

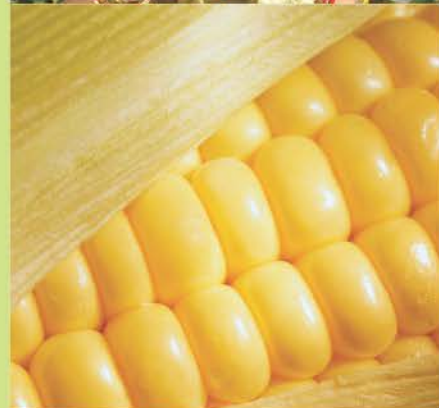


53rd ANNUAL REPORT 2014-15

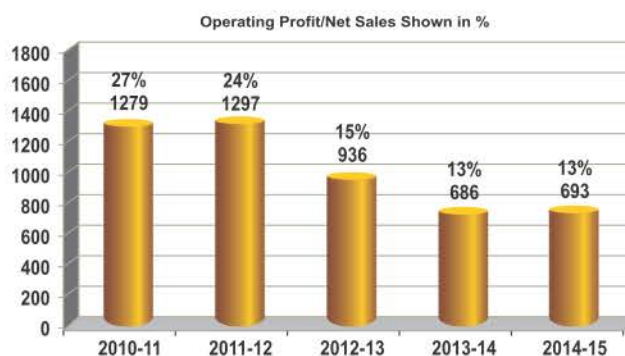
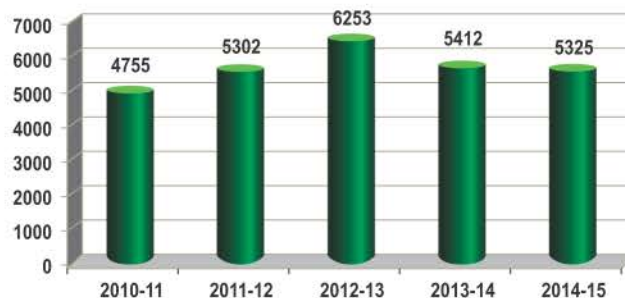
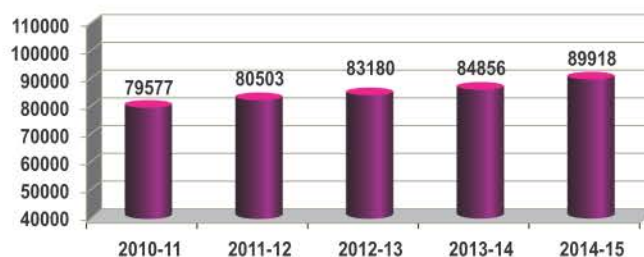
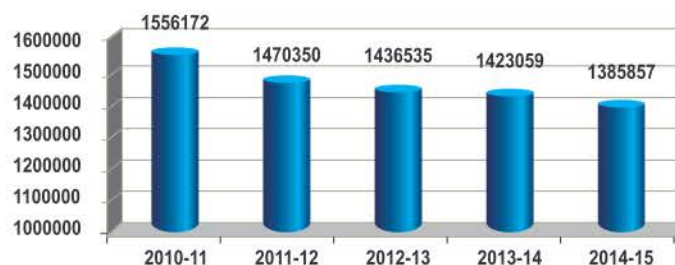
Shaping the future of
Indian Agriculture

**GUJARAT STATE FERTILIZERS &
CHEMICALS LIMITED**

www.gsfclimited.com



PERFORMANCE HIGHLIGHTS



GSFC - THE SOCIALLY RESPONSIBLE ENTERPRISE



The Financial Year 2014-15 was a landmark year for Gujarat State Fertilizers and Chemicals Limited, as it was honored with many Awards for business excellence. The most prestigious amongst them is the one that reckoned GSFC as India's No. 1 Brand in the category of Best Indian Companies. The

other notable Awards were the National Golden Peacock Award for Corporate Social Responsibility, India CEO Award 2015, and the Best Public Sector Undertaking Award. Each Award is an inspiring revelation about how GSFC has transformed itself from being a fertilizer manufacturer into a diversified and growth-oriented socially responsible business enterprise.

When GSFC was promoted in 1962 to produce plant nutrients, not many would have imagined that GSFC would emerge as one of India's 500 high performance, multi-dimensional business entities, manufacturing industrial intermediates, polymers and fibres in addition to fertilizers, each being a critical cog of the national economy.

GSFC's remarkable progress over more than five decade rests on four growth strategies - **Diversification & Expansion, Product Development, Market Penetration, and Market Development.** Each of these strategies focused on achieving Value Growth, not only in terms of increased sales income, maximizing profits and securing higher retained earnings; but also in terms of forging enduring relationship with farmers, keeping wheels of industry moving and undertaking activities to make lives better for communities in and around its manufacturing complexes.

Another important development is that GSFC has rejuvenated the vision of CSR which has been in existence in its growth strategies. The new vision of CSR emphasizes on saving energy, developing green products, and retaining and motivating employees, all of which helps GSFC to capture value through growth and return on capital. While as a business enterprise, earnings and bottom-line are important, GSFC has begun laying more emphasis on what

kind of impact it makes in the years ahead. It is now GSFC's practice to evolve goals in terms of impact and revenue simultaneously to engineer its future.

To move ahead with the new vision on CSR, GSFC formed an independent CSR Cell for all four units i.e. Fertilizernagar Unit - Vadodara, Polymer Unit - Nandesari, Sikka Unit - Jamnagar, and Fibre Unit - Surat, in the year 2012-13; earlier this cell was functioning under the 'Village Development Cell'. This cell seeks to promote the overall development, progress and betterment of the people belonging to weaker sections of society with a view to elevate the 'Human Development Index' (HDI). The CSR activities have resulted in more customers for the company, higher revenue and a greater capacity to be more innovative.

The CSR vision has three critical components : First is **Environmental CSR.** GSFC focuses on renewable energy generation and conservation. It believes in being a company that is ever ready to deliver to customers' total satisfaction. It also focuses on improving and sustaining better eco-systems prevailing in its manufacturing complexes and neighbourhood, besides addressing the larger issues concerning climate change. Second is the **HR based CSR** activities aiming at improving the well-being of the workforce and lastly the **Community based CSR** activities involving other organizations including NGOs for improving the quality of life of the local community.

A path-breaking initiative of GSFC in the realm of CSR is the establishment of GSFC University. It is for the first time a world class research driven university is being fully funded by an organization under CSR initiative. The objective of establishing this university is to impart quality education comparable with world class education system. The university will comprise two schools – the School of Technology and the School of Management.

Coincidentally, the year 2014-15, also marks the completion of a decade and a half of sustained performance in the 21st century with a healthy balance sheet of doubling of Sales Income, Profit after Tax and Retained Earnings which augurs well for its future progress.



FINANCIAL HIGHLIGHTS 2014-15



The year under review witnessed a new development. The production of Caprolactam, the major contributor to the company's bottom-line, touched the highest ever level of 89,918 MT surpassing the previous record of 84,856 MT in 2013-14. Annual production of Cyclohexane, Cyclohexanone HAS and HX-1 too created new records.

On the fertilizer front Ammonium Phosphate Sulphate production of 3,37,930 MT, Urea production of 3,99,187 MT and Ammonium Sulphate production of 3,18,680 MT was highest in the last five years. The DAP production has been optimal.

The results of FY 2014-15 as compared to FY 2013-14 are as under:

- The Revenue from Operations (turnover) during FY 2014-15 is Rs 5,325 crores as compared to the Revenue of Rs 5,412 crores in FY 2013-14.
- Trading of products increased from Rs 142 crores in FY 2013-14 to Rs 396 crores in FY 2014-15, a rise of 178% due to higher Trading of imported DAP and Methanol.
- The Earnings before Interest Depreciation and Taxes for the year 2014-15 is Rs 693 crores, with Operating Profit margin being 13%. The Net profit stood at Rs 400 crores as against Rs 342 crores in 2013-14, which is an increase of Rs 58 crores. The Cash Profit (Net Profit before Depreciation and Deferred Taxation) during 2014-15 is Rs 516 crores compared to Rs 510 crores in 2013-14.
- The reduced Revenue in the last quarter was basically because of the multiple factors like the higher prices of production due to gas prices going up. This led to the Methanol plant shutting down which further reduced company's spread in the Capro-benzene sectors.
- However, the way forward looks very positive, the reason being there is now uniform gas price for our operations. So, the cost for products which are inter-related may not be very high.

- There is also a new development. The Government of India has accepted a proposal of GSFC shifting to the production of 100 percent Neem Coated Urea. This will help stop the diversion of Urea for chemical and industrial uses.
- The Earnings Per Share (EPS) for the year 2014-15 works out to be Rs 10.05 as against Rs 8.59 during the previous period (Based on Face Value of Rs 2 per Share). The Return on Equity works out to 8.76%.
- The company with a Debt Equity Ratio of 0.14:1 is virtually Debt free. The Book Value per Share is Rs 112.03.

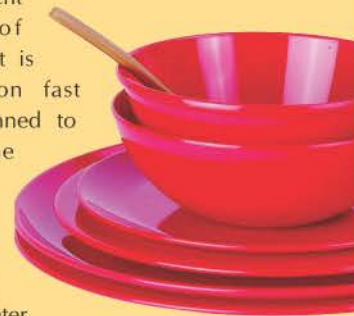
NEW PROJECTS & PRODUCTS

The company is setting up 40,000 MTPA Melamine Project at its Vadodara Complex. A contract has been signed for the supply of knowhow of basic engineering and proprietary equipment with M/s Casale of Switzerland. The project is being implemented on fast track basis and is planned to be operational in the second quarter of 2017-18.

The company's 15,000 MTPA Nylon-6 Plant and 20,000 MTPA Water Soluble Fertilizer plants at Vadodara Complex are also likely to move into main stream soon.

Projects which are in the process of transition from the drawing board to the execution stage include the 5,00,000 MTPA DAP/NPK Fertilizer Plants at Sikka Unit, Jamnagar with the capital outlay of Rs 900 crores. The new plant is the fourth unit to come up at the company's manufacturing complex at Sikka with required ancillary facilities such as Bagging Plant and Silos for storage.

Further, the company has undertaken a path breaking innovation to manufacture Gujcon - Concrete Reinforcement Fibre (CRF) and Polymer Reinforcement Fibre (PRF) for Secondary Reinforcement in Construction and Infrastructure industries. Its major advantages are arresting shrinkage cracks, reduction in rebound loss, check water seepage and enhancing durability of concrete. The production facility of Gujcon is located at Surat.



GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

[Corporate Identity Number (CIN) : L99999GJ1962PLC001121]

53RD ANNUAL GENERAL MEETING

Date : 16th September, 2015
Day : Wednesday
Time : 3.00 p.m.
Place : Cultural Centre Auditorium
Fertilizernagar Township
Fertilizernagar - 391 750
District Vadodara

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REGISTRARS & SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.
B-102 & 103, Shangrila Complex, First Floor,
Opp. HDFC Bank, Near Radhakrishna Char Rasta,
Akota, Vadodara - 390 020.
Phone : (0265) 2356573 / 2366794
Fax : (0265) 2356791
Email : vadodara@linkintime.co.in

REGISTERED OFFICE

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

BOARD OF DIRECTORS (As on 15-06-2015)

DR. S. K. NANDA *Chairman & Managing Director*
SHRI D. C. ANJARIA
PROF. VASANT P. GANDHI
SHRI AJAY N. SHAH
SHRI VIJAI KAPOOR
SMT. GEETA GORADIA
SHRI L. CHUAUNGO
DR. J. N. SINGH

ADVISORS

SHRI H. V. KACHHADIA
SHRI P. GANGULI
SHRI H. R. BRAHMBHATT
SHRI J. N. HATHI

SR. VICE PRESIDENT (FINANCE) & CFO

SHRI V. D. NANAVATY

SR. VICE PRESIDENTS

DR. NEELAM MISHRA
DR. Y. P. SINGH
MS. F. M. DAYAMAKUMAR
SHRI S. P. YADAV
SHRI D. R. DAVE

COMPANY SECRETARY & VICE PRESIDENT (LEGAL)

CS V. V. VACHHRAJANI

BANKERS

Bank of Baroda
Central Bank of India
Bank of India
Dena Bank
Indian Bank
Vijaya Bank
Yes Bank Ltd.
State Bank of India
Indian Overseas Bank
Axis Bank Ltd.
The Hongkong and Shanghai Banking Corporation Ltd.
Royal Bank of Scotland N.V.

LEGAL ADVISORS AND ADVOCATES

M/s. Nanavati & Nanavati, Advocates, Ahmedabad
Jaideep B. Verma, Advocate, Vadodara

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells, Vadodara

COST AUDITORS

M/s. A. G. Dalwadi & Company, Ahmedabad

SECRETARIAL AUDITORS

Niraj Trivedi, Vadodara

FOR MEMBERS' ATTENTION

- 1 The Register of Members and the Share Transfer Books of the Company shall remain closed from Wednesday, the 02nd September, 2015 to Wednesday, the 16th September, 2015 (both days inclusive) for the purpose of ascertaining the entitlement for payment of dividend.
- 2 Dividend, upon its declaration at the meeting, will be paid on Equity Shares of the Company on and from 22nd September, 2015, to those members whose names shall appear on the Register of Members of the Company on the Book Closure date.
- 3 To make the payment of dividend through ECS or to print Bank particulars of the members on the dividend warrants, members are requested to furnish their Bank particulars viz. Name of Bank with its branch and address, Bank A/c. No., 9 Digit MICR Code appearing on the MICR cheque issued by the Bank etc. Please also send a copy of the MICR Cheque together with Bank particulars to the Company latest by 02nd September, 2015.

