Cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows issued by the Institute of Chartered Accountants of India.

(2) Disclosure under Para 44A as set out in Ind AS 7 "Cash flow statement" under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given as per Note 7.

For and on behalf of the Board of Directors,

D. V. Parikh	**T. J. Lakhmapurkar**	**M. S. Dagur**	**Dr. J. N. Singh**
General Manager & CFO	Company Secretary	Managing Director	Chairman

Place : Gandhinagar
Date : May 29, 2019

AS PER OUR REPORT OF EVEN DATE
For **S R B C & CO LLP**
Chartered Accountants
(Firm Registration No.: 324982E/E300003)

per Ravi Bansal
Partner
Membership No. 49365

Place : Mumbai
Date : May 29, 2019

Notes to the Consolidated Financial Statements for the year ended March 31, 2019

1 Corporate information

The consolidated financial statements comprise financial statements of Gujarat Narmada Valley Fertilizers & Chemicals Limited ('the Company') and its subsidiary collectively known as "the Group" and its associate for the year ended March 31, 2019. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at P.O: Narmadanagar-392 015, Dist.: Bharuch, Gujarat.

The Company is one of India's leading entities engaged in the manufacturing and selling of fertilizers, industrial chemical products and providing IT services.

The consolidated financial statements were authorized for issue in accordance with a resolution of the directors on May 29, 2019.

2 Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

-Derivative financial instruments,

-Defined benefit plans – plan assets measured at fair value; and

-Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

In addition, the financial statements are presented in INR and all values are rounded to the nearest Crore (INR 00,00,000), except when otherwise indicated.

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at March 31, 2019.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of subsidiary used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31, 2019.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements from the date of incorporation.

(b) Offset (eliminate) the carrying amount of the parent's investment in a subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

2.3 Summary of significant accounting policies

a) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

b) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle; or

- Held primarily for the purpose of trading; or

- Expected to be realized within twelve months after the reporting period; or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle; or

- It is held primarily for the purpose of trading; or

- It is due to be settled within twelve months after the reporting period; or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c) Foreign currency transactions

The Group's financial statements are presented in INR, which is functional currency of the Group. The Group determines the functional currency and items included in the financial statements are measured using that functional currency.

d) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception that the Exchange differences arising on long-term foreign currency monetary items related to acquisition of a Property, Plant and Equipment (including funds used for projects work in progress) recognized in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. March 31, 2016 are capitalized / decapitalized to cost of Property, Plant and Equipment and depreciated over the remaining useful life of the assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions.

e) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Management determines the policies and procedures for both recurring fair value measurement, such as derivative financial instruments and unquoted financial assets measured at fair value and for non recurring fair value measurement.

External valuers are involved for valuation of significant assets, such as properties, investments. Involvement of external valuers is decided upon annually by the Management and in specific cases after discussion with and approval by the Group's Audit Committee. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (refer Note 48)
- Quantitative disclosures of fair value measurement hierarchy (refer Note 48.2)
- Investment in unquoted equity shares (refer Note 7)
- Investment properties (refer Note 5)
- Financial instruments (including those carried at amortized cost) (refer Note 48.1)

f) Revenue from contracts with customers

Revenue from contracts with customers is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group derives its revenues from sale of goods such as fertilizers, industrial chemicals, government subsidies on sale of fertilizers and information technology related hardware / software services. The Group is generally the principal in its revenue arrangements because it controls goods or services before transferring them to the customer, except for the agency services where revenue is recognised on net basis.

The disclosure of significant accounting judgements, estimates and assumptions relating to revenue from contract with customers are provided in Note 3.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods.

The Group considers whether there are other promises in the contract (supply of information technology goods) that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. installation, warranties etc.) based on materiality of such obligation. In determining the transaction price for the sale of goods, the Group considers the effect of variable consideration and consideration payable to the customer (if any).

Installation, as applicable, is integral part of delivery of goods. The Group typically provides warranties for general repairs of defect that existed at the time of sale, as required by law. These assurance type warranties are accounted for under Ind AS 37 - Provisions , Contingent Liabilities and Contingent Assets unless it is fully realisable from the supplier.

Urea product subsidy

Urea Subsidy under the New Urea Policy - 2015 is recognised as per concession rates notified by the Government of India (GoI) at the point in time when the quantity is transferred / delivered to customers. Urea Subsidy is further adjusted for input price escalation / de-escalation as estimated by the Management based on the prescribed norms. The Group recognises for the same on sales quantity basis.

ANP product subsidy

ANP Subsidy under Nutrient Based Subsidy (NBS) w.e.f. 01.04.2010 and amendments thereto is recognised as per the concession rates notified by the Government of India (GoI) at the point in time when the quantity is transferred / delivered to customers. The Group recognises for the same on sales quantity basis.

Urea and ANP freight subsidy

Freight Subsidy is recognized for the quantity transferred / delivered to customers based on the notified rates approved by the GoI in case of Urea and on the normative notified rates approved by the GoI or the actual freight whichever is lower in case of ANP.

Rendering of services (including contracted services)

Income from services rendered by the Information Technology division (including operation and maintenance) is recognized as and when the services are transferred to the customer at an amount that reflect the consideration to which the Group expects to be entitled in exchange for those services.

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income is included in other income in the statement of profit or loss.

Dividends

Revenue is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Insurance claims

Claims receivable on account of insurance are accounted for to the extent no significant uncertainty exist for the measurement and realisation of the amount.

Government grants and export incentives

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset except to the extent adjustments are recognised on account of change in estimate as per para 37 of Ind AS 8 to the carrying amount of the related assets.

Export incentive

Export incentives under various schemes notified by government are accounted for in the year of exports based on the eligibility, reasonable accuracy and conditions precedent to claim are fulfilled.

g) Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Q "Financial instruments – initial recognition and subsequent measurement".

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

h) Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax (including Minimum Alternate Tax (MAT)) is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Current income tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse In the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The Group is eligible and claiming tax deductions available under section 80IA of the Income Tax Act, 1961 for a period of 10 years w.e.f FY 2011-12 in respect of windmill income and w.e.f FY 2012-13 in respect of co-generation power and steam unit (CPSU). In view of Group availing tax deduction under Section 80IA of the Income Tax Act, 1961, deferred tax has been recognized in respect of temporary difference, which will reverse after the tax holiday period in the year in which the temporary difference originate and no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the temporary difference which originate first are considered to reverse first.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group recognizes deferred tax credits in the nature of Minimum Alternate Tax (MAT) credit entitlement only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT tax credit is allowed to be carried forward, sufficient to utilize the MAT credit entitlement. In the year in which the Group recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The carrying amount of tax credit is reviewed at each reporting date as stated above.

i) Property, plant and equipment

Property, plant and equipment (PPE) and capital work in progress is stated at original cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replaced part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately considering their specific useful lives based on technical assessment, manufacturers warranties and maintenance support. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Group adjusts exchange differences arising on translation difference/settlement of long term foreign currency monetary items outstanding in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial statements i.e. March 31, 2016 and pertaining to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for the lease hold land which is amortized over the lease term of 99 years. The identified component of Property, Plant and Equipments are depreciated over their useful lives and the remaining components are depreciated over the life of the principal assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of Property, Plant and Equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

j) Investment Properties

Investment properties are measured initially at original cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Group depreciates building component of investment property over 60 years from the date of original purchase.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

k) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Cost incurred on internally generated intangible assets are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

A summary of the policies applied to the Group's intangible assets is as follows:

Intangible Assets	Method of Amortization	Estimated Useful life
Computer software	on straight line basis	Six years or validity period whichever is lower
Licenses	on straight line basis	Over its useful life of 20 years

l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

m) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 01, 2017, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

n) Inventories

Inventories of Raw material, Work-in-progress, Finished goods and Stock-in-trade are valued at the lower of cost and net realisable value. However, Raw material and work-in-progress held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on Weighted Average Cost basis.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost basis.

All other inventories of stores and consumables (including coal) are valued at Weighted Average Cost.

Stores and Spares includes equipment spare parts, catalyst and others which are held as inventory by the Group.

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

o) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budget / forecast the Group extrapolates cash flow projection in the budget working a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case this growth rate does not exceed the long term average growth rate for the products, industry or the market in which the asset is used.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss as an exceptional item.

p) Provisions

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

q) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

The employee's gratuity fund scheme and post-retirement medical benefit schemes are Group's defined benefit plans. The contributions under the plans are made to separately administered funds. The cost of providing benefits under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The Group measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimate that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months as long term compensated absences which are provided for based on actuarial valuation as at the end of the period. The actuarial valuation is done as per Projected Unit Credit Method.

r) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus in case of financial asset not recorded at fair value through profit and loss, transaction cost that are attributable to the acquisition of the financial assets.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the Practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies for Revenue from contracts with customers.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date. i.e. the date that the Group commits to purchase or sales the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instrument at amortized cost
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost

A Debt instrument is measured at amortized cost if both the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The category is most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss except where the Group has given temporary waiver of interest not exceeding 12 months period. This category generally applies to trade, loans and other receivables.

Debt instruments at fair value through profit or loss

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

After initial measurement, such financial assets are subsequently measured at fair value with all changes recognized in Statement of profit and loss.

Equity instruments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment / de-recognition of investment on restructuring by investee. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit or Loss.

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Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement: and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure ;

a) Financial assets that are debt instruments, and are measured at amortized cost e.g. loans, debt securities, deposits, trade receivables and bank balances.

b) Financial assets that are debt instruments and are measured at fair value through other comprehensive income (FVTOCI)

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

Under the simplified approach the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Lifetime ECL are the expected credit losses resulting from all possible default over the expected life of a financial instrument.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contracted cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / (expense) in the statement of profit and loss (P&L). This amount is reflected under the head "Other Expense" in the P&L.

The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.3

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risk are recognized in OCI. These gains / losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Group has not designated any financial liability as at FVTPL.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

s) Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value through profit or loss (FVTPL) on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivative financial instrument or on settlement of such derivative financial instruments are recognized in statement of profit and loss and are classified as Foreign Exchange (Gain) / Loss except those relating to borrowings, which are separately classified under Finance Cost.

t) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and cash credit facilities as they are considered an integral part of the Group's cash management.

u) Cash dividend to equity holders of the Company

The Group recognizes a liability to make cash to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

v) Earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.4 Changes in accounting policies and disclosures

The following standards and amendments became applicable for the first time for the annual reporting period commencing from 1st April, 2018:

- Ind AS 115 - Revenue from contracts with Customer
- Amendment to Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance.
- Appendix B - Foreign Currency Transaction and Advance Consideration to Ind AS 21 - The effect of Changes in Foreign Exchange Rates.
- Amendment to Ind AS 12 - Income Taxes
- Amendment to Ind AS 40 - Investment Property
- Amendment to Ind AS 28 - Investment in Associates and Joint Ventures and Ind AS 112 - Disclosure of interest in Other Entities.

The Group adopted Ind AS 115 using the modified retrospective method of adoption. The adoption of the standard did not have any material impact on the financial statement of the Group.

Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

3 Significant accounting judgement, estimates and assumptions

The preparation of the Group's Ind AS Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Companies accounting policies, management has made the following judgements, which have the most significant effects on the amounts recognised in the financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Taxes

Deferred tax assets (including tax credit under Minimum Alternate Tax (MAT)) are recognized for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in Note 25.

Defined benefit plans (gratuity benefits and other post-employment medical benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of these obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, medical cost escalations and mortality rates etc. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates and Group's obligation under Long Term Wage Settlement which is evaluated in block of four years. Medical cost escalations are based on expected future medical expenditure.

Further details about gratuity and post-employment medical benefits obligations are given in Note 41.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 48 for further disclosures.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4 : Property, plant and equipment

(Rs. in Crores)

	Land freehold	Land lease hold	Buildings	Plant and equipment	Furniture and fixture	Vehicles	Office equipment	Roads, culverts and compund wall	Water supply and drainage system	Railway sidings	Total
COST											
As at April 01, 2017	**111.03**	**214.69**	**426.74**	**6,661.65**	**31.96**	**6.80**	**11.57**	**63.54**	**121.47**	**3.77**	**7,653.22**
Additions	-	-	0.72	16.22	1.01	1.21	0.67	1.00	1.07	-	21.90
Disposals	-	-	-	(95.27)	(0.29)	(0.22)	(0.05)	-	-	-	(95.83)
Adjustments for foreign currency fluctuation	-	-	-	10.38	-	-	-	-	-	-	10.38
As at March 31, 2018	**111.03**	**214.69**	**427.46**	**6,592.98**	**32.68**	**7.79**	**12.19**	**64.54**	**122.54**	**3.77**	**7,589.67**
Additions	-	25.85	2.24	71.15	0.75	0.44	0.66	-	4.63	-	105.72
Disposals	-	-	-	(53.21)	(0.26)	(1.08)	(0.03)	-	-	-	(54.58)
Adjustments for foreign currency fluctuation	-	-	-	(2.49)	-	-	-	-	-	-	(2.49)
As at March 31, 2019	**111.03**	**240.54**	**429.70**	**6,608.43**	**33.17**	**7.15**	**12.82**	**64.54**	**127.17**	**3.77**	**7,638.32**
DEPRECIATION / AMORTIZATION											
As at April 01, 2017	**-**	**11.22**	**84.57**	**3,055.72**	**18.82**	**2.60**	**9.88**	**25.07**	**45.88**	**3.58**	**3,257.34**
Depreciation for the year	-	2.24	11.50	237.06	1.61	0.77	0.52	4.76	9.03	-	267.49
Disposals	-	-	-	(49.50)	(0.26)	(0.10)	(0.03)	-	-	-	(49.89)
As at March 31, 2018	**-**	**13.46**	**96.07**	**3,243.28**	**20.17**	**3.27**	**10.37**	**29.83**	**54.91**	**3.58**	**3,474.94**
Depreciation for the year	-	2.36	11.58	228.33	2.25	0.78	0.51	4.61	9.35	-	259.77
Disposals	-	-	-	(11.36)	(0.19)	(0.53)	(0.01)	-	-	-	(12.09)
As at March 31, 2019	**-**	**15.82**	**107.65**	**3,460.25**	**22.23**	**3.52**	**10.87**	**34.44**	**64.26**	**3.58**	**3,722.62**
NET BLOCK											
As at March 31, 2019	**111.03**	**224.72**	**322.05**	**3,148.18**	**10.94**	**3.63**	**1.95**	**30.10**	**62.91**	**0.19**	**3,915.70**
As at March 31, 2018	111.03	201.23	331.39	3,349.70	12.51	4.52	1.82	34.71	67.63	0.19	4,114.73

Notes :

1. Leasehold Land pertains to the costs incurred for leasehold land in possession of the Company as a Licensee, pending completion formalities of the lease agreement for a term of 99 years in respect of certain land areas situated at Dahej and Atali.