The shareholders who hold shares in electronic form are requested to furnish their Bank particulars as aforesaid to their Depository Participant (DP) by the stipulated date.
- 4 Members are requested to quote Folio Number or DP ID and Clients ID No. (in case of shares held in demat forms) in all correspondence and also to bring with them the Attendance Card which may be submitted at the entrance gate duly signed.
- 5 Members who are registered under two or more Ledger Folios are requested to write to the Registrars and share Transfer Agent of the Company for consolidation, giving particulars of such Folios along with the relevant Share Certificates.
- 6 Members holding shares in the Dematerialized Form are requested to intimate changes, if any, in respect of their Bank details, Mandate instructions, Nomination, Power of Attorney, Change of Address, Change of Name etc. to their Depository Participant (DP).
- 7 Ministry of Corporate Affairs (MCA) has taken a commendable decision for promoting and implementing

"Green Initiatives in the Corporate Governance" by permitting paperless compliances by Companies and has issued Circular Nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively clarified that a company would be deemed to have complied with the provisions of Section 53 and 219(1) of the Companies Act, 1956, if documents like notices, annual reports, etc. are sent in electronic form to its Members.

Keeping in view the underlying theme, we also propose to join the bandwagon and accordingly, the said documents of the Company for the Financial Year ended March 31, 2015 and onwards will be sent in electronic form to those members who have registered their e-mail address with their Depository Participants (DP) and made available to the Company by the Depositories.

However, in case a Member wishes to receive a physical copy of the said documents, he is requested to send e-mail to gogreen@gscfcltd.com duly quoting his DP ID and Client ID or the Folio No., as the case may be.

Members holding shares in physical form are requested to submit their e-mail address to the Registrars & Transfer Agent of the Company, duly quoting their Folio No. Members holding shares in electronic form, who have not registered their e-mail address with their DP are requested to do so at the earliest, so as to enable the Company to send the said documents in electronic form, thereby supporting the "Green Initiatives" taken by MCA and the Company's desire to participate in such initiatives. Please note that the said documents will be uploaded on the website of the Company viz. www.gscfclimited.com and made available for inspection at the Registered Office of the Company during business hours.

- 8 **Members are requested to send their queries, if any, at least seven days in advance of the meeting so that the information can be made available at the meeting.**
- 9 **As a measure of economy, the Company does not distribute the copies of Annual Report at the Meeting. Members, therefore, are requested to bring their copies with them.**

Very Important

- **Members / Proxy are requested to show their Photo Identity Card at the entry point along with the Attendance Slip duly signed by self/the proxy, failing which the entry to the Annual General Meeting shall be denied.**
- **No bags or belonging shall be permitted to be carried inside the venue of Annual General Meeting.**
- **Carrying the Camara inside the venue of Annual General Meeting is strictly prohibited.**
- **The Members may kindly note that this is being done for the security reason.**

NOTICE

NOTICE is hereby given that the **Fifty-third Annual General Meeting** of the Members of the Company will be held at the Cultural Centre Auditorium situate at the Registered Office of the Company at Fertilizernagar – 391 750, Dist. Vadodara on **Wednesday, the 16th September, 2015 at 3.00 PM** to transact the following business:

Ordinary Business

1. To receive, consider and adopt:
 - a) the Audited Financial Statements of the Company for the Financial Year ended March 31, 2015, the Reports of the Board of Directors and Auditors thereon; and
 - b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2015.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Dr. J. N. Singh, IAS (DIN 00955107), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution with or without modifications, as an **Ordinary Resolution**:

RESOLVED that pursuant to Section 139 (2) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s Deloitte Haskins & Sells, Chartered Accountants, Vadodara (Firm Registration No. 117364W) be and are hereby appointed as auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company.

Special Business

5. To approve the remuneration of the Cost Auditors for the Financial Year ending 31st March, 2016 and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:
RESOLVED that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), M/s A G Dalwadi & Company, Cost Accountants, Ahmedabad (Firm Registration No. 100071), appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2016 be paid the remuneration of Rs. 4,80,000/- plus service tax and reasonable out of pocket and traveling expenses.
6. To appoint Smt. Geeta Goradia, (DIN 00074343) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution with or without modification(s), as an **Ordinary Resolution**:

RESOLVED that pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Smt. Geeta Goradia (DIN 00074343), who was appointed as an Additional Director pursuant to provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years from the conclusion of 53rd Annual General Meeting till the conclusion of the 58th Annual General Meeting.

7. To appoint Shri D. C. Anjaria, (DIN 00008639) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution with or without modification(s), as a **Special Resolution**:

RESOLVED that pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Clause 49 of the Listing Agreement entered into with the Stock Exchanges, Shri D C Anjaria (DIN 00008639), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for five consecutive years for second term from the conclusion of 53rd Annual General Meeting till the conclusion of the 58th Annual General Meeting."

NOTICE (Contd.)

8. To appoint Prof Vasant Gandhi (DIN 00863653) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution with or without modification(s), as a **Special Resolution**:
RESOLVED that pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Clause 49 of the Listing Agreement entered into with the Stock Exchanges, Prof Vasant Gandhi (DIN 00863653), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for five consecutive years for second term from the conclusion of 53rd Annual General Meeting till the conclusion of the 58th Annual General Meeting. “
9. To appoint Shri Ajay Shah (DIN 01141239) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution with or without modification(s), as a **Special Resolution**:
RESOLVED that pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Clause 49 of the Listing Agreement entered into with the Stock Exchanges, Shri Ajay Shah (DIN 01141239), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for five consecutive years for second term from the conclusion of 53rd Annual General Meeting till the conclusion of the 58th Annual General Meeting. “
10. To appoint Shri Vijai Kapoor (DIN 01084371) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution with or without modification(s), as a **Special Resolution**:
RESOLVED that pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Clause 49 of the Listing Agreement entered into with the Stock Exchanges, Shri Vijai Kapoor (DIN 01084371), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for five consecutive years for second term from the conclusion of 53rd Annual General Meeting till the conclusion of the 58th Annual General Meeting. “
11. To appoint Dr. S. K. Nanda, IAS (DIN 00315376) as Chairman & Managing Director of the Company and to approve terms & conditions of remuneration & perquisites of Dr. S K Nanda, IAS and in this regard, to consider and if thought fit, to pass the following resolution with or without modification(s), as an **Ordinary Resolution**:
RESOLVED that subject to the provisions of Section 196, 197 and any other applicable provisions read with Schedule V of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) , the Company hereby accords its consent and approval to the appointment of Dr. S. K. Nanda, IAS (DIN 00315376) as Chairman and Managing Director of the Company on the terms & conditions of remuneration and perquisites as set out in the explanatory statement annexed hereto.
FURTHER RESOLVED that the remuneration, benefits and perquisites as set out in the explanatory statement shall be paid and allowed to him as minimum remuneration notwithstanding the absence/ inadequacy of profit in the year.
FURTHER RESOLVED that the Board of Directors are hereby authorized to approve any revision/ modification to the remuneration, perquisites or terms & conditions as may be communication by the Government from time to time during the continuity of his appointment.
FURTHER RESOLVED that so long as Dr. S K Nanda, IAS functions as Chairman and Managing Director of the Company, he shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

By Order of the Board
Sd/-
CS V. V. Vachhrajani
Company Secretary &
Vice President (Legal)

Place : Fertilizernagar
Date : 15.06.2015

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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.

Please bring your copy of Annual Report and attendance card at the meeting. Persons other than members or proxy will not be allowed to attend the meeting.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
3. As required under the Rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of Central Government) Rules, 1978, the Company hereby informs its Members that all unpaid/ unclaimed dividends declared for and upto the Financial Year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies (Gujarat), Housing Board Building, Opp. Roopal Park Society, Ankur Char Rasta, Naranpura, Ahmedabad - 380 013.

Members are requested to note that pursuant to the provisions of Section 124 and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof) and Rules made thereunder the dividend remaining unclaimed/ unpaid for a period of seven years from the date of transfer to the "Unpaid Dividend Account" shall be credited to the Investor Education and Protections Fund (Fund) set up by the Central Government. Accordingly, the unclaimed dividends for the Financial Year ended 31-03-1995 to 31-03-1999 and 31-03-2005 to 31-03-2007 has been transferred to the said fund.

4. **Details of dividend to be transferred to Investors' Education & Protection Fund (IEPF):**

Dividend No.	Financial Year	Date of Declaration	Due for transfer to IEPF on
34	2007-08	26-09-2008	26-10-2015
35	2008-09	25-09-2009	25-10-2016
36	2009-10	24-09-2010	24-10-2017
37	2010-11	17-09-2011	17-10-2018
38	2011-12	04-08-2012	03-09-2019
39	2012-13	03-08-2013	02-09-2020
40	2013-14	08-08-2014	07-09-2021

Members who have not yet encashed their dividend warrant (s) for the Financial Year ended 31-03-2008 to 31-03-2014, are requested to lodge their claims to the Company accordingly, without any delay.

5. Relevancy of questions and the order of speakers at the meeting shall be decided by the Chairman.
6. **Voting through electronic means**
 - a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies (Management and Administration) Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote by electronic means on resolutions proposed to be passed in the Meeting by electronic means through remote e-voting. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-voting').
 - b. The facility of poll shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through poll.
 - c. The members who have casted their votes by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
 - d. The company has engaged the services of Central Depository Services Limited (CDSL) as the agency to provide e-voting facility.
 - e. The Board of Directors of the Company has appointed Shri Niraj Trivedi, a Practicing Company Secretary, Vadodara as Scrutinizer to scrutinize the poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same.

NOTES (Contd.)

- f. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. September 09, 2015.
- g. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. September 09, 2015 only shall be entitled to avail the facility of remote e-voting/ poll.
- h. Any person who becomes a member of the company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. September 09, 2015, may cast their votes by following the instructions and process of remote e-voting as provided in the Notice of the AGM uploaded at our website www.gsfclimited.com and CDSL website: www.cdslindia.com. If the member is already registered with CDSL e-voting platform then he can use his existing user ID and password for casting the vote through remote e-voting.
- i. The remote e-voting facility will be available during the following period:
Commencement of remote e-voting: from 9.00 A.M. on September 13, 2015
End of remote e-voting: up to 5.00 P.M. on September 15, 2015.
The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of aforesaid period.
- j. The scrutinizer, after scrutinizing the votes cast at the meeting (poll) and through remote e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.gsfclimited.com and on the website of the CDSL www.cdslindia.com. The results shall simultaneously be communicated to the stock exchange.
- k. Subject to receipt of requisite number of votes, the Resolution shall be deemed to be passed on the date of the Meeting, i.e. September 16, 2015.

I. Instructions and other information relating to remote e-voting:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Now click on "Shareholders" tab to caste your vote.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

Permanent Account Number (PAN)	Enter your 10 digit alpha-numeric PAN* issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * For Members holding shares in demat form and have not updated their PAN with the Company/ Depository Participant are requested to use the 10 digits sequence number. The Sequence Number is printed on address sticker pasted on Annual Report. * For Members holding shares in Physical form and have not updated their PAN are requested to enter the lowest share certificate number held by them in PAN field. In case the lowest certificate number is less than 10 digits, enter the applicable number of 0's before the number. E.g. If your lowest certificate number is 1000 then enter 0000001000 in the PAN field.
DOB #	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. # Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

NOTES (Contd.)

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then reach directly to the Company Selection Screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the E- Voting Sequence Number (EVSN) 150806002 along with “Gujarat State Fertilizers & Chemicals Limited”.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non – Individual Shareholders and Custodians;
 - a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - c) After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - d) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO THE NOTICE

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

ITEM NO. 04

M/s Deloitte Haskins & Sells, Chartered Accountants, Vadodara were appointed Statutory Auditors of the Company at the last Annual General Meeting (AGM) from the conclusion of 52nd Annual General Meeting and till the conclusion of the 55th Annual General Meeting.

The Company has received a written consent / letter from M/s Deloitte Haskins & Sells, Chartered Accountants, Vadodara to the effect that their re-appointment if made, would be in accordance with the conditions prescribed under section 139 (2) of the Companies Act, 2013 and a certificate confirming that they are not disqualified for such re-appointment within the meaning of Section 141 of the said Act.

Since the ratification in every annual general meeting till the period of their appointment is required, your Directors recommend the proposed resolution for your ratification.

None of the Directors or Key Managerial Personnel of the Company or their relatives is/are, in any way, concerned or interested, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges with which the shares of the Company are listed.

ITEM No. 05

The Board, on recommendation of the Audit Committee, has approved the appointment and subject to the consent of members approved the remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending on March 31, 2016 at a fee as provided in the resolution.

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

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at item no. 5 of the notice for ratification of the remuneration payable to the cost auditors for the Financial Year ending March 31, 2016.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

ITEM NO 06

In accordance with the provisions of Section 149, 152 read with Schedule IV to the Companies Act, 2013, appointment of an Independent Director requires approval of the members.

Based on recommendations of Nomination and Remuneration Committee, the Board of Directors have proposed that Smt. Geeta Goradia, be appointed as Independent Director of the Company.

The Company has received a notice in writing from a member along with the deposit of the requisite amount under section 160 of the Act proposing the candidature of Smt. Geeta Goradia for the office of Director of the Company.

Smt. Geeta Goradia is not disqualified from being appointed as a director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Company has received a declaration from Smt. Geeta Goradia confirming that she meets with the criteria as prescribed both under sub-section (6) of Section 149 of the Act and under clause 49 of the Listing Agreement. In the opinion of the Board, Smt. Geeta Goradia fulfills the conditions for her appointment as an Independent Director as specified in the Act and rules made there under and the Listing Agreement. Smt. Geeta Goradia is independent of the management and possesses appropriate skills, experience and knowledge.

Brief resume of Smt. Geeta Goradia

Smt. Geeta Goradia is the immediate Past President of Federation of Gujarat Industries (FGI). She is the first lady to hold this position in the FGI ever since it's inception in 1918. She is also a successful entrepreneur and is presently the Managing Director of Jewel Consumer Care Pvt. Ltd. She has done her MA Honors in Industrial Economics and Law from M. S. University, Vadodara. She has varied experience including being the Lecturer in Business Economics in M.S. University before settling down as a full time entrepreneur. She has to her credit many awards and accolades and to name a few are "Best Women Entrepreneur Award 2008-'09" constituted by Gujarat Chamber of Commerce & Industry; Best Women Entrepreneur Award from Centre for Entrepreneurship Development, Government of Gujarat, Gauravvanta Gujarati Award - 2011 by International creative Art Society (ICAS) so on and so forth. Apart from being past president of FGI, She is the Senate and Syndicate member of Maharaja Sayajirao University (2012 - 2017), Member - Gujarat State Social Security Board of Labour and Employment Department, Govt. of Gujarat and Council Member of Gujarat Technology University (GTU).

ANNEXURE TO THE NOTICE (Contd.)

She does not have any shares of the Company in her name. Smt Geeta Goradia is a director on Board since 08.08.2014. She is the Immediate past President of Federation of Gujarat Industries (FGI). She is the First lady to hold this position in the FGI ever since its inception in 1918. She is also a successful entrepreneur and is presently the MD of Jewel Consumer Care Pvt. Ltd. She is also a director of Jewel Consumer Care Pvt. Ltd., Pioneer Furnaces Pvt. Ltd., Panasonic Energy India Co. Ltd., Transpek Industry Ltd., Gujarat State Energy Generation Ltd. Copy of the draft letter for appointment of Smt. Geeta Goradia as an Independent Director setting out the terms and conditions is available for inspection by the members at the Registered Office of the Company.

In view of the fact that the proposed appointee bring with her the vast experience in the respective fields, it is desirable to approve her appointment as proposed and hence her appointment is recommended for your approval.

Except Smt. Geeta Goradia, none of the Directors/ Key Managerial Personnel of the Company/ their relatives is, in anyway, concerned or interested, financial or otherwise, in the resolution set out at Item No. 06.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

ITEM No. 07 to 10

In accordance with the provisions of Section 149, 152 read with Schedule IV to the Companies Act, 2013, appointment of an Independent Director requires approval of the members.

Based on recommendations of Nomination and Remuneration Committee, the Board of Directors have proposed to re-appoint Shri D C Anjaria, Prof. Vasant P Gandhi, Shri Ajay Shah & Shri Vijai Kapoor as an Independent Directors of the Company for another term of five consecutive years.

The Company has received notices in writing from a members along with the deposit of the requisite amount under section 160 of the Act proposing the candidature of Shri D C Anjaria, Prof. Vasant P Gandhi, Shri Ajay Shah & Shri Vijai Kapoor for the office of Directors of the Company.

Shri D C Anjaria, Prof. Vasant P Gandhi, Shri Ajay Shah & Shri Vijai Kapoor are not disqualified from being appointed as a director in terms of Section 164 of the Act and has given their consent to act as Directors.

The Company has received a declaration from Shri D C Anjaria, Prof. Vasant P Gandhi, Shri Ajay Shah & Shri Vijai Kapoor confirming that they meet with the criteria as prescribed both under sub-section (6) of Section 149 of the Act and under clause 49 of the Listing Agreement. In the opinion of the Board, Shri D C Anjaria, Prof. Vasant P Gandhi, Shri Ajay Shah & Shri Vijai Kapoor fulfills the conditions for their appointment as an Independent Director as specified in the Act and rules framed thereunder and the Listing Agreement. Shri D C Anjaria, Prof. Vasant P Gandhi, Shri Ajay Shah & Shri Vijai Kapoor are independent of the management and possess appropriate skills, experience and knowledge.

As required by Section 149, it is proposed to re-appoint Shri D C Anjaria, Prof. Vasant P Gandhi, Shri Ajay Shah & Shri Vijai Kapoor, as non-retiring Independent Directors for second term of five consecutive years from the conclusion of the 53rd Annual General Meeting till the conclusion of 58th Annual General Meeting. The brief profile of the Independent Directors along with other directors is given in the annexure to the notice.

Except the Directors under appointment viz. Shri D C Anjaria, Prof. Vasant P Gandhi, Shri Ajay Shah and Shri Vijai Kapoor, none of the Directors or Key Managerial Personnel of the Company or their relatives is, in anyway, concerned or interested, financial or otherwise, in the resolution set out at Item Nos. 07 to 10.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

ITEM NO. 11

As per Govt. of Gujarat Notification No. AIS/35.2014/44/G dated 30th October, 2014, Dr. S. K. Nanda, IAS was appointed as Chairman and Managing Director of the Company vice Shri Atanu Chakraborty, IAS. Dr. S. K. Nanda, IAS assumed charge of the Company on 01/10/2014 as the Chairman & Managing Director.

Brief resume of Dr S K Nanda, IAS

Dr S K Nanda, IAS, is a very senior IAS officer of Government of Gujarat. On the education front, he holds a Masters Degree in Political Science and Law and a PhD in Rural Economics.

Dr. Nanda is an IAS officer of 1978 batch and has held key positions during his career viz. he has been the Assistant Collector and Collector in districts of Dang, Baroda, Panchmahal, Banaskantha, Junagadh. During his stint with the Government, Dr. Nanda has successfully handled key government departments like Health, Tourism, Information & Broadcasting, Finance, Food & Civil Supply, Forest & Environment.

Dr. Nanda has contributed many articles on the subject of professional importance as well as written books. He has bagged many awards including commendation from PMO for excellent work in Health sector in post 2002 riots.

ANNEXURE TO THE NOTICE (Contd.)

He does not have any shares of the Company in his name. Dr. S K Nanda is also a director of Guj Info Petro Ltd, Gujarat Green Revolution Company Ltd., GSFC Agrotech Ltd., GSPC Gas Company Ltd., Gujarat Narmada Valley Fertilizers & Chemicals Ltd., Gujarat Chemical Port Terminal Company Ltd., Bhavnagar Energy Company Ltd., Indian Potash Ltd., Tunisian Indian Fertilizers (TIFERT), The Fertilizer Association of India.

Govt. of Gujarat vide resolution no. GSF/1098/1620/E dated 18/03/2015 prescribed the terms & conditions as to remuneration in respect of Dr. S. K. Nanda and shall as per the recommendation of Remuneration and Nomination committee and also be subjected to approval of the Board of Directors.

In terms of Schedule V and other applicable provisions of the Companies Act, 2013, the appointment of Dr. S. K. Nanda as Chairman & Managing Director and payment of remuneration to him requires the approval of the shareholders in General Meeting.

The terms & conditions of appointment and particulars of remuneration and perquisites paid/ payable to Dr. S. K. Nanda are as follows:-

1. **Period / Duration:**
Dr. S. K. Nanda, IAS, is sent on deputation as Chairman & Managing Director of Gujarat State Fertilizers & Chemicals Co. Ltd., Vadodara with effect from 01-11-2014 i.e. the date he assumed the charge of the said post until further orders.
2. **Pay:**
During the period of Deputation, Dr. S. K. Nanda, IAS will be eligible to draw his pay in the grade of Chief Secretary to Government by virtue of equation of the post of Chairman & Managing Director of Gujarat State Fertilizers & Chemicals Ltd., Vadodara with the IAS Cadre post of Additional Chief Secretary to Government vide GAD Resolution No. AIS/35/2011113/G dated 8th July, 2011.
3. **Dearness Allowance:**
Dr. S. K. Nanda, IAS will be eligible to draw Dearness Allowance at such rate as may be prescribed by the State Government from time to time.
4. **City Compensatory Allowance:**
Dr. S. K. Nanda, IAS will be eligible to draw city Compensatory Allowance as per the rules applicable to the IAS Officer working in connection with the affairs of the State.
5. **License Fee for residential accommodation:**
Dr. S.K. Nanda, IAS would be required to pay 10% of the pay plus DA/DP & CCA or the prescribed license fee for similar class of accommodation in the State Government, whichever is lower.
6. **Transfer TA/Joining Time:**
Dr. S.K. Nanda, IAS will be entitled to Transfer TA and Joining Time under the rules of organization to which he is deputed. Facility of joining time shall not be inferior to that available as per AIS Rules. Facility of Transfer TA shall not be inferior to the relevant provisions as applicable to IAS officers working under the Gujarat Government. The expenditure on this account will be borne by the organization.
7. **TA and DA Journey on duty:**
Dr. S.K. Nanda, IAS will be paid Travelling Allowance and Daily Allowance by the borrowing organization under the Rules of the borrowing organization for the journey undertaken by him in connection with the official work under that organization. While undertaking foreign visits by the official, the instructions contained in GAD Circular No. AIS/109/1720/G dated 17/04/1999, as amended from time to time, will be applicable for the purpose of drawl of per diem and in other matters.
8. **Medical Facilities:**
The borrowing organization shall afford to Dr. S.K. Nanda, IAS, the medical services facilities as per the Rules of the borrowing organization but shall not be inferior to those admissible to an All India Service Officer of his rank and seniority under the All India Services (Medical Attendance) Rules, 1954.
9. **Leave and Pension:**
During the period of deputation, Dr. S.K. Nanda, IAS will continue to be governed by the All India Service (Leave) Rules, 1955 and the All India Services (DCRB) Rules, 1958. The entire expenditure in respect of leave taken during and at the end of deputation shall be borne by the borrowing organization.
10. **Provident Fund:**
During the period of Foreign Service Dr. S.K. Nanda, IAS will continue to subscribe to the All India Services (Provident Fund) Scheme/ contributory Provident Fund Scheme to which he was subscribing at the time of proceeding on Foreign Service in accordance with the rules of such Fund/ Scheme.

ANNEXURE TO THE NOTICE (Contd.)

11. Conduct, Discipline & Appeal Rules:

During the period of Foreign Service, Dr. S.K. Nanda, IAS shall continue to be governed by All India Services (Conduct) Rules, 1968 and the All India Services (Discipline & Appeal) Rules, 1969.

12. Leave Travel Concession:

The Gujarat State Fertilizers & Chemicals Ltd., Vadodara shall allow Leave Travel Concession to Dr. S. K. Nanda, IAS as admissible to him under the All India Services (LTC) rules, 1975. The whole expenditure in this regard will be borne by the borrowing organization.

13. Disability Leave:

The Gujarat State Fertilizers & Chemicals Ltd., Vadodara will be liable to pay leave emoluments in respect of disability leave, if any granted to Dr. S. K. Nanda, IAS on account of any disability incurred in and through Foreign Service even though such disability manifests itself after termination of the Foreign Service. The relevant AIS rules will be applicable in such cases.

14. Leave Salary/ Pension Contribution:

Dr. S. K. Nanda, IAS shall not be permitted to join the Pension Schemes of the borrowing organization under any circumstances. The entire expenditure in respect of pension and leave salary contribution for the period of deputation shall be borne by the borrowing organization failing which by the officer himself.

The organization will pay to the Government the leave salary and pension contribution at the rates force from time to time in accordance with the orders issued by the President under FR 116. The payment of these contributions must be paid annually within 15 days from the end of each Financial Year or at the end of Foreign Services, if deputation expires before the end of a Financial Year. Delayed payment will attract liability of payment of interest in the terms of instructions contained in the Ministry of Finances' Notification No. F.1 (1)/E.III183 dated 10th August, 1983, as amended from time to time. Pending intimation of the rates of leave salary and pension contributions by the Accountant General, Gujarat, Rajkot/Ahmedabad, the organization shall pay leave salary and pension contribution provisionally at the prescribed rates.