   Addition to lease hold land represents cost of increase in land area earlier allotted to the Company and payment of stamp duty on registration of lease agreement in respect of lease hold land situated at Dahej.

2. Feed Stock Conversion Projects from 'LSHS/FO' to 'Gas' acquired under Government of India policy for reimbursement of project cost over a period of five years from the date of commercial production, was capitalized on 01.10.2013. Accordingly, plant and equipment includes assets amounting to Rs. 1,215.64 crores (net of decapitalisation as per note 3 below) represented by capital grant of Rs. 1,213.06 crores as disclosed in Note 22.

3. During the year the Company has received concession amounting to Rs. 32.75 crores (Rs. 52.44 crores in previous year) towards Feed Stock Conversion Project, which has been adjusted to the carrying value of plant and equipment in terms of para 37 of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The gain (adjustment) of Rs. 5.69 crores (Rs. 10.91 crores in previous year) arising on decapitalisation of plant & equipment is transferred to Other income (refer Note 27).

4. During the year the Company has received concession amounting to Rs. 11.96 crores towards TDI II project, which has been adjusted to the carrying value of plant and equipment in terms of para 37 of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The gain (adjustment) of Rs. 2.71 crores arising on decapitalisation is transferred to Other income (refer Note 27).

5. Assets given on lease includes plant and equipment :
   - Cost as at March 31, 2019 is Rs. 9.39 crore (March 31, 2018 Rs. 9.39 crore)
   - Depreciation as at March 31, 2019 is Rs. 8.92 crore (March 31, 2018 Rs. 8.92 crore)

-Net block as at March 31, 2019 is Rs. 0.47 crore (March 31, 2018 Rs. 0.47 crore)

6. Capital work in progress is as under:
   - Gross block as at March 31, 2019 is Rs. 28.29 crore (March 31, 2018 Rs. 13.67 crore)
   - Impairment provision as at March 31, 2019 is Rs. 2.93 crore (March 31, 2018 Nil)
   - Net block as at March 31, 2019 is Rs. 25.36 crore (March 31, 2018 Rs. 13.67 crore)

   It mainly includes cost incurred on plant and equipment procured at Neem project, TDI-I and TDI-II locations.
7. Additions to property, plant & equipment during the year include Rs. 0.36 crore (previous year: Rs. 0.18 crore) used for research and development activities.

Note 5 : Investment property

(Rs. in Crores)

Particulars	Building	Total
COST		
As at April 01, 2017	**25.93**	**25.93**
Additions (subsequent expenditure)	-	-
As at March 31, 2018	**25.93**	**25.93**
Additions (subsequent expenditure)	**-**	**-**
As at March 31, 2019	**25.93**	**25.93**
DEPRECIATION		
As at April 01, 2017	**6.52**	**6.52**
Depreciation for the year	0.43	0.43
As at March 31, 2018	**6.95**	**6.95**
Depreciation for the period	0.43	0.43
As at March 31, 2019	**7.38**	**7.38**
NET BLOCK		
As at March 31, 2019	**18.55**	**18.55**
As at March 31, 2018	18.98	18.98

Information regarding income and expenditure of Investment property (Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rental income derived from Investment properties	**11.41**	10.97
Direct operating expenses (including repairs and maintenance) generating rental income	**(3.64)**	(5.81)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	**(1.69)**	(0.68)
Profit arising from investment property before depreciation and indirect expenses	**6.08**	4.48
Less : Depreciation	**(0.43)**	(0.43)
Profit arising from investment property before indirect expenses	**5.65**	4.05

(i) As at March 31, 2019 and March 31, 2018 the fair values of the investment property is Rs 85.25 crore and Rs. 57.61 crore respectively, based on valuations performed by an accredited independent valuer, who is a specialist in valuing such types of investment properties.

(ii) The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iii) Fair value hierarchy disclosure for investment properties have been provided in Note 48.2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 6 : Intangible assets

(Rs. in Crores)

Particulars	Computer software	Licenses	Total
COST			
As at April 01, 2017	**22.67**	**34.27**	**56.94**
Additions	3.03	-	3.03
As at March 31, 2018	**25.70**	**34.27**	**59.97**
Additions	-	-	-
As at March 31, 2019	**25.70**	**34.27**	**59.97**
AMORTIZATION			
As at April 01, 2017	**18.38**	**11.63**	**30.01**
Amortization for the year	1.00	1.55	2.55
As at March 31, 2018	**19.38**	**13.18**	**32.56**
Amortization for the year	1.20	1.55	2.75
As at March 31, 2019	**20.58**	**14.73**	**35.31**
NET BLOCK			
As at March 31, 2019	**5.12**	**19.54**	**24.66**
As at March 31, 2018	6.32	21.09	27.41

Note 7 : Investments

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Investments		
(i) Investment in a Associate at cost (Unquoted)		
Investment in equity instrument-unquoted (In fully paid up equity shares)		
12,50,000 (previous year 12,50,000) Equity shares of Gujarat Green Revolution Company Limited of Rs. 10/- each $	**68.93**	60.35
Total	**68.93**	60.35
Non- Trade Investments		
(i) Investments at fair value through other comprehensive income (FVTOCI)[Refer note (a & b)]		
Investments at FVTOCI		
Investments in equity instruments-quoted (In fully paid up equity shares)		
A) 75,00,000 (previous year 75,00,000) Equity Shares of Gujarat State Fertilizers & Chemicals Limited of Rs 2/- each	**78.19**	85.58
B) 17,59,996 (previous year 17,59,996) Equity Shares of Gujarat Alkalies & Chemicals Limited of Rs 10/- each	**86.82**	122.94
C) 80,00,000 (previous year 80,00,000) Equity Shares of Gujarat State Petronet Limited of Rs 10/- each	**152.56**	151.60
D) 2,66,445 (previous year 53,289) Equity Shares of Gujarat Gas Limited of Rs 2/- each (previous year Rs. 10/- each)	**3.94**	4.44
	321.51	364.56

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Investments in equity instruments-unquoted		
A) 2,15,43,200 (previous year 2,15,43,200) equity shares of Gujarat State Petroleum Corporation Limited of Rs 1/- each	**17.26**	17.30
B) 42,000 (previous year 42,000) equity shares of Bharuch Enviro Infrastructure Limited of Rs 10/- each @	**4.53**	5.13
C) 20,000 (previous year 20,000) equity shares of Gujarat Venture Finance Limited of Rs 10/- each @	**0.30**	0.25
D) 18,39,60,000 (previous year 18,39,60,000) equity shares of Gujarat Chemical Port Terminal Company Limited of Rs 1/- each	**347.68**	279.62
E) 2,42,10,000 (previous year 2,42,10,000) equity shares of Ecophos GNFC Private Limited of Rs. 10/- each	**24.21**	19.17
F) 6,12,60,000 (previous year 4,92,60,000) equity shares of Bhavnagar Energy Company Limited of Rs 10/- each #	**-**	24.38
G) 1,35,30,000 (previous year 1,35,30,000) equity shares of Bharuch Dahej Railway Company Limited of Rs 10/- each @	**14.90**	14.33
H) 10 (previous year 10) shares of GESIA IT Association of Rs. 10/- each	**- ***	- *
	408.88	360.18
Total	**730.39**	724.74
Non-current	**799.32**	785.09
Current	**-**	-
Total investments	**799.32**	785.09
Aggregate book value of quoted investments and market value thereof	**321.51**	364.56
Aggregate amount of unquoted investments	**477.81**	420.53
* Amount nullified on conversion to Rs in Crores		
$ Investment in Associate is accounted under Equity method as under:		
Opening Carrying Value of Investments	**60.35**	54.89
Add: Share in Profit for the year	**8.58**	5.46
Carrying Value of Investments at the year end	**68.93**	60.35

\# During the year, the Company has recognized losses on investment in unquoted equity shares of Bhavnagar Energy Company Limited (BECL) that got merged into Gujarat State Electricity Corporation Ltd (GSECL) vide Government of Gujarat notification dated August 27, 2018 for transfer and vesting in GSECL the undertaking of BECL in all respects by issuance of one equity share to each shareholder of BECL against the total number of shares held by them, and thus Company valued such investment as at March 31, 2019 at the nominal consideration receivable of one share in GSECL resulting into aggregate losses of Rs. 61.26 crores (Rs. 24.88 crores till March 31, 2018) recognized though other comprehensive income.

@ Company was carrying physical share certificate in respect of these investments and has applied for dematerialization (Demat) during the year.

(a) The fair value of the quoted equity investments are derived from quoted market prices in active market.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Investments include investment in unquoted equity shares. Fair value of unquoted investment in equity instrument have been carried out by independent valuer using Net Assets Value model and comparable companies model following Market Approach and Income Approach. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk, volatility, net assets and market multiples. The probabilities of various estimates within the range can be reasonably assessed and are used in management's estimates for fair value for these unquoted equity instruments.

Reconciliation of Fair value measurement of the investment in equity shares (Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	**724.74**	761.19
Add : Investment made during the year	**12.00**	-
Fair value (loss) / gain recognised in Other Comprehensive Income	**(6.35)**	(36.45)
Closing Balance	**730.39**	724.74

Note 8 : Loans and advances (unsecured)

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Loans		
Unsecured - considered good		
Loans to employees *	**16.70**	15.41
Total	**16.70**	15.41
Non-Current		
Loans		
Unsecured - considered good		
Deposits with corporate	**160.00**	-
Loans to employees *	**87.37**	75.76
Unsecured - considered doubtful		
Amount recoverable from employee	**1.57**	1.57
Less: Provision for doubtful loans	**(1.57)**	(1.57)
	-	-
Loan to other companies	**0.40**	0.40
Less: Provision for doubtful loans	**(0.40)**	(0.40)
	-	-
Total	**247.37**	75.76
Total loans and advances	**264.07**	91.17

* includes interest accrued Rs 3.07 crores on current loans to employees and of Rs. 32.94 crores on non-current loans to employees.

Note 9 : Other financial assets

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Other financial assets		
Capital grant recoverable from Government of India (*)	**-**	31.38
Dividend receivable	**2.76**	-
Accrued interest	**7.40**	0.43
Other receivables	**0.01**	0.02
Deposits with suppliers	**7.11**	-
Total	**17.28**	31.83

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current		
Other financial assets		
Deposits with suppliers	**11.25**	8.38
Fair value of derivative contracts	**-**	1.47
Other receivables	**0.21**	0.20
Total	**11.46**	10.05
Total other financial assets	**28.74**	41.88

(*) Represents the Grant to be disbursed by Government of India for feed stock conversion project from 'LSHS/ FO' to 'Gas' as contemplated in Note 22.

Note 10 : Trade receivables (Unsecured)

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables		
- Considered good	**306.71**	458.94
- Credit impaired	**5.17**	5.03
Subsidy receivables (Considered good)	**933.48**	665.14
	1,245.36	1,129.11
Less : Impairment Allowances (Allowance for doubtful debts)		
Trade receivables		
- Considered good	**-**	(4.00)
- Credit impaired	**(5.17)**	(5.03)
Total	**1,240.19**	1,120.08

Note:

- No trade or other receivables are due from Directors or other officers of the Company either severally or jointly with any other person; nor any trade or other receivables are due from firms or private companies in which any Director is a partner, a director or a member.
- The fair value of trade receivables (including subsidy receivables) is not materially different from the carrying value presented.
- Trade receivables are non interest bearing and are generally on terms of 30 to 90 days. Trade receivables of (n)Code division (IT) are of Rs 112.91 crores (previous year Rs 153.47 crores) are governed by the terms of respective contract agreement.

(Rs. in Crores)

Note 11 : Other non-current assets

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Unamortized employee loan benefits	**25.43**	24.35
Capital advances	**12.62**	0.71
Deposits / Recoverable balances from customs, excise and others	**12.02**	12.39
Prepaid Expense	**5.71**	-
Unsecured - considered doubtful		
Advances to suppliers	**5.67**	5.67
Less: Provision for doubtful advances	**(5.67)**	(5.67)
	-	-
Balances / deposits recoverable from customs, taxes, cess etc.	**5.08**	5.01
Less: Provision for doubtful balances	**(5.08)**	(5.01)
	-	-
Total	**55.78**	37.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 12 : Inventories (Valued at lower of Cost and Net realisable value)

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	**166.00**	97.85
Work-in-progress	**40.34**	35.06
Finished goods *	**138.85**	93.97
Traded goods	**2.44**	3.36
Stores and spares (Including coal)	**481.40**	450.40
(Includes in transit inventory as on March 31, 2019 Rs.0.03 crore; as on March 31, 2018 Rs. 19.45 crore)		
Total	**829.03**	680.64

* During the current year the company has adjusted finished goods by Rs 14.57 crores so as to value such inventories at net realizable value which is lower than the cost .