15. Group Insurance:

Dr. S. K. Nanda, IAS will be governed by the All India Services Group Insurance Rules, 1981. The amount deducted from his salary as per the prescribed rates as subscription towards the Central Government Employees Group Insurance Scheme, 1980 shall be remitted to the concerned Accountant General, Gujarat, Rajkot/Ahmedabad by the organization. If at any time, the recovery of subscription falls in arrears, the same shall be recovered with interest admissible under the Scheme on the accretions to the Saving Fund.

16. Residuary Matters:

In all matters relating to conditions of service and benefits I facilities and perquisites in the borrowing organization not covered by items 1 to 15 above, Dr. S. K. Nanda, IAS shall be governed by the provisions of AIS (Conditions of Services Residuary Matters) Rules.

The above mentioned terms & conditions would be applicable till Dr. S. K. Nanda, IAS remains on deputation with the Company. On reversion from deputation, he will be governed by the relevant rules laid down for All India Services Officers.

The Appointment of Dr. S. K. Nanda and the remuneration and perquisites payable to him are in accordance with Schedule V to the Companies Act, 2013. Dr. S. K. Nanda has long and extensive experience in Government Service. Accordingly, the directors commend this resolution for your consent and approval.

Except Dr. S. K. Nanda, IAS, none of the Directors/ Key Managerial Personnel of the Company/ their relatives is, in anyway, concerned or interested, financial or otherwise, in the resolution set out at Item No. 11. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

By Order of the Board

Sd/-

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

Place : Fertilizernagar

Date : 15.06.2015

ANNEXURE TO THE NOTICE (Contd.)

Brief profile of Directors seeking Appointment/ Re-appointment

Name in full	Shri Divyabhash Anjaria	Prof. Vasant P Gandhi	Shri Ajay N Shah	Shri Vijai Kapoor	Dr. J N Singh	Shri L. Chuauungo
Birth Date	19 th July, 1946	10 th December, 1954	08 th July, 1966	13 th September, 1938	02 nd May, 1959	01 st March, 1962
Qualification	B.Com, MBA (Finance), IIM, Ahmedabad	PhD (Stanford), MA, MS (Stanford) PGP(IIMA)	PhD in Economics, University of Southern California, Los Angeles B.Tech in Aeronautical Engineering from I.I.T., Bombay	MA (Mathematics), IAS	MA(International Studies, JNU) M.D.M (AIM, Manila) PHD From M.S. University, IAS	Arts Graduate, IAS
Status	Independent Director	Independent Director	Independent Director	Independent Director	Non Executive, Rotational Director	Non Executive, Rotational Director
Date of Appointment	15-07-2006	15-07-2006	15-07-2006	15-07-2006	25-11-2014	08-04-2015
Self & Family member's shareholding in GSFC Ltd.	1450 shares held by wife & 2500 Shares jointly with GSIL.	2500 Shares jointly with Gujarat State Investments Ltd. (GSIL)	2500 Shares jointly with GSIL.	2500 Shares jointly with GSIL.	--	--
Other Directorships	1. Ratnamani Metals & Tubes Ltd. 2. International Financial Solutions Pvt. Ltd. 3. Indian Institute of Financial Services Pvt. Ltd. 4. Gujarat Tech Markets Pvt. Ltd.	Advanta India Ltd.	1. Centre for Monitoring Indian Economy Pvt. Ltd. 2. National Bulk Handling Corporation Pvt. Ltd. 3. Ascent Capital Advisors India Pvt. Ltd.	1. FAB India Overseas Pvt. Ltd. 2. GI Technology Pvt. Ltd.	1. Gujarat Narmada Valley Fertilizers & Chemicals Ltd. 2. Gujarat State Petroleum Corp. Ltd. 3. Sardar Sarovar Narmada Nigam Ltd. 4. Gujarat International Finance Tech City Ltd. 5. Gujarat State Financial Services Ltd. 6. Dholera International Airport Co. Ltd 7. Gujarat State Investment Ltd 8. Gujarat Alkalies and Chemicals Ltd 9. Gujarat State Petronet Ltd.	1. Gujarat Urja Vikas Nigam Ltd. 2. Gujarat Industries Power Company Ltd. 3. Gujarat Energy Transmission Corp. Ltd. 4. Gujarat State Petroleum Corp. Ltd. 5. Gujarat State Petronet Ltd.
Brief Profile covering experience.	Shri D C Anjaria has rich experience in the financial sector viz. Capital Markets, Banking in India and Overseas, Corporate Finance & Management and Commodity Markets.	Prof. Vasant P Gandhi has rich experience of Management, Consultancy & Research activities in agri business & agro industry.	Shri Ajay Shah has rich consultancy experience of varied nature in the field of Finance and has many prestigious awards to his credit in the field of Risk Management, Certified Financial Planning etc. during his career.	Shri Vijai Kapoor served in Indian Administrative Service and has later served as Lieutenant Governor of Delhi for more than 6 years. He has a rich administrative experience of varied nature.	Dr. J.N.Singh is a Senior IAS officer of 1987 batch. Presently, he is holding the key position of Additional Chief Secretary, Finance Department, GOG. He also holds the Charge of Revenue Department, as Commissioner of Land Reforms, Gujarat.	Shri L. Chuauungo is a Senior IAS officer of 1987 batch. Presently, holding the key position of Principal Secretary to Government of Gujarat, Energy & Petrochemicals Department.

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting their 53rd Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

1. Financial highlights of the Company (Standalone)

(Rs. in Crores)

Sr. No.	Particulars	2014-15	2013-14
1	Gross Sales	5576.19	5697.97
	Less : Excise Duty Recovered	251.62	285.48
	Net Sales	5324.57	5412.49
2	Other Income	101.93	124.54
3	Total Revenue	5426.50	5537.03
4	Less : Operating Expenses	4733.92	4851.16
5	Operating Profit	692.58	685.87
6	Less : Finance Cost	18.01	45.14
7	Gross Profit	674.57	640.73
8	Less : Depreciation	100.66	145.32
9	Exceptional Item	0.00	0.00
10	Profit before taxes	573.91	495.41
11	Taxation		
	- Current Tax	158.92	130.75
	- Deferred Tax (net)	14.48	22.49
12	Profit after taxes	400.51	342.17
13	Balance brought forward from last year	286.83	287.90
14	Amount available for appropriations	687.34	630.07
15	Out of which, your Directors have proposed appropriation and transfer as under :		
	a) Proposed Dividend on Equity shares	87.66	79.70
	b) Tax on Proposed Dividend	17.85	13.54
	c) General Reserve	260.00	250.00
16	Leaving a balance in the Profit & Loss Account	321.83	286.83

2. Dividend

Your Directors are happy to recommend a dividend @ 110%, i.e. Rs. 2.20/- per Equity Share (Face value of Rs. 2/- each) on 39,84,77,530 shares (Previous Year - 100%, i.e. Rs. 2 per share on 39,84,77,530 Equity Shares of Rs.2/- each) for the Financial Year ended 31st March, 2015. The net outgo on account of Dividend shall be Rs. 105.51 Crores including Corporate Dividend Tax. The Dividend shall be paid to those members, whose names shall appear on the Register of Members of the Company on the Book Closure Date i.e. on 02/09/2015.

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

Your directors wish to report that your Company has achieved the turnover of Rs.5325 Crores for the year ended March 31, 2015 as against Rs. 5412 Crores (FY 13-14) down by 87 Crores (2%) when compared to the previous Financial Year.

Similarly, for the FY 2014-15, Profit before Tax (PBT) was Rs.573.91 Crores and Net Profit (Profit after Tax) was Rs.400.51 Crores as against PBT of Rs.495.41 Crores and PAT of Rs.342.17 Crores for the previous Financial Year.

DIRECTORS' REPORT (Contd.)

4. Material changes and commitments

The Company has not made any material changes or commitments which affect the financial position of the company between the end of the Financial Year of the company to which the financial statements relate and the date of signing of this report.

5. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There are no such orders except those which have been appropriately challenged before the judiciary and no impact on going concern status and company's operation in future of such matters are expected or visualised at the current stage at which they are.

6. Details in respect of adequacy of internal financial controls with reference to the Financial Statements

The Company has an internal Control System, commensurate with the size, scale and complexity of its operation. The Scope and authority of the internal audit functions lies with the Audit Committee. The Audit Committee monitors and evaluates the efficacy and adequacy of internal control systems, accounting procedures and policies. Based on the report of internal auditors, significant audit observations and actions taken on such observations are presented to the audit committee of the Board.

7. Details of Subsidiary/Joint Ventures/Associate Companies

During the year under review, companies listed below are Company's Subsidiary Company or Associate Company.

Subsidiary Company - GSFC Agrotech Limited.

Associate Companies - Vadodara Enviro Channel Limited

Gujarat Green Revolution Company Limited

There were no new additions/ deletions during the year. A report of the performance and financial position of each of the subsidiaries, associates and joint venture companies as per the Companies Act, 2013 is provided as annexure A to the consolidated financial statement and hence not repeated here for the sake of brevity. The Company does not have any material subsidiary in terms of Company's Act, 2013 read with Listing Agreement.

8. Listing of Shares & Depositories

The Equity Shares of your Company are listed on the BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE). As approved by the shareholders, an application for voluntary delisting of Equity Shares from Calcutta Stock Exchange Association Ltd., Kolkata, was made, however, the approval for delisting is still awaited. The listing fees for the FY 15-16 has been paid to both the stock exchanges

Your Directors wish to state that the Equity Shares of your Company are compulsorily traded in dematerialized form w.e.f. 26/06/2000. Presently, 96.78% of shares are held in electronic/dematerialized form.

9. Report on Corporate Governance And Management Discussion And Analysis Report To Shareholders

Your Company has complied with all the mandatory requirements of Corporate Governance norms as mandated by Clause 49 of the Listing Agreement with Stock Exchanges. A separate report on Corporate Governance together with the Certificate of M/s. S. Samdani & Associates, Company Secretaries, Vadodara forms part of this Annual Report. The Management Discussion & Analysis report also forms part of this Annual Report.

10. Fixed Deposits

During the year 2014-15, your Company has not accepted/ renewed any Fixed Deposit. Your Directors wish to report that there are 49 Fixed Deposits aggregating Rs. 5.36 Lacs which have remained unclaimed by Depositors, as on 31st March, 2015. Letters reminding them to seek repayment have been sent. Upto and including the date of this report, 10 deposits amounting to Rs. 1.23 Lacs have been repaid.

During the year, the Company has transferred a sum of Rs. 20.98 Lacs being the unclaimed deposits and interest amount thereon to the Investors' Education and Protection Fund (IEPF) as required in terms of Section 125 of the Companies Act, 2013. The Company has discontinued accepting new deposits since 15.11.2005, and renewing the deposits since 31.03.2009.

11. Insurance

All the properties and insurable interests of the Company, including the buildings, plant & machinery and stocks have been adequately insured. Also, as required under the Public Liability Insurance Act, 1991, your Company has taken the appropriate insurance cover.

DIRECTORS' REPORT (Contd.)

12. Projects under Clean Development Mechanism (CDM)

The Directors are happy to inform that Wind Mill Projects of 10 MW, 12 MW, 18 MW & 33 MW are already registered under CDM and for 50.4 MW Wind Mill Project registration process is being finalised for availing Carbon Credit. Company has also taken up the steps for getting the revenue against Carbon Credit for the registered projects.

13. Expansion & Diversification

Your company had been conscious of the development of Green technology and has translated this into reality by setting up total 152.8 MW Wind Mill Power Projects in the Saurashtra & Kutch Region. These windmills are performing satisfactorily and are helpful in partly meeting Company's captive power requirement. The surplus power so generated is being sold to the State Grid as per contractual arrangements.

Your Directors also wish to inform that for additional 15,000 MTPA Nylon-6 capacity (Engineering Plastic) at Vadodara unit, the technology tie-up has been made with M/s. Lurgi, Germany and M/s. Tata Consulting Engineers Ltd. are hired for Detail Engineering work. The project execution is in advance stage and the project is likely to go in to main stream during the second quarter of F.Y. 2015-16.

Your Directors also wish to inform that for 20,000 MTPA Water Soluble Fertilizer (WSF) Project at Vadodara unit, for which the tie-up for project execution has been made with M/s. Hindustan Dorr-Oliver. The project execution is under execution and is likely to go into production during the second quarter of F.Y. 2015-16.

Your Directors are also happy to inform that the Company in its pursuit of capacity addition, is setting up 4th train (D Train) with about 5 Lakh MTPA of DAP/NPK Fertilizers at Sikka Unit, Dist. Jamnagar and for this the process license is from M/s. Esendisa, Spain. The technological tie-up and project implementation has been made through M/s. Hindustan Dorr-Oliver.

The total plant production capacity with this capacity addition shall now be to the tune of 1.4 MTPY. The total cost of the DAP/NPK Plant with Associated Additional Facilities is approximately Rs. 900 Crores. The new plant is expected to be put in operation by third quarter of FY 2016-17. This project will have the benefit of reduction of DAP imports and would enable your Company to produce different grades of NPK fertilizers.