Note 13 : Cash and cash equivalents

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents		
Balances with banks in:		
- Current accounts	**3.63**	6.03
- Debit balance in cash credit accounts	**8.38**	-
Cash on hand	**0.24**	0.12
Deposits with original maturities less than three months	**152.00**	-
Total	**164.25**	6.15

Changes in liabilities arising from financing activities

(Rs. in Crores)

Particulars	As at April 01, 2018	Cash flows	Foreign exchange management	Changes in fair values	Other	As at March 31, 2019
Current borrowings (excluding items listed below)	229.56	(18.99)	0.41	-	(3.05)	**207.93**
Derivatives	(1.47)	-	1.47	-	-	**-**
Current maturities of long-term borrowings	73.47	(72.11)	(2.19)	-	0.83	**-**
Deposits from customers / vendors	50.23	(2.45)	-	-	-	**47.78**
Unclaimed dividends	8.06	1.95	-	-	-	**10.01**
Total	**359.85**	**(91.60)**	**(0.31)**	**-**	**2.22**	**265.72**

Note 14 : Other bank balances

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
- Unpaid dividend accounts	**10.01**	8.06
- Bank balances in escrow accounts *	**8.70**	-
Deposit with original maturity of less than twelve[12] months but more than three months (Pledged with lenders and Government authorities)	**51.96**	1.95
Total	**70.67**	10.01

* Balances in escrow account represents amounts received on behalf of customers of (n) code division.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 15 : Other current assets

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Deposits / Recoverable balances from customs, excise and others	**59.91**	116.80
Advance to suppliers	**45.92**	83.67
Contract assets	**19.49**	20.18
Receivable from others	**14.56**	14.14
Prepaid expenses	**5.03**	3.53
Unamortized employee loan benefits	**4.85**	4.96
Energy savings certificates *	**-**	-
Total	**149.76**	243.28

* Amount nullified on conversion to Rs in Crores

Note 16 : Share capital

(Rs. in Crores)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Authorised share capital				
Equity shares of Rs.10 each	**25,00,00,000**	**250.00**	25,00,00,000	250.00
	25,00,00,000	**250.00**	25,00,00,000	250.00
Issued, subscribed and fully paid up				
Equity shares of Rs.10 each subscribed and fully paid up	**15,54,18,783**	**155.42**	15,54,18,783	155.42
Total issued, subscribed and fully paid up share capital	**15,54,18,783**	**155.42**	15,54,18,783	155.42

Note 16.1. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
At the beginning of the year	**15,54,18,783**	**155.42**	15,54,18,783	155.42
Issued/reduction, if any during the year	**-**	**-**	-	-
Outstanding at the end of the year	**15,54,18,783**	**155.42**	15,54,18,783	155.42

Note 16.2. Terms/rights attached to the equity shares

Rights preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having par value of Rs 10 per share, i.e. equity shares which rank pari passu in all respects. Each holder of equity share is entitled to one vote per share.

For the current financial year 2018-19, the Company has proposed dividend of Rs. 7 per equity share to equity shareholder (for the previous financial year dividend of Rs. 7.5 per share declared). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 16.3. Number of Shares held by each shareholder holding more than 5% Shares in the Company

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of Share holding	No. of Shares	% of Share holding
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 Corporations of India	**1,17,91,612**	**7.59**	1,17,91,612	7.59

Note 17 : Other equity

Note 17.1 Reserves and Surplus **(Rs. in Crores)**

Particulars	Capital reserve	Securities Premium	General reserve	Retained earnings	Total
As at April 01, 2017	**0.64**	**313.31**	**2,189.76**	**688.83**	**3,192.54**
Profit for the year				794.94	794.94
Re-measurement losses on defined benefit plans (Net of Taxes)				(26.72)	(26.72)
Balance available for appropriation				**1,457.05**	**3,960.76**
Less : Appropriations					
Transfer to General reserve			115.00	(115.00)	-
Dividend				77.71	77.71
Tax on equity dividend				15.82	15.82
As at March 31, 2018	**0.64**	**313.31**	**2,304.76**	**1,248.52**	**3,867.23**
Profit for the year				749.74	749.74
Re-measurement losses on defined benefit plans (net of taxes)				(48.45)	(48.45)
Balance available for appropriation				**1,949.81**	**4,568.52**
Less : Appropriations					
Transfer to General reserve			175.00	(175.00)	-
Dividend				116.56	116.56
Tax on equity dividend				23.96	23.96
As at March 31, 2019	**0.64**	**313.31**	**2,479.76**	**1,634.29**	**4,428.00**

Securities Premium: Securities premium is used to record the premium on issue of shares. This reserve is utilized in accordance with the provision of section 52 (2) (c) of the Companies Act, 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 17.2 Other Comprehensive Income (OCI)

(Rs. in Crores)

Particulars	Net gain / (loss) on FVTOCI equity Investments	Total
As at April 01, 2017	**507.27**	**507.27**
Other comprehensive income / (expense) during the year		
Net (loss) on FVTOCI equity investments for the year	(36.45)	(36.45)
Income tax effect	23.57	23.57
As at March 31, 2018	**494.39**	**494.39**
Other comprehensive income / (expense) during the year		
Net (loss) on FVTOCI equity investments for the year	(6.35)	(6.35)
Income tax effect	(6.73)	(6.73)
As at March 31, 2019	**481.31**	**481.31**

Note 17.3 Dividend distribution made and proposed

(Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash dividends on equity shares declared and paid		
Final dividend for year ended March 31, 2018: Rs. 7.5 per share (March 31, 2017: 5 per share)	**116.56**	77.71
Dividend distribution tax on final dividend	**23.96**	15.82
	140.52	93.53
Proposed dividends on equity shares		
Final cash dividend proposed for the year ended March 31, 2019: Rs. 7 per share (March 31, 2018: Rs.7.5 per share)	**108.79**	116.56
Dividend distribution tax on proposed dividend	**22.36**	23.96
	131.15	140.52

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at balance sheet date.

Note 18 : Borrowings

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of interest bearing borrowings		
Secured		
Term loans		
- Foreign currency term loan from bank	-	73.47
Regrouped with other current financial liabilities (refer note 20)	-	73.47

Security details

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Short-term interest bearing borrowings		
Secured		
From Bank- cash credit and overdraft accounts	**55.01**	102.86
Other loans and advances from banks *	**152.92**	51.22
Packing credit in foreign currency (PCFC)	**-**	6.66
Unsecured		
Loan repayable on demand from others	**-**	3.05
Other loans and advances		
- Buyers' credit in foreign currency from banks	**-**	65.77
Total	**207.93**	229.56

* During the year, the Company has availed Special Banking Arrangement (SBA) as approved by Ministry of Finance, Department of Economic Affairs to enable the indigenous Urea, Indigenous P&K manufacturers to raise loans from Punjab National Bank against outstanding subsidy receivables from the Government of India.

Terms of repayment, interest and secured

SBA carries interest rate of 8.20% per annum of which GOI shall be bearing 7.72% and 0.48% shall be borne by the Company. SBA is secured by hypothecation of subsidy receivables in respect of indigenous urea and indigenous P&K as identified and lien marked by Government of India. SBA is further secured by letter of comfort from Department of Fertilizers (DOF), GOI for timely payment of principle and interest to the extent of 7.72%. P. A.

SBA is repayable within maximum period of 60 days from the date of disbursement with one day prior notice.

Security details

Short term borrowings from banks as cash credit and overdraft accounts of Rs. 55.01 Crore (March 31, 2018: Rs. 102.86 Crore), Short-Term Loans and Advances from Banks of Rs. 152.92 Crore (March 31, 2018: Rs. 51.22 Crore) and PCFC Export Credit in Foreign Currency from Banks of Nil (March 31, 2018: Rs. 6.66 Crore) are secured by first charge by way of hypothecation of inventories and trade receivables and all other movable assets, both present and future and further secured by second charge by way of mortgage on all immovable properties. These charges are ranking pari-passu among the working capital lenders.

Interest rate details for short term borrowings:

(i) Cash credit facilities and overdrafts carries interest rates ranging from 7.95% to 8.40% p.a.

(ii) Other loans and advances from banks carries interest rate of 0.48% p.a. (0.96% previous year)

Note 19 : Trade payables

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
(A) total outstanding dues of micro enterprises and small enterprises	**31.36**	14.18
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	**363.39**	411.89
Total	**394.75**	426.07

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Crores)

Particulars		As at March 31, 2019	As at March 31, 2018
Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"):			
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year.	**31.36**	14.18
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**-**	-
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**-**	-
(iv)	The amount of interest due and payable for the year	**-**	-
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	**-**	-

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

Note 20 : Other current financial liabilities

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Other financial liabilities at amortized cost		
Current maturities of long-term borrowings	**-**	73.47
Liability towards excess capital grant received (net) (*)	**85.06**	-
Deposits from customers / vendors	**47.78**	50.23
Payable for capital goods	**23.82**	25.05
Rebate / discounts payable to customers	**15.83**	4.11
Interest accrued but not due on borrowings	**-**	11.03
Unclaimed dividends #	**10.01**	8.06
Total	**182.50**	171.95

Not due for credit to "Investors Education and Protection Fund"

(*) Represents the excess Grant received by the Company against feed stock conversion project from 'LSHS/ FO' to 'Gas' as disclosed in Note 22.

Note 21 : Provisions (Non-current)

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for leave encashment	**177.73**	130.71
Provision for post retirement medical benefit (refer Note 41)	**47.92**	42.73
Expected loss of PF trust *	**10.25**	-
Total	**235.90**	173.44

* Employees' Provident Fund Trust of the Company (GNFC-EPFT) is holding investments aggregating to Rs. 41 Crore in various long term secured/unsecured listed debt securities issued by IL&FS Group. In view of uncertainties regarding recoverability of such investment, during the year the Company has, as a matter of prudence, provided Rs. 10.25 Crore i.e. 25% of the total investment of Rs.41 Crore, towards probable incremental employee benefit liability that may arise on the Company on account of any likely deficit in the GNFC-EPFT in meeting its obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 22 : Government grant (Deferred Income) **(Rs. in Crores)**

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Grant from Government of India (refer note a)	**60.65**	60.65
Government grant of Export Promotion Capital Grant (EPCG) (refer note b)	**5.00**	5.00
Total	**65.65**	65.65
Non Current		
Grant from Government of India (refer note a)	**818.82**	879.47
Other Government grant	**1.00**	1.00
Total	**819.82**	880.47
Total government grant (deferred income)	**885.47**	946.12

(a) Movement in Grant from Government of India **(Rs. in Crores)**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening	**940.12**	1,000.77
Released to statement of profit and loss	**(60.65)**	(60.65)
Closing	**879.47**	940.12

The capital grant from Government of India, Ministry of Chemicals & Fertilizers, Department of Fertilizers for feed stock conversion project from 'LSHS/FO' to 'Gas' vide sanction letter no 14023/22/2007-FP dated 14.12.2009 has accrued to the Company since the conditions attached to the grant have been fulfilled by the Company. Accordingly, the grant of Rs. 1,215.74 crore was recorded as contemplated under Para 7 and 12 of Ind AS - 20 on 'Accounting for Government Grants and Disclosure of Government Assistance'. The aforesaid grant have been disbursed by the Government of India. further the scrutiny of project cost have been completed by the Government appointed team and the Grant amount was finalised at Rs. 1,213.06 crore.