Your Company is also setting up of Associated Additional Facilities related to DAP/NPK plant at Sikka Unit (SU) near Jamnagar and for this M/s. TKIS (UIPL) has been hired to provide engineering services for. EIA approval for the project has been received in October 2014 and work is in progress. The project is slated to be commissioned during the 2nd quarter of F.Y. 2016-17.

Your Directors are happy to inform that for setting up of 40000 MTPA Melamine Project at Vadodara unit, the technology tie up already done and contract is signed for supply of know-how, basic engineering and proprietary equipment with M/s. Casale, Switzerland on 5th February 2015. Project is slated to be implemented on fast track basis and is planned to be operational in 2nd quarter of 2017-18.

Your Directors are pleased to inform that the Company has ambitious plans for setting up large capacity Fertilizers & Petrochemicals Complex at Dahej for which Land acquisition is done and plot development is under progress. Technology selection for various projects like - Caprolactam, Methyl Methacrylate, Ammonia, Urea, etc. is under progress.

Your Directors are also happy to inform that technology selection for setting up of 30000 MTPA High Speed Nylon-6 Chips is under way and will be finalised after review of feasibility by third quarter of 2015-16. This project is proposed to be set up at Company's Kosamba Unit near Surat, Gujarat.

Your Directors would also like to inform that the proposal of setting up Ammonia- Urea Fertilizer Complex in Iran as a consortium partner with RCF & GNFC as per the Government of India guidelines is being explored.

Your Directors would also like to inform that your company being environment conscious and promote environment friendly technologies and accordingly various options for construction products from Gypsum are being explored.

14. Information regarding conservation of energy, technology absorption, foreign exchange earnings and outgo and particulars of employees etc.

Information as required under Section 134 (3) (m) of Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are enclosed in Annexure "E" forming part of this report.

The Company does not have any employee falling within the purview of Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence such Particulars of Employees are not included.

15. Corporate Social Responsibility (CSR)

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the

DIRECTORS' REPORT (Contd.)

Companies Act, 2013. As a part of its initiatives under "Corporate Social Responsibility", the Company has undertaken projects in the areas of education, livelihood, health, water and sanitation. The Annual Report on CSR activities is annexed as Annexure "A". CSR Policy adopted by the company placed on the company's website www.gsfclimited.com.

16. Directors

A) Changes in Directors and Key Managerial Personnel

Chairman & Managing Director – Executive Director

During the year, Dr. S. K. Nanda, IAS has been nominated as Chairman and Managing Director of the Company w.e.f. 01.11.2014 in place of Dr. Varesh Sinha, IAS, Chairman (till 31.10.2014) and Shri Atanu Chakraborty, IAS, Managing Director of the Company (till 31.10.2014). Accordingly, resolution relating to his appointment and terms & conditions relating to his appointment are included in the notice convening the 53rd Annual General Meeting and is recommended for your approval.

Independent Director and Non-executive Directors

The independent directors of the Company viz. Shri D C Anjaria, Prof. Vasant P Gandhi, Shri Vijai Kapoor and Shri Ajay Shah, were approved for a term of one year at the 52nd Annual General Meeting of the Company. The resolutions proposing their re-appointment for another term of five consecutive years and your Directors recommend their appointment for your approval.

Smt. Geeta Goradia (Woman Director) was appointed as an additional director of the Company. In the opinion of the Board, Smt. Geeta Goradia fulfills the criteria prescribed in the Companies Act, 2013 and rules made there under for her appointment as a Woman Independent Director of the Company and she is independent of the management in all ways. Accordingly, a resolution relating to her appointment as a woman independent director for a term of five years is included in the notice convening the 53rd Annual General Meeting and is recommended for your approval.

Shri Raj Kumar, IAS has been appointed w.e.f. 08.08.2014 as a rotational director of the Company in place of Shri P N Roy Chowdhury, Director (till 08.08.2014). Consequent upon his transfer to Govt. of India, he has tendered his resignation and ceased to be the Director of the Company.

Shri L Chuaungo, IAS has been appointed w.e.f. 23.04.2015 as a rotational director in place of Shri D J Pandian, IAS, Director of the Company (till 30.08.2014).

Dr. J N Singh, IAS has been appointed w.e.f. 25.11.2014 as rotational director of the Company in place of Dr. Hasmukh Adhia, IAS, Director of the Company (till 05.11.2014).

The brief resume of Directors including declaration of Independent Director etc with regard to appointment/ re-appointment at 53rd Annual General Meeting is annexed to the Notice convening the 53rd Annual General Meeting, which forms the integral part of this Annual Report.

Dr. J N Singh, IAS, director of the Company, shall be liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

B) Declaration by an Independent Director(s) and re- appointment, if any

All Independent directors have given declarations that they meet the criteria of independency as laid down under section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

An independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. Accordingly special resolutions are recommended for your approval in the notice convening the 53rd Annual General Meeting.

C) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of its committees. The manner in which the evaluation has been carried explained in the Corporate Governance Report which forms the part of this Annual Report.

DIRECTORS' REPORT (Contd.)

D) Appointment and Remuneration Policy

The Board has on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of directors, senior management and their remuneration. The details of Remuneration Policy and its weblink are contained in the Corporate Governance Report.

E) Meetings

During the year, Seven Meetings of the Board of Directors and Five meetings of the Audit Committee were held. The composition of Board and Committees along with details of attendance is contained in Corporate Governance Report.

17. Details of establishment of vigil mechanism for directors and employees

The Company has a Vigil Mechanism Policy in place to deal with instances, if any, of the fraud, mismanagement, misappropriations, if any and the same is placed on the Company's website. The details of the policy as well as its weblink are contained in the Corporate Governance Report.

18. Particulars of loans, guarantees or investments under section 186

Particulars of loans given, investments made, guarantee given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement. (Please refer to note 12, 13, 14 to the standalone financial statement).

19. Particulars of contracts or arrangements with related parties

All related party transactions that were entered into during the Financial Year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with promoters, directors, key managerial personnel and other designated persons which may have a potential conflict with the interest of the Company at large.

All Related party transactions were placed before the Audit Committee and also the Board of Directors for Approval. Prior omnibus approval of the Audit Committee is obtained and a statement giving details of transactions, if any, shall be placed before the Audit Committee meeting as mandated. The Company has developed a mechanism for identification of related party transactions and the company is also having the system of monitoring of such transactions.

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto have been disclosed in Annexure "D" to this report.

20. Managerial Remuneration

Details as required pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are contained in Corporate Governance Report.

21. Risk management policy

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted Risk Management Committee. The details of such Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

22. Directors' Responsibility Statement

Pursuant to Section 134 (3) (c) of the Companies Act, 2013, your Directors confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the profit and loss of the company for that period;
- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. The directors had prepared the annual accounts on a going concern basis;
- e. The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS' REPORT (Contd.)

23. Auditors

(a) Statutory Auditors:

M/s Deloitte Haskins & Sells, Chartered Accountants, Vadodara were appointed as Statutory Auditors of the Company for a term of three consecutive years i.e. from 2014-15 to 2016-17. The Company has received a letter from M/s Deloitte Haskins & Sells, Chartered Accountants, Vadodara (Firm Registration No. 117364W) to the effect that their re-appointment, if made, would be in accordance with the conditions prescribed under section 139 (2) of the Companies Act, 2013 and they are not disqualified for such reappointment within the meaning of Section 141 of the said Act. Your Directors recommend the ratification of Resolution for re-appointment and fixation of remuneration to the Statutory Auditors for the F.Y. 2015-16.

(b) Cost Auditors:

Your directors have appointed M/s A G Dalwadi & Company, Cost Accountants, Ahmedabad (Firm Registration Number 100071), whose appointment and remuneration has been recommended by the Audit Committee and approved by the Board, for conducting and carrying out the cost audit for the Financial year 2015-16. The Cost Audit Report for Financial Year ended 31st March, 2014 was timely filed with Central Government (Ministry of Corporate Affairs) on 19.09.2014 (due date 27.09.2014). Pursuant to Section 148 (3) of Companies Act, 2013, remuneration of cost auditors shall require ratification of shareholders and accordingly, the appropriate resolution has been included in notice convening the 53rd Annual General Meeting.

(c) Internal Auditors:

Your Company has appointed M/s K. C. Mehta & Co., Chartered Accountants, Vadodara, as Internal Auditors for carrying out the Internal Audit of Baroda Unit & Sikka Unit for F.Y. 2014-15. M/s K. N. Mehta & Co., Chartered Accountants, Vadodara and M/s Parikh Mehta & Associates, Chartered Accountants, Vadodara have been appointed as Internal Auditors for the Company's Fibre and Polymers Units respectively.

(d) Secretarial Auditors & Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Niraj Trivedi, Practicing Company Secretary to undertake the secretarial audit of the Company. The Report of the Secretarial Auditor is enclosed as annexure "B".

24. Auditors' Report

There are no comments/ observations from the Auditors and hence no clarifications need to be given on their clean report.

25. Extract of the annual return

The extract of the annual return in Form No. MGT – 9 is annexed herewith as Annexure "C".

26. Human Resources

Your Directors are happy to acknowledge that with the competent, motivated and cost conscious personnel, the Company made significant strides in its operations. The employees have been able to meet the challenges from time to time to improve upon the performance of its plants through efficiency, productivity and economy. Your Directors are happy to place on record their appreciation for the sincere efforts and contributions made by the employees of the Company.

27. Acknowledgements

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from the Government of Gujarat, Government of India, Bank of Baroda and other Banks and agencies. Your Directors also wish to express their gratitude to the investors for their continued support and faith reposed in the Company.

For and on behalf of the Board

Place : Fertilizernagar
Date : 15.06.2015

Sd/-
Dr. S K Nanda, IAS
Chairman & Managing Director

ANNEXURE "A" TO DIRECTORS' REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- A 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 the CSR policy and projects or programs:**

Ever since its inception in 1962, Gujarat State Fertilizers and Chemicals Ltd (GSFC) is serving the community towards enriching lives of all its stake holders. Even before the concept of Corporate Social Responsibility (CSR) got clad into legal frame-work through Companies Act 2013, there existed a Village Development Cell which served the community with great commitment. The present CSR Policy is being documented with a candid objective of formalizing the Company's CSR activities within the prescribed legal frame work of the Companies Act, 2013(Section 135 read with Schedule VII) and the CSR Rules, 2014.

This policy shall apply to all CSR activities taken up at the various Plants/Business locations, to include Liaison Offices, Marketing Offices and Depots of GSFC.

GSFC is committed to implement the Guidelines on Corporate Social Responsibility for CPSEs issued by the Department of Public Enterprises (DPE), Govt. of India and National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business issued by the Ministry of Corporate Affairs, Govt. of India.

Vision:

GSFC will continue to enhance value creation in the society in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate Citizen with utmost environmental concern. The Ultimate Objective of CSR activities at GSFC is to improve the "Human Development Index.

Objective:

To ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.

The CSR Projects and Programmes will be identified and funds allocated, on a yearly basis, as per the need assessment, specific to the location, target beneficiary and agency partnering for the implementation, Roll-on CSR projects, will be identified separately, and executed in a phased manner. The same will be approved by the CSR Board Level Committee and implemented on the directions of Managing Director.

Web link: www.gsfclimited.com

- The present Composition of the CSR Committee:**

Sr.	Name	Category
1	Dr. S K Nanda	Chairman
2	Shri J N Singh	Member
3	Shri D C Anjaria	Member
4	Smt. Geeta Goradia	Member
5	Shri L Chuaungo	Member

- Average net profit of the company for last three financial years: Rs. 769.32 Crores**
- Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs 15.92/- Crore (i.e. 2% of Rs.796.32 Crores).**
- Details of CSR spent during the Financial Year:**
 - Total amount spent for the Financial Year: Rs. 18.89 Crores.
 - Amount unspent, if any: Not Applicable

ANNEXURE "A " TO DIRECTORS' REPORT (Contd.)

(c) Manner in which the amount spent during the Financial Year is detailed as follows:

Sr No	CSR project or activity identified	Sector in which the project is covered	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs : (1) Direct expenditure on projects (2) Overhead	Cumulative expenditure up to to the reporting period
1	Construction of HSL	Sanitation	1,70,00,000	61,50,000	61,50,000
2	GSFC University	Education	30,00,00,000	9,48,31,000	9,48,31,000
3	Rejuvenation of Ajwa Garden	Maintaining Ecological Balance	5,00,00,000	9,55,060	9,55,060
4	Contribution to Mid-Day Meal Scheme	Eradicating hunger, poverty and malnutrition, promoting preventive health care	1,10,00,000	1,06,88,000	1,06,88,000
5	CSR Projects at Sikka Unit	Multi faced Activity	9,00,00,000	17,00,000	17,00,000
6	Contribution & Donation	Need Based projects in various fields	1,50,00,000	55,00,000	55,00,000
7	Rural Development Projects	Rural Development Projects	2,00,00,000	90,00,000	90,00,000
8	Contingencies	Support to National Relief Fund - J & K Floods	1,00,00,000	21,26,000	21,26,000
9	Cost of Drinking water Facility to nearby villages.	Safe Drinking water	1,75,00,000	1,75,00,000	1,75,00,000
10	Maintaining Ecological Balance (AD&AS)	Ensuring environmental sustainability	2,80,00,000	2,80,00,000	2,80,00,000
11	Expenses towards Fertilizernagar School	Promoting Education	1,25,00,000	1,25,00,000	1,25,00,000
Total			52,10,00,000	18,89,50,060	18,89,50,060

Note: Contributions made at Sr. No 1, 2 and 4 are spent through implementing agencies viz., SVADES- Shroffs Foundation Trust, GSFC Education Society and the Akshaya Patra Foundation respectively.

6. In case the company has failed to spend the two percent of the 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: **Not Applicable.**
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company:
The implementation and monitoring of CSR policy is in compliance with the CSR objective and policy of the Company.

Person specified under clause(d) of sub-section(1) of section 380 of the Act) (wherever applicable)	Sd/- Chairman & Managing Director and Chairman CSR Committee
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ANNEXURE "B" TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015

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

To,
The Members
GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED
P.O. Fertilizernagar,
Vadodara - 391750

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gujarat State Fertilizers & Chemicals Limited (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, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2015 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, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) 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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - Not applicable to the Company during the Audit Period
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not applicable to the Company during the Audit Period
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not applicable to the Company during the Audit Period and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not applicable to the Company during the Audit Period

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited, Mumbai; National Stock Exchange of India Ltd. and The Calcutta Stock Exchange Association Ltd.

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

We further report that -

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

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

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

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

We further report that during the audit period the company has not signed any technical collaboration agreement.

Place: Vadodara

Date: 2nd June, 2015

Name of Company Secretary in practice : NIRAJ TRIVEDI

C. P. No. : 3123

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



ANNEXURE "B" TO DIRECTORS' REPORT (Contd.)

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members
GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED
P.O. Fertilizernagar,
Vadodara - 391750

Our 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 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. Where ever 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.

Place: Vadodara

Date: 2nd June' 15

Name of Company Secretary in practice : NIRAJ TRIVEDI

C. P. No. : 3123

ANNEXURE "C" TO DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the Financial Year ended on 31/03/2015

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN:-	L99999GJ1962PLC001121
ii) Registration Date:	15.02.1962
iii) Name of the Company:	GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED
iv) Category / Sub-Category of the Company:	Public Limited Company
v) Address of the Registered office and contact details:	P O Fertilizernagar – 391 750, Dist: Vadodara
vi) Whether listed company:	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent:	M/s MCS Limited (till 31.07.2015) Neelam Apartments, 1 st Floor, 88, Sampatrao Colony, Behind Standard Chartered Bank, Productivity Road, Vadodara - 390 007

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC code of Product	% of total turnover of the company
1	Fertilizers	2012	61.75%
2	Chemicals	2011	38.25%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	GSFC Agrotech Limited Administration Building, 1 st Floor, Fertilizernagar, P O Fertilizernagar - 391750	U36109GJ2012PLC069694	Subsidiary	100%	2 (87)
2	Gujarat Green Revolution Company Limited Fertilizernagar Township, P. O. Fertilizernagar – 391750	U63020GJ1998PLC035039	Associate	46.87%	2 (6)
3	Vadodara Enviro Channel Limited Plot no. 304/1, 317 & 318, At and Post Dhanora, Vadodara-391 346	U51395GJ1999PLC036886	Associate	28.57%	2 (6)
4	Gujarat Data Electronics Limited A-78-6-7 GIDC Electronics Estate, Gandhinagar-15	U39308GJ1985PLC008058	Associate	23.00%	2 (6)

ANNEXURE "C" TO DIRECTORS' REPORT (Contd.)

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

i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% change during the year
	Demat	Physical	total	% of total shares	Demat	Physical	total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	150782405	17500	150799905	37.84	150784905	15000	150799905	37.84	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	150782405	17500	150799905	37.84	150784905	15000	150799905	37.84	-
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	150782405	17500	150799905	37.84	150784905	15000	150799905	37.84	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	37519494	5115	37524609	9.42	18035397	5115	18040512	4.53	-4.89
b) Banks/ FI	249325	171385	420710	0.11	288021	171385	459406	0.12	+0.01
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	42335123	0	42335123	10.62	39803108	0	39803108	9.99	-0.63
g) FIs	72940006	0	72940006	18.30	78426093	0	78426093	19.68	+1.38
h) Foreign Capital Funds	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):-	153220448	176500	153043948	38.45	136552619	176500	136729119	34.31	-4.14
2. Non- Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	35494630	76720	35571350	8.93	35810040	76060	35886100	9.01	+0.08
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	31259096	10432635	41691731	10.46	37345739	9907090	47252829	11.86	1.40
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	11934263	0	11934263	2.99	21704669	0	21704669	5.45	+2.46
c) others (specify)									
i. Trusts	20595	0	20595	0.01	48820	0	48820	0.01	-
ii. Directors & their relatives	1405	600	2005	0.00	1450	0	1450	0.00	-
iii. Non-resident Indians	867570	179620	1047190	0.26	1337532	179340	1516872	0.38	0.12
iv. Societies	26555	2493450	2520005	0.63	26555	2493450	2520005	0.63	-
v. Hindu Undivided Families	1667428	2610	1670038	0.42	2015151	2610	2017761	0.51	0.09
Sub-total(B)(2):-	81271587	13185590	94457177	23.70	98289956	12658550	110948506	27.84	+4.14
Total PublicShareholding (B) = (B)(1)+(B)(2)	234315535	3362090	247677625	62.16	234842575	12835050	247677625	62.16	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	385097940	13379590	398477530	100	385627480	12850050	398477530	100	-

ANNEXURE "C" TO DIRECTORS' REPORT (Contd.)

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of the company	% of shares pledged/ encumbered	No of shares	% of total shares of the company	% of shares pledged/ encumbered	
1	Gujarat State Investments Ltd.	150799905	37.84	0.00	150799905	37.84	0.00	Nil
Total		150799905	37.84	0.00	150799905	37.84	0.00	Nil

(iii) Change in promoters' shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. Of shares	% of total shares of The company	No. Of shares	% of total shares of the company
1	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
2	Date wise Increase/ Decrease in Promoters Share Holding during the Year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	N.A.	N.A.	N.A.	N.A.
3	At the End of the year	N.A.	N.A.	N.A.	N.A.

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		shareholding at the end of the year	
		No. Of shares	% of total shares of the Company	No. Of shares	% of total shares of the company
1	Gujarat State Investments Limited	150,782,405	37.84	150,784,905	37.84
2	Life Insurance Corporation of India	31,773,460	7.97	31,123,023	7.81
3	Fidelity Puritan Trust-Fidelity Low-Priced Stock Fund	30,499,170	7.65	31,500,000	7.91
4	Reliance Capital Trustee Company Limited A/C Relia	15,263,847	3.83	13,610,347	3.42
5	HDFC Trustee Company Limited-HDFC Equity Fund	9,805,500	2.46	-	-
6	Ghi LTP Ltd	7,548,520	1.89	7,548,520	1.89
7	Gujarat Alkalies And Chemicals Limited	7,500,000	1.88	7,500,000	1.88
8	Gujarat Narmada Valley Fertilizers Company Limited	7,500,000	1.88	7,500,000	1.88
9	Government Pension Fund Global	6,173,568	1.55	5,673,568	1.42
10	Gujarat Mineral Development Corporation Ltd	5,000,000	1.25	5,000,000	1.25
11	Danske Invest Management Company S. A. A/C Danske I	-	-	3,450,000	0.87

(v) Shareholding of Directors and Key Managerial Personnel:

None of the Key Managerial Personnel and / or Directors are holding shares in their personal capacity except Shri D. C. Anjaria, holding 1450 equity shares as detailed in Corporate Governance Report.

ANNEXURE "C" TO DIRECTORS' REPORT (Contd.)

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In Lacs)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	34805.31	44092.13	22.66**	78920.10
ii) Interest due but not paid	0.00	0.00	21.27	21.27
iii) Interest accrued but not due	81.09	3.32	-	84.41
Total (i+ii+iii)	34886.40	44095.45	43.93	79025.78
Change in Indebtedness during the financial year				
Addition	9068.73*	43279.26	24.28	52372.27
Reduction	3076.68	53733.12	-	56809.80
Net Change Indebtedness at the end of the financial year				
i) Principal Amount	40797.36	33638.27	11.06	74446.69
ii) Interest due but not paid	0.00	0.00	8.58	8.58
iii) Interest accrued but not due	72.90	5.86	-	78.76
Total (i+ii+iii)	40870.26	33644.13	19.64	74534.03

*Cash Credit being a revolving facility, only the net change has been disclosed.

**from the total, Rs.9.10 Lacs are unclaimed deposits and Rs. 13.56 are deposits claimed but cheques not presented in bank (stale cheques).

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
		Shri Atanu Chakraborty	Dr. S.K Nanda	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	11.42	9.49	20.91
		5.52	1.38	6.90
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - Others, please specify			
	Total (A)	16.94	10.87	27.81

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors						Total Amount						
		Shri D C Anjaria		Prof. Vasant Gandhi		Shri Ajay Shah			Shri Vijai Kapoor					
1.	Independent Directors <ul style="list-style-type: none">• Fee for attending board/ committee meetings (Amt. In Rs.)• Commission• Others	160000		185000		25000		75000		445000				
		-		-		-		-						
		-		-		-		-						
Total (1)		160000		185000		25000		75000		445000				
Sl. no.	Particulars of Remuneration	Name of Directors							Total Amount					
		Dr. J N Singh*	Smt. Geeta Goradia	Dr. Varesb Sinha*	Shri Raj Kumar*	Shri D J Pandian*	Dr. Hasmukh* Adhia							
2	Other Non-Executive Directors <ul style="list-style-type: none">• Fee for attending board/ committee meetings• Commission• Others	40000		65000		40000		30000		25000		35000		235000
		-		-		-		-		-		-		
		-		-		-		-		-		-		
Total (2)		40000		65000		40000		30000		25000		35000		235000
Total (B)=(1+2)		680000												

ANNEXURE "C" TO DIRECTORS' REPORT (Contd.)

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Rs. In Lacs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	CFO	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	17.00 0.11	19.30 1.59	36.30 1.70
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - Others, please specify	-	-	-
	Total (C)	17.11	20.89	38.00

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for the Financial Year ending 31/3/2015

ANNEXURE "D" TO DIRECTORS' REPORT

Particulars of contracts/ arrangements made with related parties

(Form No. AOC-2 - Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. There were no material contracts or arrangements or transactions entered into by the Company which are not on arms length basis after the enactment of the Companies Act, 2013 and require disclosure.

2. Details of material contracts or arrangement or transactions at arm's length basis;

Name of related party	Nature of relationship	Nature/type of related party transaction	Amount (Rs. in Lakhs)
GSFC Agrotech Limited	Subsidiary Company	Sale of material	2.58
		Commission income	67.04
		Rent income	13.79
		Purchase of stock in trade	1567.58
Vadodara Enviro Channel Limited	Associate Company	Usage of effluent channel	288.91
		Advance Given	35.40
Gujarat Green Revolution Company	Associate Company	Expenses recoverable	124.42
		Dividend received	6.25
GSFC Education Society	Related party	Donation granted	948.31

Note: Appropriate approvals have been taken for related party transactions, wherever required.

For and on behalf of the Board

Place : Fertilizernagar
Date : 15.06.2015

Sd/-
Dr. S K Nanda, IAS
Chairman & Managing Director

ANNEXURE "E" TO DIRECTORS' REPORT

Conservation of energy, technology absorption and foreign exchange earnings and outgo
Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014

A CONSERVATION OF ENERGY

Measures taken at Fertilizernagar, Vadodara Unit:

- 1) Use of energy efficient blower at Ammonia combustion section, Capro-I plant.
In place of energy inefficient blower, use of energy efficient blower carried out to reduce power consumption. It resulted into annual power saving of 2.24 Lacs unit (Rs. 16.24 Lacs).
- 2) 37K steam export from A-III plant to GSFC grid.
At A-III plant, 37K steam is throttled upto 4.5K and exported to grid at rate of 1.5 MT/Hr. Scheme implemented to export 37K steam in place of 4.5K steam. It reduced NG consumption at Steam generator boilers. It resulted into annual NG saving of 9.60 Lacs SM3 (Rs. 364.80 Lacs).
- 3) Use of LPS at reboiler of Anone distillation column in Anone plant, Capro-I.
Use of LPS (3K steam), which is in excess and being vented, carried out in place of MPS (14K) at reboiler of Anone distillation column. It reduced NG consumption at Steam generator boilers. It resulted into annual NG saving of 12.80 Lacs SM3 (Rs. 486.40 Lacs).
- 4) Use of A-IV LPS to maintain LPS header pressure at Capro-I Plant.
At Capro-I plant, LPS header pressure (1.8K) is maintained by throttling 14K steam. As LPS (3K) of A-IV plant is excess and being vented, it is used to maintain LPS header pressure. This resulted into reduction in 14K steam consumption. It reduced NG consumption at Steam generator boilers. It resulted into annual NG saving of 12.80 Lacs SM3 (Rs. 486.40 Lacs).
- 5) Generation of additional 37K steam through De-Superheater at SA-IV plant.
Temperature of 37K export steam reduced from ~360°C to ~350°C by increasing the amount of spray water throcaugh PRDS (DS-101). It resulted into more generation of 37K steam. It reduced NG consumption at Steam generator boilers. It resulted into annual NG saving of 6.40 Lacs SM3 (Rs. 243.20 Lacs).
- 6) MP steam generation from HP condensate blow down at Ammonia-IV Plant.
Blow down of HP (105K) condensate was carried out in LP (5K) Flash drum. As LPS (5K) is in excess, it is vented. Scheme implemented to carry out flashing of HP condensate first to produce MPS (37K) and then LPS. This resulted into additional MPS generation by 24000 MTPY. Generated 37K is exported to grid. It reduced NG consumption at Steam generator boilers. It resulted into annual NG saving of 19.20 Lacs SM3 (Rs. 729.60 Lacs).
- 7) Use of LPS at SA-III plant.
Use of LPS (3K steam) of A-IV plant, which is in excess and being vented, carried out in place of MPS (14K) at Sulphur Melter pit. It reduced NG consumption at Steam generator boilers. It resulted into annual NG saving of 2.31 Lacs SM3 (Rs. 87.86 Lacs).