During the current year, the government has disbursed Rs. 89.18 crore on account of capital grant, cumulative capital grant received upto at March 31, 2019 Rs.1,146.43 crores against total receivable of Rs 1,213.06 crores and Rs. 27.31 crores towards grant as reimbursement of borrowing cost, cumulative reimbursement of borrowing costs upto March 31, 2019 is Rs.348.45 crores against total borrowing cost incurred of Rs.195.47 crores. Accordingly, the Company has, pending settlement, recorded a net liability of Rs 85.06 crores (net of adjustment of receivable against return on investment of Rs.1.29 crores as at March 31, 2019) towards excess amount received over and above the actual grant receivable. (refer note 20)

(b) Movement in Government grant of EPCG **(Rs. in Crores)**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening	**5.00**	16.02
Released to statement of profit and loss	**-**	(11.02)
Closing	**5.00**	5.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 23 : Other current liabilities (Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory and other liabilities	**16.65**	70.99
Other current liabilities (Refer Note 43)	**50.57**	41.67
Contract liabilities (Advance from customers)	**17.53**	20.53
Total	**84.75**	133.19

Note 24 : Provisions (current) (Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for leave encashment	**59.11**	41.04
Provision for contingencies (refer note a)	**3.04**	12.66
Provision for post retirement medical benefit (Refer Note 41)	**1.58**	1.42
Total	**63.73**	55.12

Note: a

The Company has created a contingency provision of Rs. 3.04 crores for possible contractual obligation of IT business (previous year Rs. 12.66, towards policy uncertainties related to the Company's claims with the Government authorities based on the management assessment.) The movement of provision for contingencies is as under:

(Rs. in Crores)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening balance	**12.66**	-
Provision made during the year	**3.04**	12.66
Amount utilised / reversed during the year	**(12.66)**	-
Closing balance	**3.04**	12.66

Note 25 : Income Tax

The major component of income tax expenses for the year ended March 31, 2019 and March 31, 2018 are as under

a) Statement of Profit and Loss Section (Rs. in Crores)

Particulars		Year Ended March 31, 2019	Year Ended March 31, 2018
Current Income tax			
Current tax charges	A	**244.32**	383.70
Excess tax provision write back of earlier years (refer note (h) below)	B	**(133.86)**	-
Deferred Tax			
Relating to origination and reversal of temporary differences		**(32.26)**	10.67
Tax (credit) under Minimum Alternate tax		**-**	(21.92)
	C	**(32.26)**	(11.25)
Tax Expense reported in the Statement of Profit and Loss	A + B + C	**78.20**	372.45
Other Comprehensive Income ('OCI') Section			
Income tax / Deferred tax related to items recognised in OCI during the year			
Re-measurement losses on defined benefit plans, credit		**26.02**	14.14
Unrealised (loss) / gain on FVTOCI equity investments, (charge) / credit		**(6.73)**	23.57
		19.29	37.71

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

b) Balance Sheet Section (Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Liabilities for current tax (net)	**22.80**	99.91
Income tax assets (net)	**(23.16)**	(40.53)
Net Tax Provision Outstanding	**(0.36)**	59.38

c) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018 (Rs. in Crores)

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	%	Amount	%	Amount
Profit Before tax		**819.36**		1,161.97
Tax using domestic tax rate for Company	**34.94**	**286.32**	34.61	402.13
Tax Effect of:				
Income exempted from tax	**(0.30)**	**(2.46)**	(0.20)	(2.27)
Deduction u/s 80IA	**(8.49)**	**(69.54)**	(2.01)	(23.33)
Expenses with weighted deduction in tax	**(0.06)**	**(0.52)**	(0.03)	(0.30)
Non-deductible expenses	**0.27**	**2.24**	0.12	1.45
Sale of assets	**0.24**	**1.99**	0.05	0.59
MAT credit entitlement of earlier years	**-**	**-**	(1.89)	(21.92)
Realised gain on ECB derivative	**(0.06)**	**(0.52)**	-	-
Income taxable under long term capital gain tax	**-**	**-**	0.00	0.04
Adjustment in depreciation net book value of assets	**(0.67)**	**(5.45)**	0.98	11.39
Change in rate of cess (from 3% to 4%)	**-**	**-**	0.41	4.80
Other adjustments	**-**	**-**	(0.01)	(0.13)
Effective tax rate and tax	**25.88**	**212.06**	32.05	372.45
Excess tax provision write back of earlier years	**(16.34)**	**(133.86)**	-	-
Tax expenses as per Books	**9.54**	**78.20**	32.05	372.45

d) Deferred Tax Liability (net) (Rs. in Crores)

	Balance Sheet as at		Statement of Profit and Loss	
	March 31,2019	March 31,2018	Year ended March 31,2019	Year ended March 31,2018
(Liability) on Accelerated depreciation for tax purpose	**(873.65)**	(904.24)	**(30.59)**	1.42
Assets on provision for Leave encashment	**80.03**	57.28	**(22.75)**	(7.84)
Assets on deferred government grant of ASGP	**307.32**	328.52	**21.20**	17.84
Assets on deferred government grant of EPCG	**1.75**	1.75	**-**	3.79
Assets on Provision for doubtful debts and advances	**14.76**	15.86	**1.10**	(6.16)
Asset / (Liability) on equity investment FVTOCI	**(30.40)**	(23.67)	**6.73**	(23.57)
Assets / (liability) on other adjustments	**2.52**	1.30	**(1.22)**	1.62
	(497.67)	(523.20)	**(25.53)**	(12.90)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

e) Deferred tax liabilities reflected in the balance sheet as follows **(Rs. in Crores)**

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities	**497.67**	523.20
Less :Tax credit entitlement under MAT	**(30.99)**	(44.53)
Deferred tax liabilities (net)	**466.68**	478.67

f) Reconciliation of deferred tax liabilities (net) **(Rs. in Crores)**

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance as of April 01	**478.67**	386.92
Tax expenses during the period recognised in statement of profit and loss	**(32.26)**	10.67
Tax (credit) under Minimum Alternate tax (current year amount pertains to earlier years) (previous year amount includes Rs. 21.92 crore pertaining to earlier years)	**(58.20)**	(21.92)
Tax credit during the period recongnised in OCI	**6.73**	(23.57)
Utilisation of MAT credit entitlement	**71.74**	126.57
Closing balance	**466.68**	478.67

g) The Company made tax provision as per normal income tax provisons of the Income Tax Act, 1961. Based on this, the Company has made provision of Rs. 244.32 crore (previous year Rs. 383.70 Crore).

h) During the year, the Company has carried out reconciliation of income tax liabilities pertaining to current tax provision of earlier years as per books of account with tax liabilities acknowledged in respective year's income tax return/assessed tax liabilities. Accordingly, based on such reconciliation, excess tax provision aggregating to Rs. 133.86 crores related with earlier years has been written back during the year.

i) The Company has following unutilised MAT credit under the Income Tax Act, 1961 for which deferred tax assets has been recognised in the Balance Sheet at.

Financial Year	Rs. in Crores	Year of expiry
2016-17	30.99	2031-32
Total	**30.99**	

j) During the year ended March 31, 2019, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity. (refer Note 17.3).

Note 26 : Revenue from operations **(Rs. in Crores)**

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
26.1	**Sale of products**		
	Own products	**5,749.44**	5,667.94
	Traded products	**49.03**	133.73
		5,798.47	5,801.67
	Rendering of services	**66.43**	97.36
	Other operating revenue		
	Export incentive	**15.47**	10.41
	Purchase Tax reimbursement	**6.93**	-
	Recovery of administrative charges (Fly Ash)	**4.32**	4.07
	Sale of scrap / surplus / unserviceable materials	**4.40**	3.08
		31.12	17.56
	Total	**5,896.02**	5,916.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Crores)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
26.2	**Timing of revenue recognition**		
	Goods transferred / services rendered at point in time	**5,882.38**	5,902.95
	Services transferred over time	**13.64**	13.64
	Total	**5,896.02**	5,916.59

26.3 There are no inter-segment transfers in case of revenue from contracts with customers, accordingly no reconciliation is required with amounts disclosed in the segment information.

26.4 Reconciliation of amounts of revenue recognized in the statement of profit and loss with the contracted price.

(Rs. in Crores)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
Revenue as per contracted price (inclusive of excise duty)	A	**6,133.39**	6,168.11
Adjustments:			
Rebates / discounts / incetives		**206.91**	229.68
Dearler's margin		**30.46**	21.84
	B	**237.37**	251.52
Revenue from contract with customers	A-B	**5,896.02**	5,916.59

Note 27 : Other income

(Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Grant income	**64.56**	81.96
Interest income * @	**49.54**	12.51
Rent income	**12.37**	11.31
Gain (adjustment) on decapitalisation of property, plant and equipment	**8.40**	10.91
Unclaimed loans / liabilities written back $	**33.91**	-
Dividend income **	**7.05**	6.57
Exchange variance gain on monetary items	**6.16**	4.67
Excess provision of doubtful debt written back	**4.01**	0.07
Insurance claim	**23.65**	9.69
Miscellaneous income	**10.89**	3.83
Total	**220.54**	141.52

* Including Rs. 8.88 crore (previous year Rs. 7.54 crore) on FVTPL Financial Assets.

@ Includes Rs. 22.31 crore (previous year Rs. 0.44 crore) interest on income tax refunds.

$ During the year, the company has written back loan from Government of Gujarat that was received by the company during financial years 1979 to 1984 pursuant to then prevailing water supply scheme. Over the years the company has also accrued interest liability of Rs. 10.21 crores on such loan. Since there has been no demand by the Government of Gujarat since disbursement of such loan to recover such loan, the company has written back the liability of Rs. 13.26 crores.

** Including Rs. 6.98 crore (previous year Rs. 6.51 crore) on FVTOCI Financial Assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 28: Cost of raw materials consumed

(Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Inventory at the beginning of the year	**97.85**	130.23
Add : Purchases	**2,916.26**	2,350.81
	3,014.11	2,481.04
Less : Inventory at the end of the period	**166.00**	97.85
Total	**2,848.11**	2,383.19

Note 29A : Purchase of traded goods

(Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of traded goods	**17.22**	45.02
Total	**17.22**	45.02

Note 29B : Purchase of goods and services IT division

(Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of goods and services IT division	**44.53**	101.63
Total	**44.53**	101.63

Note 30 : Changes in inventories of finished goods, work-in-progress and traded goods

(Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Inventory at the beginning of the year		
Work-in-progress	**35.06**	21.43
Finished goods	**93.97**	96.05
Traded goods	**3.36**	17.80
	132.39	135.28
Inventory at the end of the period		
Work-in-progress	**40.34**	35.06
Finished goods	**138.85**	93.97
Traded goods	**2.44**	3.36
	181.63	132.39
Total	**(49.24)**	2.89

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 31 : Employee benefits expense **(Rs. in Crores)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	**403.74**	303.65
Contribution to provident and pension fund (refer Note 41)	**39.25**	31.95
Contribution and provision towards gratuity (refer Note 41)	**11.04**	9.17
Employees' welfare expenses	**59.35**	50.19
Expected loss of PF trust *	**10.25**	-
Total	**523.63**	394.96

* Employees' Provident Fund Trust of the Company (GNFC-EPFT) is holding investments aggregating to Rs. 41 Crore in various long term secured/unsecured listed debt securities issued by IL&FS Group. In view of uncertainties regarding recoverability of such investment, during the year the Company, as a matter of prudence, has provided Rs. 10.25 Crore i.e. 25% of the total investment of Rs.41 Crore, towards probable incremental employee benefit liability that may arise on the Company on account of any likely deficit in the GNFC-EPFT in meeting its obligations.

Note 32 : Finance costs **(Rs. in Crores)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest on borrowings	**2.94**	88.50
Interest others	**0.27**	4.88
Other borrowing costs	**0.83**	3.83
Bank charges and commission	**2.34**	2.50
Total	**6.38**	99.71

Note 33 : Depreciation and amortization expense **(Rs. in Crores)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on property, plant and equipment (refer Note 4)	**259.77**	267.49
Depreciation on investment property (refer Note 5)	**0.43**	0.43
Amortization on intangible assets (refer Note 6)	**2.75**	2.55
Total	**262.95**	270.47

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 34 : Other expenses (Rs. in Crores)

Particulars		Year ended March 31, 2019		Year ended March 31, 2018
Stores, chemicals and catalysts		**113.67**		69.62
Packing expenses		**89.05**		90.42
Insurance		**10.05**		11.90
Repairs and maintenance :				
- Building	**8.58**		10.95	
- Plant and equipment	**162.41**		134.38	
- Others	**5.40**	**176.39**	4.93	150.26
Material handling expenses		**9.74**		9.55
Lease Rent		**0.02**		0.02
Outward freight and other charges		**106.68**		104.21
Sales promotion expenses		**2.58**		7.62
Selling commission		**0.81**		3.50
Rates & taxes		**5.91**		7.98
Rent		**7.75**		8.87
Printing & stationery, communication and advertisement expense		**8.11**		7.70
Traveling and conveyance expenses		**4.93**		5.25
Fire fighting, safety and security expenses		**7.84**		8.59
Processing charges to contractors		**2.92**		3.69
Electricity charges		**3.72**		3.67
Professional and consultancy charges		**4.71**		4.84
Payment for contract services		**13.85**		13.19
Loss on sale / discard of property, plant and equipment (net)		**5.69**		1.70
Director's fees		**0.09**		0.09
Payment to auditors (refer note (a) below)		**0.61**		0.61
Donations		**-**		10.00
Contributions towards Corporate Social Responsibilities (refer Note 40)		**3.51**		8.38
Premium on forward contracts		**0.73**		4.44
Provision for doubtful debts / advances		**0.21**		4.70
Unrealised subsidy balances written off (refer Note 44)		**127.38**		-
Bad debts written off		**0.21**		-
Contingencies cost (refer Note 24)		**3.04**		12.66
Impairment - capital work in progress		**2.93**		-
Loss in value of Energy Savings Certificates		**-**		36.80
Provision for Energy Savings Certificates		**1.60**		-
Miscellaneous expenses		**38.62**		40.78
Total		**753.35**		631.04

(a) Payment to auditors includes following :

Payments to Statutory Auditors comprise: (Net of Service Tax Input Credit, where applicable)

	Year ended March 31, 2019	Year ended March 31, 2018
As auditor:		
(i) Statutory Audit Fees	**0.15**	0.14
(ii) Limited review Fees	**0.13**	0.12
In other capacity:		
(i) Certification fees	**0.27**	0.19
(ii) Others	**0.05**	0.14
Reimbursement of Expenses	**0.01**	0.02
Total	**0.61**	0.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 35 : Earning per share

(Rs. in Crores)

Particulars	Unit	Year ended March 31, 2019	Year ended March 31, 2018
Net profit after tax	Rs. in Crore	**749.74**	794.94
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.	**48.24**	51.15

Note 36 : Contingent liabilities and other commitments (to the extent not provided for)

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
(A) Contingent liabilities		
(i) Claims against the Company not acknowledged as debts	**217.93**	256.97
(ii) Income tax assessment orders contested	**27.19**	4.99
(iii) Demands in respect of Central Excise Duty, Custom Duty, Service Tax and Value Added Tax as estimated by the Company	**219.38**	235.38
Total contingent liabilities	**464.50**	497.34
In respect of the above, the expected outflow will be determined at the time of final resolution of the dispute.		
(B) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**120.24**	48.68
(C) Other commitments		
(i) The Company is committed to grant subordinate debt to Bhavnagar Energy Company Limited (BECL) in the manner and in the form as may be finalized by the promoters of BECL	**-**	40.64
(ii) Export obligation on account of benefit of concessional rate of Custom duty availed under EPCG license scheme on imports of capital goods.	**-**	41.40
Total other commitments	**-**	82.04

Note 37 :Related party disclosures:

Related party disclosures, as required by Ind AS-24, "Related Party Disclosures", are given below:

(i) Related parties with whom transactions have taken place during the period:

Associate	:	Gujarat Green Revolution Company Limited
Wholly Owned Subsidiary	:	Gujarat Ncode Solutions Limited
Key Management Personnel and their relatives	:	Dr J N Singh, IAS, Chairman & Director Shri M S Dagur, IAS, Managing Director # Dr. Rajiv Kumar Gupta, IAS, Managing Director @ Smt. Mamta Verma, IAS, Director Shri Sujit Gulati, IAS, Director * Shri Anil Mukim, IAS, Director ** Prof. Arvind Sahay, Independent Director Shri C S Mani, Independent Director Shri Sunil Parekh, Independent Director Shri Piruz Khambatta, Independent Director Shri V D Nanavaty, Director *** Shri D V Parikh, GM (Finance) & Chief Financial Officer Shri T J Lakhmapurkar, GM (Legal) & Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Appointed as managing director w.e.f 16.07.2018
@ Resigned as managing director w.e.f 15.07.2018
* Appointed as director w.e.f 09.10.2018
** Resigned from board w.e.f 07.03.2018
*** Resigned from board w.e.f 03.10.2018

Entities over which Key Management Personnel having significant influence : EcoPhos GNFC India Private Limited

(ii) Aggregate of transactions for the year with these parties have been given below: **(Rs. in Crores)**

Name of the Company	Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Gujarat Green Revolution Co. Ltd.	Sale of goods & servicers	**0.01**	0.04
	Dividend received	**0.06**	0.06
	Receivable	**-**	-
Ecophos GNFC India Private Limited	Expenses incurred on behalf of	**-**	3.48
	Receivable	**3.48**	3.48
Gujarat Ncode Solutions Limited	Expenses incurred on behalf of	**-**	0.04
	Receivable	**0.04**	0.04

(Amount in Rs.)

Name of the Person	Nature of Transactions	Year ended March 31, 2019	Year ended March 31, 2018
Dr J N Singh, IAS @	Sitting Fees	**60,000**	45,000
Shri M S Dagur, IAS, Managing Director	Managerial remuneration	**37,74,110**	-
Dr. Rajiv Kumar Gupta, IAS, Managing Director	Managerial remuneration	**2,28,595**	-
Shri Anil Mukim, IAS @	Sitting Fees	**-**	55,000
Smt. Mamta Verma, IAS @	Sitting Fees	**2,25,000**	1,75,000
Shri Sujit Gulati, IAS @	Sitting Fees	**30,000**	-
Shri C S Mani	Sitting Fees	**2,25,000**	2,35,000
Prof Arvind Sahay	Sitting Fees	**75,000**	1,00,000
Shri Sunil Parekh	Sitting Fees	**2,25,000**	2,35,000
Shri V D Nanavaty	Sitting Fees	**45,000**	40,000
Shri D V Parikh	Remuneration	**37,28,614**	25,06,164
Shri T J Lakhmapurkar	Remuneration	**32,18,233**	23,27,439

@ Amount deposited in Government Treasury

Note 38 : Research and development expenses

The statement of profit and loss includes following nature of research & development expenses in the respective heads:

(Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Personnel expenses	**1.67**	1.37
Consumables and spares	**0.47**	0.28
Power and fuel consumption	**0.08**	0.07
Total research & development expenses	**2.22**	1.72

Note 39 : Pursuant to Ind AS-17 - 'Leases', the following information is disclosed:

(i) The Company has taken various warehouses, godowns, guesthouses and office premises under operating lease or rental agreements. These are generally cancellable having a term between one to three years extendable for further period as per the terms of rental agreements. Rental payments are recognised in the statement of profit and loss under Note 34 - Other expenses.

(ii) Rent income also includes rentals received from lease of office premises. Such operating lease is generally for a period of three to four years. There are no restrictions imposed by lease arrangements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Future minimum lease payments receivables:		
Not later than one year	**0.23**	1.24
Later than one year not later than five years	**-**	-
Later than Five years	**-**	-
Total	**0.23**	1.24

Note 40 : Corporate social responsibility (Rs. in Crores)

	Particulars		Year ended March 31, 2019	Year ended March 31, 2018
a)	**Gross amount required to be spent by the Company during the year:**		**12.20**	3.56
b)	**Amount spent during the year ended on March 31, 2019**	**In Cash**	**Yet to be paid in cash**	**Total**
	(i) Construction/acquisition of any asset	-	**-**	-
	(ii) On purpose other than (i) above	**3.51**	**8.69**	**12.20**
c)	**Amount spent during the year ended on March 31, 2018**			
	(i) Construction/acquisition of any asset	-	-	-
	(ii) On purpose other than (i) above	8.38	-	8.38

Note 41: Gratuity and other post employment benefit plans:

A. Defined contribution plans:

Amount of Rs. 39.25 Crores (March 31, 2018: Rs. 31.95 Crores) is recognised as expenses and included in note no. 31 "Employee benefit expense"

(Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Provident fund	**21.94**	18.02
Contribution to pension scheme	**17.31**	13.93
	39.25	31.95

B. Defined benefit plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

(b) Post retirement medical benefit

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity as per payment of Gratuity Act, 1972. The Scheme is funded with Gratuity Trust, which in turn makes contribution to Life Insurance Corporation of India (LIC) in the form of qualifying insurance policy for future payment of gratuity to the employees.

Each year the management reviews the level of funding in the gratuity fund. Such review includes the asset - liability matching strategy. The management decides its contributions based on the results of this review. The management aims to keep annual contributions relatively stable at a level such that no plan deficit (based on valuation performed) will arise.

The plan for the Post retirement medical benefit is unfunded.

The following table summarises the components of net benefit expense recognised in statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

March 31, 2019 : Changes in defined benefit obligation and plan assets (Rs. in Crores)

	Cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income (OCI)						
	April 01, 2018	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjust-ments	Sub-total included in OCI	Contributions by employer	**March 31, 2019**
Gratuity												
Defined benefit obligation	(222.83)	(11.04)	(17.96)	(29.00)	20.23	-	-	(11.74)	(60.33)	(72.07)	-	**(303.67)**
Fair value of plan assets	222.83	-	17.96	17.96	(20.23)	(2.00)	-	-	-	(2.00)	85.11	**303.67**
Benefit (liability) / Assets	**-**	**(11.04)**	**-**	**(11.04)**	**-**	**(2.00)**	**-**	**(11.74)**	**(60.33)**	**(74.07)**	**85.11**	**-**
Post retirement medical benefit												
Defined benefit obligation	(44.15)	(2.46)	(3.54)	(6.00)	1.05	-	-	(0.76)	0.36	(0.40)	-	**(49.50)**
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit (liability) / Assets	**(44.15)**	**(2.46)**	**(3.54)**	**(6.00)**	**1.05**	**-**	**-**	**(0.76)**	**0.36**	**(0.40)**	**-**	**(49.50)**

March 31, 2018 : Changes in defined benefit obligation and plan assets (Rs. in Crores)

	Cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income (OCI)						
	April 01, 2017	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjust-ments	Sub-total included in OCI	Contributions by employer	**March 31, 2018**
Gratuity												
Defined benefit obligation	(198.87)	(9.22)	(14.68)	(23.90)	20.86	-	-	(25.09)	4.17	(20.92)	-	(222.83)
Fair value of plan assets	199.60	-	14.73	14.73	(20.86)	0.26	-	-	-	0.26	29.10	222.83
Benefit (liability) / Assets	0.73	(9.22)	0.05	(9.17)	-	0.26	-	(25.09)	4.17	(20.66)	29.10	-
Post retirement medical benefit												
Defined benefit obligation	(22.42)	(1.12)	(1.69)	(2.81)	1.28	-	-	(14.00)	(6.20)	(20.20)	-	(44.15)
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit (liability) / Assets	(22.42)	(1.12)	(1.69)	(2.81)	1.28	-	-	(14.00)	(6.20)	(20.20)	-	(44.15)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	March 31, 2019	March 31, 2018
Insurance fund with LIC*	**100%**	100%

* As the gratuity fund is managed by LIC, details of fund invested by insurer are not available with the Company.

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	Gratuity		Post retirement medical benefit	
	Year ended March 31, 2019	Year ended March 31,2018	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	**7.94%**	8.06%	**7.92%**	8.03%
Future salary increase	**7.00%**	10% in next year and 6% thereafter	**N.A**	N.A
Medical Inflation Rate	**N.A**	N.A	**5.00%**	5.00%
Expected rate of return on plan assets	**7.94%**	8.06%	**N.A**	N.A
Employee Turnover Rate	**1.00%**	1.00%	**1.00%**	1.00%
Mortality rate during employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	**N.A**	N.A	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)

A quantitative sensitivity analysis for significant assumption is as shown below: **(Rs. in Crores)**

Particulars	Sensitivity level	(increase) / decrease in defined benefit oblligation (Impact)			
		Gratuity		Post retirement medical benefit	
		Year ended March 31, 2019	Year ended March 31,2018	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	1% increase	**(18.72)**	(13.55)	**(6.26)**	(5.49)
	1% decrease	**21.41**	15.34	**7.88**	6.86
Salary increase	1% increase	**21.40**	15.43	**N.A**	N.A
	1% decrease	**(19.04)**	(13.85)	**N.A**	N.A
Medical cost inflation	1% increase	**N.A**	N.A	**8.04**	7.01
	1% decrease	**N.A**	N.A	**(6.47)**	(5.68)
Employee turnover	1% increase	**1.48**	2.15	**(2.25)**	(1.91)
	1% decrease	**(1.69)**	(2.42)	**2.65**	2.21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The followings are the expected future benefit payments for the defined benefit plan: **(Rs. in Crores)**

Particulars	Gratuity		Post retirement medical benefit	
	Year ended March 31, 2019	Year ended March 31,2018	Year ended March 31, 2019	Year ended March 31, 2018
Within the next 12 months (next annual reporting period)	**33.44**	19.04	**1.58**	1.42
Between 2 and 5 years	**122.16**	91.31	**8.74**	7.73
Between 6 and 10 years	**147.97**	119.14	**16.98**	15.40
Total expected payments	**303.57**	229.49	**27.30**	24.55

Weighted average duration of defined plan obligation (based on discounted cash flows) **(Years)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gratuity	**8**	8
Post retirement benefit obligation	**16**	16

The followings are the expected contributions to planned assets for the next year: **(Rs. in Crores)**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gratuity	**15.47**	12.32
Post retirement medical benefit	**-**	-

NOTE: 42 Investments in Subsidiary and Associates

(a) Details of Subsidiary and Associate company considered in the preparation of the Consolidated financial statements:

Name of Entity	Relationship	Place of Business	Ownership	
			March 31, 2019	March31, 2018
Gujarat Ncode Solutions Limited	Subsidiary	India	**100.00%**	100.00%
Gujarat Green Revolution Company Limited	Associate	India	**46.87%**	46.87%

Note: Method of accounting of investments in subsidiary and associate Company is at cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Additional information as required by paragraph 2 of the 'General instruction for preparation of Consolidated Financial Statements' to schedule III to the Companies Act, 2013:

Particulars	Net Asset (i.e Total Asset Total Liabilities)		Share of Profit or Loss		Share in other Comprehensive income	
	As % of Consolidated net asset	Amount (Rs. in crore)	As % of Consolidated Profit & Loss	Amount (Rs. in crore)	As % of Consolidated other comprehensive income	Amount (Rs. in crore)
Parent						
Gujarat Narmada Valley Fertilizers and Chemicals Limited						
- Balance as at March 31, 2019	98.64%	4,995.83	98.86%	741.16	100%	(61.53)
- Balance as at March 31, 2018	98.66%	4,456.73	99.32%	789.52	100%	(39.60)
Indian Subsidiary						
Gujarat Ncode solutions Limited						
- Balance as at March 31, 2019	0.00%	(0.04)	0.00%	(0.01)	0.00%	Nil
- Balance as at March 31, 2018	0.00%	(0.04)	(0.01%)	(0.04)	0.00%	Nil
Indian Subsidiary						
Gujarat Green Revolution Company Limited						
- Balance as at March 31, 2019	1.36%	68.93	1.14%	8.58	0.00%	Nil
- Balance as at March 31, 2018	1.34%	60.35	0.69%	5.46	0.00%	Nil
Total						
- Balance as at March 31, 2019	**100.00%**	**5,064.72**	**100.00%**	**749.73**	**100.00%**	**(61.53)**
- Balance as at March 31, 2018	100.00%	4,517.04	100.00%	794.94	100.00%	(39.60)

(c) Investment in Associate

The Group has a 46.87% interest in Gujarat Green Revolution Company Limited (GGRCL), which is appointed as a nodal agency by the Government of Gujarat. GGRCL is a public company that is not listed on any public exchange. The Group's interest in GGRCL is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in GGRCL :

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Current assets	**563.30**	372.26
Non-current assets	**17.59**	14.75
Current liabilities	**(433.44)**	(257.77)
Non-current liabilities	**(0.39)**	(0.49)
Equity	**147.06**	128.75
Proportion of the group's ownership	**46.87%**	46.87%
Carrying amount of the group's investment	**68.93**	60.35

(Rs. in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue	**35.38**	27.55
Depreciation & amortization	**(1.11)**	(1.02)
Finance cost	**-***	-*
Employee benefit	**(7.08)**	(7.50)
Other expenses	**(2.94)**	(3.05)
Profit before Tax	**24.25**	15.98
Income tax expense	**(7.24)**	(4.91)
Profit for the year	**17.01**	11.07
Total Comprehensive income for the year	**17.01**	11.07
Group's share of profit for the year	**7.98**	5.19
Group's share of other comprehensive income for the year	**-**	-

* Amount nullified on conversion to Rs in Crores

NOTE: 43

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 was 1st April, 2010.