- 8) Operation of CW turbine at throttled condition at Ammonia-IV plant.

CW is supplied by operating back pressure CT turbine driven by 37K steam which generates 4.5K LPS As LPS (4.5K) is in excess, it is vented. Small capacity motor driven CW pump lined up and CW turbine load reduced to have less amount of LPS venting. It resulted into annual NG saving of 19.20 Lacs SM3 (Rs. 729.69 Lacs) against additional annual power consumption of 48.01 Lacs unit (Rs. 348.04 Lacs). Net annual saving realized is Rs. 381.65 lacs.

- 9) Replacement of suction filters of Air compressors with finer size at Anone Plant, Capro-I Plant.

After providing suction filter to small capacity Air compressor, it could be kept in line in place of higher capacity Air compressor, running at partial load. Power consumption reduced due to operating small capacity air compressor. It resulted into annual power saving of 20 Lacs unit (Rs. 145.00 Lacs).

- 10) Installation of hollow FRP blade in 2.5K Cooling Tower, Urea plant.

Replacement of solid FRP blades by hollow FRP blades in cooling tower fans of 2.5K carried out. It resulted into annual power saving of 2.12 Lacs unit (Rs. 15.37 Lacs).

- 11) Installation of Hollow FRP blades in Cooling tower of SA-IV plant.

Use of hollow FRP blades, in place of FRP blades, at cells NO. 1 & 2 of Cooling tower carried out to reduce power consumption. It resulted into annual power saving of 1.54 Lacs unit (Rs. 11.17 Lacs).

- 12) Replacement of Centrifuge at Urea-II plant.

Overhauling and screen replacement of Centrifuge A/B/C carried out. Prior to replacement, Centrifuge D needed to be lined up above 100% of plant load. After replacement, Centrifuge D remained stopped even at 110% plant load. It resulted into annual power saving of 1.84 Lacs unit (Rs. 13.34 Lacs).

- 13) Replacement of AC liquor feed pump (10 P 3111 C) of Melamine-1 plant.

High pressure AC liquor feed pump (10 P 3111 C) of Melamine-1 plant was replaced with high efficiency pump. It resulted into annual power saving of 0.92 Lacs unit (Rs. 6.67 Lacs).

Above mentioned measures resulted into aggregate annual saving at a rate of 28.66 Lacs units Power (Rs. 207.79 Lacs) and 82.31 Lacs SM3 NG (Rs. 3127.95 Lacs).

Measures taken at Sikka Unit:

- 1) Switch over of fuel from Fuel Oil to Natural Gas in Boilers and plant furnace.

Fuel oil is replaced by Natural gas in Boilers and Plant Furnaces during April 2014. As fuel oil is not used, air for fuel atomization is now not required. Power consumed for running air compressor for supplying atomization air to plant Combustion Chamber is saved. Considering one air

ANNEXURE "E" TO DIRECTORS' REPORT (Contd.)

compressor operation reduction from 100% load to 50% load per day, power saving of 143990 Kwh per annum is achieved resulting in to saving of Rs 8,63,940/- per Annum at a unit price of Rs 6 per unit.

Similarly avoiding running of Fuel oil unloading, transfer and Fuel oil pumps has resulted in to energy saving of 53300 Kwh annually equivalent to Rs 3,19,800/- at a unit cost of Rs 6.0

Overall saving achieved was Rs 11, 83,740/- due to fuel switch over.

- 2) Phosphoric Acid(PA) cross country pipeline of about 4.5 km length was replaced from 6 Inch diameter SS 316L line to 8 inch diameter SS 316L line. This (Increase in diameter of line) resulted in to power saving of 0.211 Kwh per MT of PA. Overall energy saving achieved was 63196.82 Kwh per annum equivalent to Rs 3,79,181 at a unit cost of Rs 6.0.
- 3) Energy saving by using energy efficient sources.

In order to achieve energy saving, followings were carried out during the year.

Replacement of:

- Replacement of 05 Nos. of 30KW conventional motor by Energy efficient motor for Slurry pumps of A/B-Train, Raw water pump 2B, PA Dilute pump & Boiler Blower (%n 89 to 92.2).
- Replacement of 01 No. 37KW conventional motor by Energy efficient motor for primary air blower A-Train (%n 89 to 93.2).
- Replacement of 03 Nos. of 45KW conventional motor by Energy efficient motor in Reclaimer-Main Chain Scraper and M-2007 Belt Conveyor (%n 89.5 to 93.2).
- Replacement of 01 No. 75KW conventional motor by Energy efficient motor in Primary Elevator-B (%n 90 to 94).

Replacement of:

- Replacement of 103 Nos. 32 W LONON Lamps by 12 W LED Lamps.
- Replacement of 53 Nos. 250 Watt HPSV Lamps by 150 Watt MH Lamps.
- Replacement of 50 Nos. Ordinary Ballast by Electronic Ballast In Tube Lights.
- Replacement of 44 Nos. Ordinary tube lights with 35 W CFL lamps.
- Replacement of 30 Nos. Ordinary tube lights with T5 tube lights.
- Replacement of 24 Nos. 125 Watt HPMV Lamps by 40 Watt LED Lamps.
- Replacement of 29 Nos. 150 watt HPSV lamps with 85 watt CFL Lamps.
- Replacement of 25 Nos. 150 watt HPSV lamps with 72 watt LED Lamps.
- Replacement of 15 Nos. 125 Watt HPMV Lamps by 35 Watt CFL Lamps.
- Replacement of 19 Nos. 160 watt HPMV lamps with 40 watt LED Lamps.

Thus by adopting Energy efficient motors & lighting system annual power saving of 1.62 Lacs units achieved. This

resulted in to aggregate annual saving of Rs. 09.76 Lacs at a unit cost of Rs.6.00.

Above mentioned measures resulted into aggregate annual saving at a rate of 4.22 Lacs units Power (Rs. 25.38 Lacs).

Measures taken at Fibre Unit:

- 1) Installation of VFD at DT AC blower (V-260) with full load
In DT section we have installed VFD at AC blower (V-650) motor with drive current (Amp) with 40 Hz resulting into reduction of power by 1,81,440 KWH per annum (Rs.11.34 lacs).
- 2) Installation of VFD at AC blower (V-650) with partition
In DT section we have provided VFD at AC blower (V-650) motor with drive current (Amp) with 30 Hz with partition by running only Zinser Machine, resulting into reduction of power by 2,67,840 KWH per annum (Rs.16.74 Lacs).
- 3) Installation of oil free Air compressor

New oil free screw Air compressor was commissioned on 28/01/2015 in Utility Deptt., resulting into power saving of 1,06,000 KWH per annum based on running hrs and specific power consumption of new & old machines (Rs. 6.63 Lacs)

Above mentioned measures resulted into aggregate annual saving at a rate of 5.55 Lacs units Power (Rs. 34.71 Lacs).

Measures taken at Polymers Unit:

- 1) Both BR-1 and BR-2 Compressor belt drive system is replaced by direct drive. With a minimum 6% saving, the total power saving of about 38880 units with a saving of Rs.2.5 Lacs p.a.
- 2) Changing of operational sequence of aerators in effluent treatment plant.
Based on the dissolved oxygen content analysis of effluent, change over pattern in aerators is adopted which resulted in power saving of about 40000 units p.a. with a saving of Rs.2.40 Lacs.
- 3) By getting 33% share from LYZA Phase II wind mill power generation, we could save an amount of Rs.23.81 Lacs from November 2014.
- 4) Replacement of boiler feed water pump in OWI is done with energy efficient type of lower KW which resulted in a saving of approx. Rs.1.00 Lac p.a.

Above mentioned measures resulted into aggregate annual saving at a rate of 0.78 Lacs units Power (Rs. 29.71 Lacs).

Measures under consideration at Fertilizernagar, Vadodara Unit:

- 1) 4.5K Steam import at Deaerator of A-III plant.
37K steam is throttled upto 4.5K and supplied to Deaerator. It is proposed to import 4.5K steam from A-IV plant and to feed to Deaerator and in turn to boost up export of 37K steam to that extent. This will reduce NG consumption at Steam generator boilers. Anticipated annual NG saving is 1.28 Lacs SM3 (Rs. 48.64 Lacs).
- 2) Heat recovery in Ammonia combustion unit of HX plant, Capro-I plant.

Ammonia combustion furnace outlet gases are cooled down from ~2350C to ~350C by using CW and Brine. It is

ANNEXURE "E" TO DIRECTORS' REPORT (Contd.)

under consideration to cool down the same with condensate upto ~1900C and thereby to produce ~0.4 MT/Hr of 14K steam. This will reduce NG consumption at Steam generator boilers. Anticipated annual NG saving is 2.56 Lacs SM3 (Rs. 97.28 Lacs).

- 3) Generation of Flash steam at various plants.
It is under consideration to generate Flash steam of 14K (in place of present practice of generating 0.5K Flash steam) from blowdown stream of 37K at CoGen-III and SA-IV plants and to utilize low pressure steam -which is in excess, in place of 0.5K steam. Generated 14K steam will reduce NG consumption at Steam generation boilers. Anticipated annual NG saving is 4.03 Lacs SM3 (Rs. 153.22 Lacs).
- 4) Use of LPS at various heat exchangers in Nylon-6 plant.
Total four nos. of heat exchangers will be installed to use low pressure steam - which is in excess and being vented, as heat source to preheat various process streams. This will result into reduction in load on steam generation boilers. Anticipated annual NG saving is 1.6 Lacs SM3 (Rs. 60.80 Lacs).
- 5) Use of LPS at ML Tank and flushing lines of Centrifuge in place of 7K steam in Urea-I plant.
Use of 2.5K steam - which is in excess and being vented will be utilized in place of 7K steam produced by throttling of 37K steam, at Mother liquor tank, flushing lines of Centrifuge and various Utility stations. It will result into reduction in load on steam generation boilers. Anticipated annual NG saving is 1.58 Lacs SM3 (Rs. 60.04 Lacs).
- 6) Reduction in NG fuel consumption in F-101 & F-202, A-III Plant.
HPNG used as feed and Process Air used as Nitrogen source are pre-heated in NG fired furnaces. To reduce NG fuel consumption, it is under consideration to preheat HP NG and Process air with LPS (2.5K), which is excess and being vented. Anticipated annual NG saving is 3.07 Lacs SM3 (Rs. 116.74 Lacs).
- 7) Use of LPS at reboiler in Benzene distillation column Lactam plant, Capro-I.
Use of LPS (3K steam), which is in excess and being vented, will be carried out in place of MPS (14K) at reboiler of Benzene distillation column. It will reduce steam generation load on Steam generation boilers. Anticipated annual NG saving is 28.8 Lacs SM3 (Rs. 1094.4 Lacs).
- 8) Use of LPS at reboiler in Disulphonate evaporator HX plant, Capro-I.
14K steam is used in Disulphonate Evaporator (E-415-5) to heat up the DS solution upto ~106°C in SO₂ Absorption & Hydrolysis Section (Sec. 415) of HX plant, Capro-I. Use of LPS (3K steam), which is in excess and being vented, will be carried out in place of MPS (14K) at subject reboiler. It will reduce steam generation load on Steam generation boilers. Anticipated annual NG saving is 28.8 Lacs SM3 (Rs. 1094.4 Lacs).

Measures under consideration at Sikka Unit:

- 1) Replacement of old conventional Motors by energy efficient motors in plant.
 1. Fumes Fan Motor - A/B Train - 132 KW Motor
 2. Ammonia Transfer Pump - SST - 90 KW

3. Product Cooler Motor -A /B - 37 KW Motor
4. Oversize pulverizer Trains-02 Nos. -A/B - 45 KW Motor
5. Cooling Water pump-02 Nos.-SST - 30 KW
- 2) Replacement in Lighting System.
 1. Replacement of 100 Nos. 150 watt HPSV lamps with 72 watt LED Lamps.
 2. Replacement of 200 Nos. 32 W LONON Lamps by 12 W LED Lamps.
 3. Replacement of 100 Nos. 125 Watt HPMV Lamps by 35 Watt CFL Lamps.
 4. Replacement of 25 Nos. 250 Watt HPSV Lamps by 150 Watt MH Lamps.
 5. Replacement of 50 Nos. Ordinary tube lights with T5 tube lights.