Subsequent to the Order passed by the Hon'ble High Court of Gujarat, sanctioning the Scheme of Demerger, two separate applications for transfer of V-SAT and ISP Gateway Licences standing in the name of the Company to the name of Transferee Company viz. ING Satcom Limited were submitted to Department of Telecommunications (DOT) on January 31, 2013 which are still pending for approval before DOT.

As per the legal opinion 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 the Company to ING Satcom Limited.

During the year 2014-15, an agreement-Cum-Indemnity Bond was executed on 12.04.2014 between the Company and ING Satcom Limited whereby, pending transfer of Licences, the assets of demerged business (other than Licences) have been handed over to ING Satcom Limited subject to certain terms and conditions, inter alia, including the terms of settling the transaction under different eventualities of rejection of transfer applications / non-transfer of Licences by 31.12.2014.

Since disposal of applications for transfer of Licences in the name of ING Satcom Limited by the competent authorities as well as settlement of transaction between the Company and ING Satcom Limited are still pending, no accounting treatment is given in the books of account of the Company since 2014-15 till the financial year ended 31.03.2019.

Necessary accounting treatment will be given in the books of accounts 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. An amount received is classified under other current liabilities (refer Note 23).

NOTE: 44 - Unrealised subsidy balances written off

In terms of subsidy notification no. 12012/1/2015-FPP dated May 25, 2015 read with subsidy notification no. 12012/3/2010-FPP dated April 2, 2014 of Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India, the Company, based on the eligibility criteria in the notification, had recognised the subsidy income of Rs. 127.38 crores relating to

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

compensation for additional fixed cost during the financial period from April 1, 2014 to March 31, 2018. The aforesaid claim for the said subsidy was neither acknowledged nor paid by the Department of Fertilizer till date. Accordingly, during the current year, the Company had written off the unrealized subsidy balances of Rs. 127.38 crores already recognised in the books for the earlier years and has adjusted the receivables in the books. The management based on the evaluation believes that there is uncertainty to realise the said subsidy claims from the government in terms of the above notifications considering that substantial time has elapsed since the subsidy became initially due to the Company and authorities having not acknowledged the Company's claim.

Further the Company has decided not to recognise additional fixed cost subsidy income for the period April 1, 2018 to March 31, 2019 amounting to Rs. 31.85 crores in terms of the notifications no. 12012/1/2015-FPP dated May 25, 2015 read with subsidy notification no. 12012/3/2010-FPP dated April 2, 2014 of Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India due to uncertainty to realise the said subsidy claims from the Ministry of Chemicals and Fertilizers (Department of Fertilizers)for the aforesaid reasons.

Note: 45 Segment Information

Operating Segments

The identified reportable segments are Fertilizers, Chemicals and Others in terms of the requirements of Ind AS 108 "Operating Segments" as notified under section 133 of the Companies Act, 2013. Other Segment mainly includes Information Technology division activities and neem product related activities.

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure and unallocable income.

Segment assets and liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, inventory and other operating assets. Segment liabilities primarily include trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segments are shown as unallocable assets / liabilities.

Inter Segment transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the Company level.

Summary of segment information is given below:

45.1: Financial information about the primary business segment's Revenue & Results: **(Rs. in Crores)**

	Fertilizers		Chemicals		Others		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
A REVENUE:								
External sales revenue	**1,985.94**	1,743.62	**3,780.90**	3,987.29	**129.18**	185.68	**5,896.02**	5,916.59
Intersegment revenue	**-**	-	**-**	-	**-**	-	**-**	-
Total Revenue	**1,985.94**	1,743.62	**3,780.90**	3,987.29	**129.18**	185.68	**5,896.02**	5,916.59

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	Fertilizers		Chemicals		Others		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
B RESULT:								
Segment result	**(170.44)**	(40.46)	**902.69**	1,335.33	**23.29**	32.85	**755.54**	1,327.72
Unallocable income							**103.85**	28.27
Unallocable expenses							**(33.65)**	(94.35)
Operating profit							**825.74**	1,261.64
Finance costs							**(6.38)**	(99.71)
Profit before tax							**819.36**	1,161.93

45.2: Financial information about the primary business segment's assets and liabilities : **(Rs. in Crores)**

	Fertilizers As At		Chemicals As. At		Others As At		Total As At	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Segment assets	**2,638.80**	2,481.23	**2,695.17**	2,823.20	**215.35**	240.79	**5,549.32**	5,545.22
Segment liabilities	**(1,216.52)**	(1,180.95)	**(368.20)**	(287.34)	**(124.27)**	(150.42)	**(1,708.99)**	(1,618.71)
Other unallocable corporate assets	-	-	-	-	-	-	**2,059.92**	1,685.85
Other unallocable corporate liabilities	-	-	-	-	-	-	**(835.52)**	(1,095.32)
Total capital employed	**1,422.28**	1,300.28	**2,326.97**	2,535.86	**91.08**	90.37	**5,064.73**	4,517.04
Capital assets / expenditure incurred during the year:								
Capital assets including capital work in progress	**63.62**	1.58	**21.18**	19.03	**1.54**	0.86	**86.34**	21.47
Other unallocable capital expenditures	-	-	-	-	-	-	**31.07**	13.10
Total	**63.62**	1.58	**21.18**	19.03	**1.54**	0.86	**117.41**	34.57

Note: 46 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below. **(Rs. in Crores)**

Particulrs	FVTOCI Reserve		Retained Earnings		Total	
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2019	Year Ended March 31, 2018
Re-measurement losses on defined benefit plans (net of tax)	-	-	**(48.45)**	(26.72)	**(48.45)**	(26.72)
Net (loss) / gain on FVTOCI on equity Investments (net of tax)	**(13.08)**	(12.88)	**-**	-	**(13.08)**	(12.88)
	(13.08)	(12.88)	**(48.45)**	(26.72)	**(61.53)**	(39.60)

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Note 47 : Details of hedged and unhedged exposure in foreign currency denominated monetary items :

(a) Exposure in foreign currency - Hedged

(i) Amounts Payable in Foreign Currency :

Particulars	Hedged against	As at March 31, 2019			As at March 31, 2018		
		Rs. in Crore	Amount in FC		Rs. in Crore	Amount in FC	
External Commercial Borrowings	Forward Contract	-	Euro	-	74.30	Euro	92,16,554
Buyers credit	Forward Contract	-	USD	-	65.77	USD	1,01,12,027
Interest accrued but not due	Forward Contract	-	USD	-	0.29	USD	44,816
Payables for import	Forward Contract	-	USD	-	53.52	USD	81,95,742
Payables for PCFC Export Credit		-	USD	-	6.66	USD	10,23,944
Interest accrued but not due in External Commercial Borrowings	Interest rate swaps	-	Euro	-	0.53	Euro	65,180

(ii) Interest rate swaps :

Particulars	As at March 31, 2019			As at March 31, 2018		
	Notional amount Rs. In Crore	Notional Amount in FC		Notional amount Rs. In Crore	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	-	Euro	-	75.37	Euro	92,16,554

(b) Exposure in foreign currency - Unhedged

(i) Amounts payable in foreign currency :

Particulars	As at March 31, 2019			As at March 31, 2018		
	Rs. in Crore	Amount in FC		Rs. in Crore	Amount in FC	
Payables for Import	17.81	Euro	22,71,992	66.70	Euro	81,85,587
Payables for Import	142.09	USD	2,04,56,597	15.92	USD	24,38,731
Payables for Import	0.07	GBP	7,540	0.01	GBP	947
Payables for Import	0.04	CHF	5,418	0.00*	CHF	217
Payables for Import	0.00	SEK	-	0.38	SEK	4,77,384

* Amount nullified on conversion to Rs in Crores

(ii) Amounts receivable in foreign currency :

Particulars	As at March 31, 2019			As at March 31, 2018		
	Rs. in Crore	Amount in FC		Rs. in Crore	Amount in FC	
Receivables for export	6.23	USD	9,13,013	59.65	USD	91,70,040

The following significant exchange rates have been applied during the year:

INR	Year end spot rate	
	March 31, 2019	March 31, 2018
USD 1	Import - 69.46 Export - 68.24	Import - 65.30 Export - 65.04 Borrowings - 65.04
EURO	78.37	Import - 81.48 Borrowing - 80.62
GBP 1	90.85	92.75
CHF 1	70.05	69.28
SEK 1	-	7.98

Note 48 : Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management

48.1 Category-wise classification of financial instruments:

(Rs. in Crores)

Particulars	Refer Note	As at March 31, 2019			
		Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets					
Cash and cash equivalents	13	-	-	164.25	164.25
Other bank balances	14	-	-	70.67	70.67
Investments in equity shares (other than investment in subsidiary & associate entity)	7	730.39	-	-	730.39
Investments in unquoted equity shares of subsidiary entity and associate entity	7	-	-	68.93	68.93
Trade receivables	10	-	-	1,240.19	1,240.19
Loans and advances	8	-	104.07	160.00	264.07
Other financial assets	9	-	-	28.74	28.74
Total		730.39	104.07	1,732.78	2,567.24
Financial liabilities					
Borrowings (including current maturities)	18 & 20	-	-	207.93	207.93
Trade payables	19	-	-	394.75	394.75
Other financial liabilities	20	-	-	182.50	182.50
Total		-	-	785.18	785.18

(Rs. in Crores)

Particulars	Refer Note	As at March 31, 2018			
		Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
Financial assets					
Cash and cash equivalents	13	-	-	6.15	6.15
Other bank balances	14	-	-	10.01	10.01
Investments in equity shares (other than investment in subsidiary & associate entity)	7	724.74	-	-	724.74
Investments in unquoted equity shares of subsidiary entity and associate entity	7	-	-	60.35	60.35
Trade receivables	10	-	-	1,120.08	1,120.08
Loans and advances	8	-	91.17	-	91.17
Derivatives instruments not designated as hedge	9	-	-	1.47	1.47
Other financial assets	9	-	-	40.41	40.41
Total		724.74	91.17	1,238.47	2,054.38
Financial liabilities					
Borrowings (including current maturities)	18 & 20	-	-	303.03	303.03
Trade payables	19	-	-	426.07	426.07
Other financial liabilities	20	-	-	98.48	98.48
Total		-	-	827.58	827.58

48.2 Fair value measurements:

a) Quantitative disclosures of fair value measurement hierarchy for financial assets and financial liabilities

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities:

(Rs. in Crores)

Particulars	As at March 31, 2019				As at March 31, 2018			
	Significant observable inputs (Level 1*)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)	Total	Significant observable inputs (Level 1*)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)	Total
Financial assets measured at fair value								
Investment in quoted equity investments measured at FVTOCI (refer Note 7)	**321.51**	**-**	**-**	**321.51**	364.56	-	-	364.56
Investment in unquoted equity investments measured at FVTOCI (refer Note 7)	**-**	**-**	**408.88**	**408.88**	-	-	360.18	360.18
Loans and advances (refer Note 8)	**-**	**-**	**104.07**	**104.07**	-	-	91.17	91.17
Derivative instruments (refer Note 9)	**-**	**-**	**-**	**-**	-	1.47	-	1.47
Total	**321.51**	**-**	**512.95**	**834.46**	364.56	1.47	451.35	817.38
Asset for which fair values are disclosed								
Investment properties (refer Note 5)	**-**	**-**	**85.25**	**85.25**	-	-	57.61	57.61

*The fair value of the quoted equity investments are derived from quoted market prices in active market.

b) Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2019 and March 31, 2018 are as shown below:

Particulars	Valuation Technique	Significant unobservable input	Range (weighted average)	Sensitivity of the input to fair value
FVTOCI assets in unquoted equity shares (Gujarat State Petroleum Corporation Limited)	Discounted free cash flow method	Gas trading margin	10% increase (decrease) in the Gas trading margin would result in increase / (decrease) in fair value as of March 31, 2019 : Rs. 6.69 crore (Rs. 6.69 crore). {10% increase / decrease in the Gas trading margin would result in increase / (decrease) in fair value as of March 31, 2018 : Rs. 6.08 crore (Rs. 6.13 crore).}	
FVTOCI assets in unquoted equity shares (Gujarat Chemical Port Terminal Company Limited)	Market Approach - Comparable companies	Market Multiple Discount	31 March 2019 : 15% - 25% (20%) 31 March 2018 : 15% - 25% (20%)	5% increase / decrease in the market multiple discount would result in decrease (increase) in fair value as of March 31, 2019 : Rs. 20.97 crore (Rs. 21.16 crore) {5% increase / decrease in the market multiple discount would result in decrease (increase) in fair value as of March 31, 2018 : Rs. 18.40 crore (Rs. 18.21 crore)}
		EBITDA (Rs. Crores)	31 March 2019 : Rs 252.65 crores - Rs. 279.24 crores (Rs.265.95 crores) 31 March 2018 : Rs 197.18 crores - Rs. 217.94 crores (Rs.207.56 crores)	Rs. 13.30 crore increase / decrease in the EBITDA would result in increase (decrease) in fair value as of March 31, 2019 : Rs. 16.92 crore (Rs. 16.74 crore) {Rs. 10.38 crore increase / decrease in the EBITDA would result in increase (decrease) in fair value as of March 31, 2018 : Rs. 14.53 crore (Rs. 14.72 crore)}

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Particulars	Valuation Technique	Significant unobservable input	Range (weighted average)	Sensitivity of the input to fair value
FVTOCI assets in unquoted equity shares (Bhavnagar Energy Company Limited)	Net asset value	Discount to Book Value	31 March 2019 : NA 31 March 2018 : 15% - 25% (20%)	As of March 31, 2019 company has fair valued this investment to zero value. {5% increase / decrease in the discount book value would result in decrease (increase) in fair value as of March 31, 2018 : Rs. 1.53 crore (Rs. 1.53 Crore)}.
FVTOCI assets in unquoted equity shares (Gujarat Venture Finance Limited)	Net asset value	Share holders fund (Rs. Crores)	31 March 2019 : Rs 19.50 crores - Rs. 21.50 crores (Rs. 20.50 crores) 31 March 2018 : Rs 16.10 crores - Rs. 17.80 crores (Rs. 17 crores)	Rs. 1 crore increase / decrease in the shareholders fund would result in increase (decrease) in fair value as of March 31, 2019 by Rs. 0.01 crore (Rs. 0.01 crore) {Rs. 0.80 crore increase / decrease in the shareholders fund would result in increase (decrease) in fair value as of March 31, 2018 by Rs. 0.01 crore (Rs. 0.01 crore)}
		Discount to Book Value	31 March 2019 : 15% - 25% (20%) 31 March 2018 : 15% - 25% (20%)	5% increase / decrease in the discount to book value would result in decrease (increase) in fair value as of March 31, 2019 : Rs. 0.02 crore (Rs. 0.02 crore) {as of March 31, 2018 by Rs. 0.02 crore (Rs. 0.02 crore)}
FVTOCI assets in unquoted equity shares (Bharuch Enviro Infrastructure Limited)	Market Approach - Comparable companies	Market Multiple Discount	31 March 2019 : 15% - 25% (20%) 31 March 2018 : 15% - 25% (20%)	5% increase / decrease in the market multiple discount would result in decrease (increase) in fair value as of March 31, 2019 : Rs. 0.28 crore (Rs. 0.28 crore) {5% increase / decrease in the market multiple discount would result in decrease (increase) in fair value as of March 31, 2018 : Rs. 0.32 crore (Rs. 0.32 crore)}
		Consolidated PAT (Rs. Crores)	31 March 2019 : Rs 26.20 crores - Rs. 28.90 crores (Rs. 27.60 crores) 31 March 2018 : Rs 25.30 crores - Rs. 28.10 crores (Rs. 26.70 crores)	Rs. 1.40 crore increase / decrease in the consolidated PAT would result in increase (decrease) in fair value as of March 31, 2019 : Rs. 0.23 crore (Rs. 023 crore) {Rs. 1.40 crore increase / decrease in the consolidated PAT would result in increase (decrease) in fair value as of March 31, 2018 : Rs. 0.26 crore (Rs. 026 crore)}
FVTOCI assets in unquoted equity shares (Bharuch Dahej Railway Company Limited)	Market Approach - Comparable companies	Market Multiple Discount	31 March 2019 : 10% - 20% (15%) 31 March 2018 : -5% -+5% (0%)	5% increase / decrease in the market multiple discount would result in decrease (increase) in fair value as of March 31, 2019 : Rs. 1.46 crore (Rs. 1.37 crore) {5% increase / decrease in the market multiple discount would result in decrease (increase) in fair value as of March 31, 2018 : Rs. 1.76 crore (Rs. 1.76 crore)}
		EBITDA (Rs. Crores)	31 March 2019 : Rs 25.20 crores - Rs. 27.90 crores (Rs.26.50 crores) 31 March 2018 : Rs 28.60 crores - Rs. 31.60 crores (Rs.30.10 crores)	Rs. 1.30 crore increase / decrease in the EBITDA would result in increase (decrease) in fair value as of March 31, 2019 : Rs. 1.15 crore (Rs. 1.24 crore) { Rs. 1.50 crore increase / decrease) in the EBITDA would result in increase (decrease) in fair value as of March 31, 2018 : Rs. 1.15 crore (Rs. 1.15 crore)}
FVTOCI assets in unquoted equity shares (Ecophos GNFC India Private Limited)	Net Asset Value	Share holders fund (Rs. Crores)	31 March 2019: NA 31 March 2018 : Rs 8.66 crores - Rs. 9.57 crores (Rs. 9.12 crores)	As of March 31, 2019 this unobservable input is not used for valuation. {Rs. 0.46 crore increase / decrease in the shareholders fund would result in increase (decrease) in fair value as of March 31, 2018 by Rs. 0.56 crore (Rs. 0.56 crore)}
		Discount to Book Value	31 March 2019: NA 31 March 2018 : 15% - 25% (20%)	As of March 31, 2019 this unobservable input is not used for valuation.{5% increase / decrease in the discount to book value would result in decrease (increase) in fair value as of March 31, 2018 : Rs. 0.56 crore (Rs. 0.56 crore)}

c) Financial Instrument measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

48.3 Financial Risk objective and policies:

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans , deposits, investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

In the ordinary course of business, the Group is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. The Group's senior management oversees the management of these risks. It manages its exposure to these risks through derivative financial instruments by hedging transactions as required. It uses derivative instruments such as interest rate swaps and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favourable and unfavourable fluctuations.

The Group's risk management activities are subject to the management direction and control of the management of the Group under the guideline of the Board of Directors of the Group. The management ensures appropriate financial risk governance framework for the Group through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Group is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in management's judgment, are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

Further, all currency and interest risk as identified above is measured on a daily basis by monitoring the mark to market (MTM) of open and hedged position. The MTM is derived based on underlying market curves on closing basis of relevant instrument quoted on Bloomberg/Reuters. For year ends, the MTM for each derivative instrument outstanding is obtained from respective banks. All gain / loss arising from MTM for open derivative contracts and gain / loss on settlement / cancellation / roll over of derivative contracts is recorded in statement of profit and loss.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity analysis have been prepared on the basis that the amount of net debt, interest rates of the debt and derivatives are all constant as at March 31, 2019. The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

(i) Interest rate risk

The Group is exposed to changes in market interest rates due to financing, investing and cash management activities. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term debt obligations. During the year, the Company has repaid its long-term borrowings.

(ii) Foreign currency risk

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR), have an impact on the Group's operating results. The Group manages its foreign currency risk by entering into various foreign exchange contracts to mitigate the risk arising out of foreign exchange rate movement on trade payables. Further, to hedge foreign currency future transactions in respect of which firm commitment are made or which are highly probable forecast transactions (for instance, foreign exchange denominated income) the Group has entered into foreign currency forward contracts as per the policy of the Group.

The details of exposures hedged using forward exchange contracts are given as a part of Note 47 and the details of unhedged exposures are given as part of Note 47.

The Group is mainly exposed to changes in USD and EURO. The below table demonstrates the sensitivity to a 5% increase or decrease in the respective foreign currency rates against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

(Rs. in Crores)

Particulars	Impact on Profit before tax For the year ended		Impact on Pre-tax Equity For the year ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
USD Sensitivity				
RUPEES / USD – Increase by 5%	**(6.79)**	(3.76)	**(6.79)**	(3.76)
RUPEES / USD – Decrease by 5%	**6.79**	3.76	**6.79**	3.76
EURO Sensitivity				
RUPEES / EURO – Increase by 5%	**(0.89)**	(3.33)	**(0.89)**	(3.33)
RUPEES / EURO – Decrease by 5%	**0.89**	3.33	**0.89**	3.33

(III) Commodity price risk

The Group's operating activities require the ongoing purchase of natural gas. Natural gas being an international commodity is subject to price fluctuation on account of the change in the crude oil prices, demand supply pattern of natural gas and exchange rate fluctuations. The Group is not affected by the price volatility of the natural gas to the extent consumed for Urea as under the Urea pricing formula the cost of natural gas is pass through if the consumption of natural gas is within the permissible norm for manufacturing of Urea.

The Group also deals in purchase of other feed stock materials (i.e Rock phosphate, and Denatured Ethyl Alcohol) which are imported by the Group and used in the manufacturing of Ammonium Nitro Phosphate and Ethyl Acetate. The import prices of these materials are governed by international demand and supply pattern. There is a price and material availability risk, which is managed by senior management team through sensitivity analysis, commodity price tracking.

(IV) Equity price risk

The Group's investment in listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was Rs. 408.88 crore. Sensitivity analyses of these investments have been provided in Note 48.2(b).

At the reporting date, the exposure to listed equity securities at fair value was Rs. 321.52 crore. A decrease of 5% on the BSE market price could have an impact of approximately Rs. 16.08 crore on the OCI or equity attributable to the Group. An increase of 5% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including deposits with banks, non-banking financial companies, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data.

Credit risk from balances with banks and non-banking financial companies is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's management. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Trade Receivables

The Group's receivables can be classified into two categories, one is from the customers / dealers in the market and second one is from the central and state Government in the form of subsidy. As far as Government portion of receivables is concerned, credit risk is Nil except where there are uncertainties due to non-acknowledgement of claims. In respect of market receivables from the customers/ dealers, the Group extends credit to customers in normal course of business. The Group considers factors such as credit track record in the market and past dealings for extensions of credit to customers. The Group monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as for certain products it extends rolling credit to its customers, against the collateral.

The Group follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables, other than those receivables from the Government of India. For the purpose of measuring lifetime ECL allowance for trade receivables, the Group estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience in respect of certain categories of the customers. Individual trade receivables are written off when management deems them not to be collectible

c) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by maintaining adequate funds in cash and bank balances. The Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analyses derivative and non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(Rs. in Crores)

Particulars	Refer Note	On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
As at March 31, 2019						
Borrowings (including current maturities)	18 & 20	55.01	152.92	-	-	207.93
Trade payables	19	-	394.75	-	-	394.75
Other financial liabilities	20	-	182.50	-	-	182.50
Total		**55.01**	**730.17**	**-**	**-**	**785.18**
As at March 31, 2018						
Borrowings (including current maturities)	18 & 20	105.91	197.12	-	-	303.03
Trade payables	19	-	426.07	-	-	426.07
Other financial liabilities	20	-	98.48	-	-	98.48
Total		**105.91**	**721.67**	**-**	**-**	**827.58**

48.4 Capital management

For the purposes of the Group's capital management, capital includes issued capital and all other equity. The primary objective of the Group's capital management is to maximize shareholder value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using gearing ratio, which is net debt (total debt less cash and bank balance) divided by total capital plus net debt.

(Rs. in Crores)

Particulars	March 31, 2019	March 31, 2018
Total Borrowings (refer Note 18 and 20)	**207.93**	303.03
Less: Cash and bank balances (refer Note 13 and 14)	**234.92**	16.16
Net (Asset) / Debt (A)	**(26.99)**	286.87
Total Equity (B)	**5,064.73**	4,517.04
Total Equity and Net Debt (C = A + B)	**5,037.74**	4,803.91
Gearing ratio	-	6%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

Note 49 : Standards issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 amending the following standard:

Ind AS 116 Leases

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019 The new standard introduces a single model of lease accounting and eliminates the classification of leases as either finance leases or operating leases for a lessee as was required under Ind AS 17. Ind AS 116 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For all leases except as noted above, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in its financial statement.

Lessee will recognise depreciation of right of use assets and interest on lease liabilities in the statement of profit or loss. In the Cash Flow statement, operating cash flows will be higher as payment of the lease liability and related interest are to be classified within financing activities.

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The effective date for adoption of Ind AS 116 is financial year beginning on or after April 1, 2019. The standard permits two possible methods of transition:

1) Fully retrospective- Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

2) Modified retrospective- Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application, or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The Group is in the process of reviewing all its leasing arrangements in light of the new lease accounting rules in Ind AS 116. The Group will utilise the practical expedient available under Ind AS 116 and not reassess whether a contract is or contains a lease at the date of initial application. The Group also intends to use the exemptions provided by Ind AS 116 for short-term leases (less than a year) and leases for low value assets. The transition to the new lease accounting from the existing rules will be accomplished using the modified retrospective transition approach with no restatement of comparative information. The Group has elected certain available practical expedients on transition.

The Group is currently evaluating the impact, this standard will have on the financial statements

Note 50 : Event occurred after the Balance Sheet Date:

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 29, 2019, there were no material subsequent events to be recognized or reported that are not already previously disclosed.

For and on behalf of the Board of Directors,

D. V. Parikh	**T. J. Lakhmapurkar**	**M. S. Dagur**	**Dr. J. N. Singh**
General Manager & CFO	Company Secretary	Managing Director	Chairman

Place : Gandhinagar
Date : May 29, 2019

AS PER OUR REPORT OF EVEN DATE
For **S R B C & CO LLP**
Chartered Accountants
(Firm Registration No.: 324982E/E300003)

per Ravi Bansal
Partner
Membership No. 49365

Place : Mumbai
Date : May 29, 2019

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

Statement pursuant to Section 129(3) of the companies Act, 2013 related to Subsidiary Company

1	Name of Subsidiary	Gujarat Ncode Solutions Limited
2	Date since when subsidiary was aquired	06-04-2017
3	Reporting Currency	INR
4	Share Capital	1,00,000
5	Other Equity	(3,30,023)
6	Total Assets	1,00,000
7	Total Liabilities	4,30,023
8	Investments	NIL
9	Revenue From Operations	NIL
10	Profit Before Taxation	(54,718)
11	Provision for Taxation	NIL
12	Profir after Taxation	(54,718)
13	Other Comprehensive Income	NIL
14	Total Comprehensive Income	(54,718)
15	Proposed Dividend	NIL
16	Extent of shareholding	100%

1	Name of Subsidiaries which are yet to commence Operation	Nil
2	Names of Subsidiaries which have been liquidated or sold during the year	Nil

PART "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the companies Act, 2013 related to Associate Company

	Name of Associates	Gujarat Green Revolution Company Limited
1	Latest audited Balance Sheet Date	31-03-2018
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 31-03-2018 (Rs.)	61,02,22,989
	(ii) Networth attributable to shareholding as per latest unaudited Balance Sheet as on 31-03-2019 (Rs.)	68,93,19,415
6	Unaudited Profit / (Loss) for the FY 2018-19 (Rs.)	17,03,56,800
	i. Considered in Consolidation (Rs.)	8,58,23,058
	ii. Not Considered in Consolidation (Rs.)	-

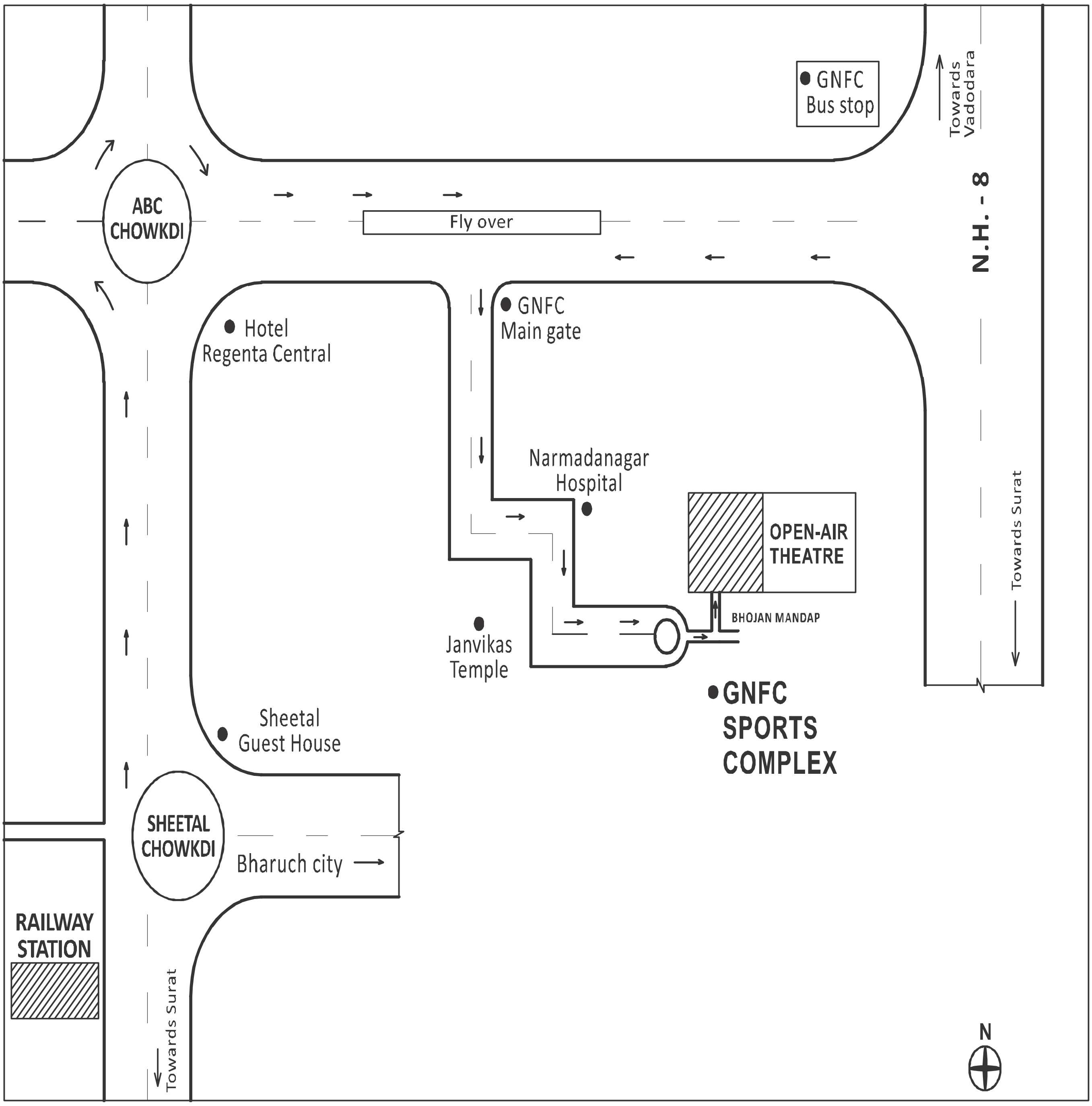
1	Name of Associates which are yet to commence Operation	Nil
2	Names of Associates which have been liquidated or sold during the year	Nil

For and on behalf of the Board of Directors,

D. V. Parikh	**T. J. Lakhmapurkar**	**M. S. Dagur**	**Dr. J. N. Singh**
General Manager & CFO	Company Secretary	Managing Director	Chairman

Place : Gandhinagar
Date : May 29, 2019

ROUTE MAP TO THE VENUE OF 43RD AGM



GNFC

GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED

Regd. Office: P.O: NARMADANAGAR - 392 015, DIST. BHARUCH, GUJARAT
CIN: L24110GJ1976PLC002903, **Tele Nos.** (02642) 247001, 247002
Fax No. (02642) 247084; **E-mail:** investor@gnfc.in, **Website:** www.gnfc.in

Form No. MGT - 11
PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) :	
Registered Address :	
E-mail ID :	
Folio No / DP ID / Client ID :	

I / We, being the Member(s) holding ______________ shares of the above named company, hereby appoint;

(1) Name : Address
E-mail Id Signature or failing him / her ;

(2) Name : Address
E-mail Id Signature or failing him / her ;

(3) Name : Address
E-mail Id Signature

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **43rd Annual General Meeting** of the Company, to be held on **Thursday, the 26th September, 2019 at 11:30 AM** at Open Air Theatre, Sports Complex, Narmadanagar Township, P.O Narmadanagar - 392 015, Dist. Bharuch and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For *	Against*
	ORDINARY BUSINESS		
1	Adoption of Audited Standalone Financial Statements and Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2019 and the Reports of Board of Directors and Auditors thereon.		
2	Declaration of dividend on equity shares for the financial year ended 31st March, 2019		
3	Re-appointment of Smt. Mamta Verma, IAS (DIN : 01854315) as Director, who retires by rotation.		
	SPECIAL BUSINESS		
4	Appointment of Shri Sujit Gulati, IAS, (DIN : 00177274) as Director liable to retire by rotation.		
5	Ratification of remuneration payable to Cost Auditors of the Company for the financial year 2019-20.		

Signed this ____________ day of ______________ 2019

Affix Revenue Stamp Re. 1/-

Signature of Shareholder______________ Signature of Proxy holder(s) ______________

Notes :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting. A proxy need not be a member of the Company.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 43rd Annual General Meeting.
3. * It is optional to put a "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all the Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of Member(s) in above box before submission.

NOTES

FOR SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM ONLY

To,
Investor Service Centre
Secretarial & Legal Department
Gujarat Narmada Valley Fertilizers & Chemicals Limited
P.O. Narmadanagar - 392015,
Dist. Bharuch, Gujarat

Registered Folio No.: ____________

Bank Mandate Form for furnishing Bank Account details

Dear Sir,

I / We, provide hereunder our Bank Account details, PAN No., E-mail ID, etc. in pursuance of guidelines issued by SEBI vide its circular dated 20-04-2018.

I / We, hereby also authorize the Company to credit my / our dividend amount directly to my Bank Account as per details furnished below by Electronic Clearing Service / RTGS / NEFT. In absence of ECS facility, please print my bank account details on the dividend warrant that may be issued / sent to me.

1	Name of Bank	
2	Address of Bank (with Pin Code Number)	
3	Bank A/C Number	
4	09 Digit MICR Code Number (Attach original cancelled cheque leaf)	
5	IFSC Code Number	
6	Permanent Account No. (PAN) (Attach copy of PAN)	
7	E-mail ID	
8	Phone / Mobile No.	

I / We, shall not hold the Company responsible if the ECS Mandate cannot be implemented for reasons beyond the control of the Company.

Date :

Place :

Signature of Shareholder (s)

Name :

Address :

NOTE:

Please attach original cancelled cheque of your bank account and copy of PAN Card with this form and send to the above mentioned address.

NOTES

INDUSTRIAL PRODUCTS PROFILE

SR. NO.	PRODUCT(S)	APPLICATION(S)
1	TDI (Toluene Di- Isocyanate)	Flexible Polyurethane Foam, Furniture Cushion, Industrial Gaskets, Mattresses, Protective pads for Sports & Medical Use, Automobiles: Seats, Furniture, Lining, Sun visors, Sealants, Adhesives, Coating, Elastomers
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, Dyestuff & Dye Intermediates, Explosives, Metal cleaning
10	Ammonium Nitrate (Melt)	Explosives, Fertilizers like CAN & ANP, Herbicides & Insecticides
11	Methanol	Acetic Acid, Formaldehyde, Chloromethane, Pesticides, Methyl Amines, Paints, Insecticides
12	Neem Oil	Coating of Urea, Pesticides, Cosmetics, Medicine
13	Technical Grade Urea	Cattle feed, Pigments, Dyes, Fuel additives
	OTHER PRODUCTS	
1	Calcium Carbonate	In Cattle feed, Water treatment, Neutralization of Acidic Effluent, Cement Industry
2	Dilute Sulfuric Acid	Ferric Alum, Fertilizer, Textile
3	Hydrochloric Acid	Vinyl Chloride, Chemical Reagent, Production of gelatin, Household cleaning, Metal Pickelings
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

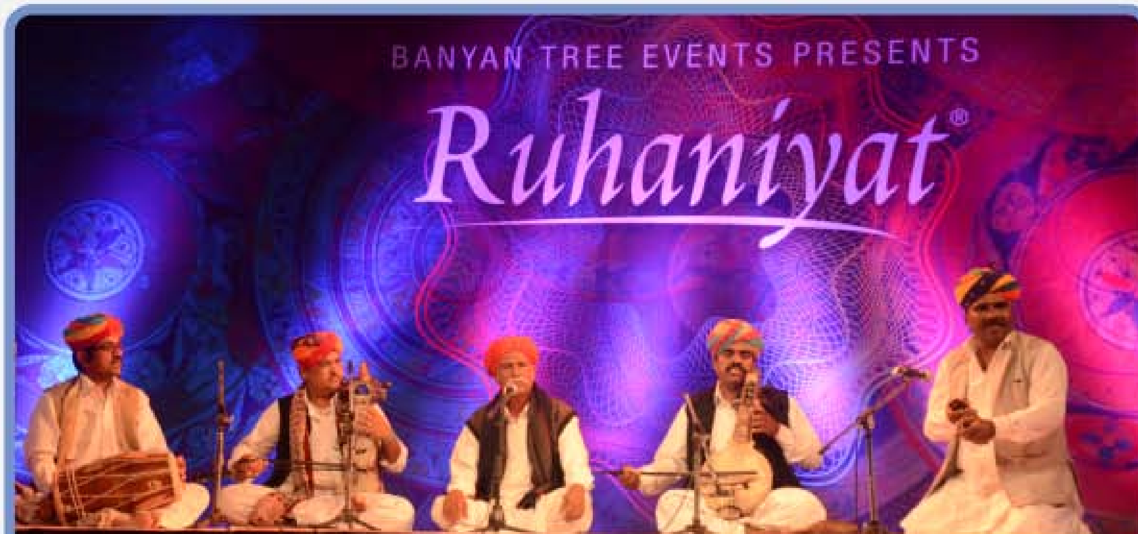
CORPORATE SOCIAL RESPONSIBILTY

Special Children Project

Ekta Yatra

Special Children Project

Vocational Training Project



Promoting Culture Events

Our Neem project has become a green growth juggernaut that is also empowering rural and landless people, especially the women. Plans to take this initiative to the national level are at an advanced stage.

The Neo Neem product basket today includes diverse offerings like **Neem Soaps, Shampoo, Face Wash, Hand Wash, All-purpose Oil (Virgin Neem Seed Oil), Hair Oil** and more.

Neo Neem protects Skin against

Acne | Wrinkles | Dryness | Ageing

neo neem

Be pure *Live pure*

To know more, reach out to us on: **www.gnfcneem.in**

***Rebranding of GNFC Neem as Neo Neem.**

If undelivered please return to:

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, 247002 **Fax** : (02642) 247084 **Website** : www.gnfc.in