Measures under consideration at Fibre Unit:

- 1) Replacement of existing chillers by energy efficient non CFC based chillers
Existing CFC based centrifugal compressor chillers replacement with non CFC based improved and efficient chillers. The annual saving of power is estimated as 5.5 Lacs units (Rs. 34.4 lacs).
- 2) Installation of fix speed screw air compressor
Installation of fix speed screw air compressor. The annual saving of power is estimated as 4.4 Lacs units (Rs.27.5 lacs).
- 3) Installation of Energy efficient Nitrogen plant of capacity 100NM³/HR
Installation of energy efficient Nitrogen plant with capacity of 100 nm³/hr in place of old nitrogen plant having capacity of 50nm³/hr. The annual saving of power is estimated as 0.65 lacs units (Rs.4.0 lacs).

Measures under consideration at Polymers Unit:

- 1) Conversion of Pellet extruder with DC drive to AC drive is under consideration which will give a saving of Rs.3.00 Lacs p.a.
- 2) Installation of GET based K VX system at RLNG feed line of boiler is under consideration which will save guaranteed > 5% RLNG fuel along with reasonable reduction in maintenance cost and with emission of lower harmful pollutants to atmosphere. Expected fuel saving will be 118800 SM3 p.a. which will save @ Rs.46.30 Lacs p.a.

B CONSERVATION OF RAW MATERIAL AND CHEMICALS

Measures taken at Fertilizernagar, Vadodara Unit:

- 1) Recycling of Contaminated water generated from backwashing of dual filter media (FDM) to fire water pond for reuse.
About 35 M3/day of contaminated water is generated as a result of backwashing of dual filter media (FDM) at Capro-II D.M. Water Plant. The back washed water is collected in the contaminated water pit (X-1582). It is recycled back to Fire Water Pond for reuse and hence less Raw water makeup is required. It resulted into annual saving of ~11500 M3 RW /Year (Rs. 2.3 lacs).

Measures taken at Polymers Unit:

- 1) Chemical treatment in cooling tower water is kept continued, it results in to annual saving of 14600 M3 DM water (Rs.10.50 Lacs).

ANNEXURE "E" TO DIRECTORS' REPORT (Contd.)

TOTAL ENERGY CONMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION

FORM-A

Form for disclosure of particulars with respect to Conservation of Energy : 2014-15

(A) POWER AND FUEL CONSUMPTION

PARTICULARS	2014-15	2013-14
1. ELECTRICITY		
(A) PURCHASE		
UNIT: MWH	378241	320912
AMOUNT Rs. in Lacs	27421	23306
Rate Rs./KWH	7.25	7.26
(B) Own Generation		
Unit: MWH	10923	135520
KWH Per Ltr. of Fuel/Gas	6.76	7.14
Cost Rs./KWH	16.68	3.14
2. LSHS , FO , LDO		
QUANTITY - MTs	237	5398
Amount Rs. in Lacs	116	2207
Average Rate Rs./MT	48954	40886
3. NATURAL GAS		
Quantity in '000 SM ³	114906	148668
Amount Rs. in Lacs	19252	25608
Average Rate 1000/SM ³	16755	17225

C TECHNOLOGY ABSORPTION

EFFORTS MADE IN TECHNOLOGY ABSORPTION

As per enclosed FORM – B

D FOREIGN EXCHANGE USED AND EARNED : 2014-15

Foreign Exchange Outgo :

	Rs. Lakhs
(i) C.I.F. VALUE OF IMPORTS	
(a) Raw Materials	102106.00
(b) Stores & Spares	1150.40
(c) Capital Goods	582.91
TOTAL (i)	103839.31
(ii) EXPENDITURE IN FOREIGN CURRENCY	
(a) Interest	650.38
(b) Technical Asstt./Know How	434.95
(c) Others	153.24
TOTAL (ii)	1238.57
TOTAL (i) + (ii)	105077.88

Foreign Exchange Earned :

	Rs. Lakhs
FOB VALUE OF EXPORT OF	
MEK Oxime	4129.63
TOTAL	4129.63

(B) CONSUMPTION PER UNIT OF PRODUCTION

Sr. No.	Product	Power		Steam		Natural Gas	
		2014-15 KWH	2013-14 KWH	2014-15 MTs	2013-14 MTs	2014-15 SM ³	2013-14 SM ³
1	Ammonia	363	372	-1.243*	-1.093*	898	905
2	Sulphuric Acid	35	38	-0.843*	-0.830*	0.071	0.096
3	Phosphoric Acid	289	291	1.509	1.295	3.180	2.457
4	Urea	171	180	1.508	1.544	0	0
5	ASP	36	39	0.019	0.006	6	5
6	Melamine	1783	1792	6.739	7.165	370	358
7	Caprolactam (Old)	1996	2328	6.566	7.247	92	83
8	Caprolactam (Exp.)	1410	1489	5.300	5.781	39	31
9	Nylon - 6	930	903	1.291	1.462	0	0
10	ACH	828	716	1.121	1.282	58	100
11	Monomer	777	860	2.864	3.003	-	-
12	MAA	397	498	3.597	3.592	-	-
13	AS	35	37	0.513	0.697	-	-
14	Sheets	1866	1374	9.076	7.935	-	-
15	Pellets	567	550	0.738	0.832	-	-
16	DAP (SU)	69	63	0.018	0.016	7.603	0.000
17	NPK(10:26:26) (SU)	65	64	0.021	0.020	9.071	0.000
18	NPK (12:32:16) (SU)	63	58	0.016	0.026	9.948	0.000
19	NPK (20:20:0:13) (APS) (SU)	75	68	0.025	0.031	14.320	0.000
20	Nylon Chips	666	657	-	-	-	-
21	Nylon Filament Yarn	4679	4207	-	-	-	-

* -ve indicate Export from Plants.

ANNEXURE "E" TO DIRECTORS' REPORT (Contd.)

FORM-B

Form for disclosure of particulars with respect to Technology Absorption: 2014-15

Research & Development (R&D):

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

The areas are polymers & controlled release fertilizers, Environment control & waste management; value added product(s)/Derivatives from existing corporate products, specialized Agri-inputs for improving quality and yield of agricultural output, support to plant and Marketing for problem solving, Quality and process efficiency improvement and assurance, Customization of products, Corrosion & Material Evaluation, Failure investigation of components of plant Equipment & machinery, Consultation, and Analytical service to plants.

(2) BENEFITS DERIVED:

(A) Development of New Products:

1. 1200 MT capacity HX Sulphate Crystal plant which was handed over to operation group is now running with its full design capacity with the quality as per the specification.
2. Based on R&D process, Project for setting up 20,000 MTPY capacity for 19-19-19 grade fertilizer and for packing of 10000 MTPY of other grade WSF is under construction. It is expected to get commission by July 2015.
3. Manufacturing of 608 MTs of NPK fertilizer was carried out based on R&D process.
4. Around 92900 Packets of GOG approved Chelated Micronutrients have been produced based on in-house process know-how.
5. Approximately about 330 Kg of Polymer Coated Urea is prepared at R&D lab unit for the field trials undergoing at agriculture universities for rice cotton and sugarcane. Results of the field trial of PCU with rice is received and indicated that same rice grain yield is received with PCU vis a vis normal Urea but with reduced consumption by 40%.
6. Nylon-6 nano composites: Process parameters are optimized and its recipe is ready for further market seeding trial.

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

1. Plant support services rendered by R&D improved operational efficiency of various plants. Major achievable activities are:
 - a) R&D suggested replacement of CAF gaskets with Teflon gasket has resulted in to smooth running plants and also resulted into healthiness of Plant.
 - b) R&D resolved the problem of none availability of graphite from BASF by suggesting usage of other suitable graphite which has also resulted in increase of production of HAS.
2. Testing of initial performance of various catalysts used by the plant to provide valuable support to plants in selection and approval of those catalysts.
3. Corrosion monitoring of cooling tower water at various plants by R&D resulted in efficient running of plants and cost effective cooling water treatment with better control of corrosion and scaling by optimising the addition of cooling water treatment chemicals.
4. Failure Analysis of components has helped in better selection of MOC and optimization of process monitoring parameters for avoiding future failures and trouble free plant Operation

5. Ferrography (wear particle count) of Lube oil has helped in planning for replacement of lubricating oils in rotary components, thus avoiding premature failure of upstream components.
6. In-situ metallography on critical equipment has helped in assessment of damage and monitoring degradation of material over a period of time.
7. The Biotechnology group of R&D provides support to plants by monitoring cooling water microbial content. This helps in cost effective optimum usage of biocides and saving of water monitoring of cooling towers.
8. Support to plants for non routine analysis of samples.
9. A project for process development at laboratory scale for producing Mono- ammonium phosphate is under progress.

(3) FUTURE PLAN OF ACTION :

1. Initiated action for establishing demonstration Plant for producing polymer coated Urea.
2. To convert plant products in value added product
3. Effluent treatment through biological route is under development.
4. To continue to extend support services to the process plants for process trouble shooting, product quality up-gradation, and improving process efficiency etc.
5. To provide catalyst testing service to plants through evaluation of initial performance of various catalysts and assurance of same prior to use in plant processes.

(4) EXPENDITURE ON RESEARCH & DEVELOPMENT :

	Rs. in Lacs
(a) Capital	27.91
(b) Recurring	862.26
(c) Total	890.17
(d) Total R & D Expenditure as a percentage of Net Sales	0.17%

Technology Absorption, Adoption and Innovation :

In-house Technology:

- In-house development of process technology for polymer coated Urea carried out.
- US Patent of polymer coated urea has been published having details as below:-
- US Patent Application No. 2014/0298873 A1 published on Oct. 9, 2014.
- In-house development of process technology for Water Soluble Fertilizers is accomplished and is being commercialized through setting up of 20,000 MTPA capacity plant. The project is in implementation stage.

Imported Technology:

- For Nylon-6 & DAP/NPK Projects – technology is imported and the Projects are under process of implementation.
- For Melamine Project technology will be imported and the Project engineering is under progress.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. MACRO-ECONOMIC OVERVIEW 2014-15:

From the macro-economic perspective, fundamentals in 2014-15 have dramatically improved in India. Factors like steep decline in oil prices, plentiful flow of the foreign investment and potential impact of the reform initiatives of the new government at centre along with its calibrated approach for fiscal management and consolidation from time to time helped in improving the macro-economic parameters to considerable extent in the country. Indian economy is estimated to register growth rate of 7.3% in 2014-15 in terms of Gross Domestic Product (GDP) based on new series taking 2011-12 as base year, which reflects very good recovery considering growth rate of 6.9 % achieved during 2013-14 and 5.1 % during 2012-13.

Growth of GDP (with 2011-12 as base year)

Sector	Growth (%)			% Share in GVA		
	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
		(1R)	(AE)		(1R)	(AE)
Agriculture, Forestry and Fishing	1.2	3.7	1.1	18.7	18.6	17.6
Industry	2.3	4.5	5.9	31.7	30.5	29.7
Services	8.0	9.1	10.6	49.6	50.9	52.7
GDP	5.1	6.9	7.3	100.0	100.0	100.0

Source: Economic Survey – 2014-15, Central Statistics Office (CSO), Gol AE-Advance Estimate.

Overall, Indian economy in 2014-15 has emerged as one of the largest economies in the world with a promising economic outlook on the back of controlled inflation, decline in oil prices, increase in investments, rise in domestic consumption and commitment of the Government for continuity of ongoing reform process. Both industry and service sectors have registered growth rates of 5.9% and 10.6% respectively in 2014-15 as compared to 4.5% and 9.1% during 2013-14. The advance estimates of growth for 2014-15 as above reveals that positive growth trends that triggered in 2013-14 appear to have strengthened further in 2014-15, in both Industrial and service sectors. Whereas, in case of agriculture and allied sectors because of sub-optimal monsoon, the pace in growth has slowed down considerably to 1.1 % in 2014-15 as against 3.7 % registered in 2013-14.

All major service sectors, including financing, insurance, real estate and business services have exhibited excellent growth in the recent years. Contribution of service sector in GVA (Gross value added) has increased considerably over last 3 years from 49.6% in 2012-13 to 50.9% in 2013-14 and further to 52.7% in 2014-15. Proportionately, % share of agriculture and industry in GVA has constantly declined over last 3 years. Contribution of agriculture sector has declined from 18.7% in 2012-13 to 18.6% in 2013-14 and to 17.6% in 2014-15. Similarly, contribution of industry has gone down from 31.7% in 2012-13 to 30.5% in 2013-14 and further to 29.7% in 2014-15.

Encouraged by the greater macro-economic stability and continued reformist intent and actions of the government, leading to improved business sentiments in the country, institutions like IMF and the World Bank have presented an optimistic growth outlook for India for the year 2015 and beyond.

Indian Agriculture sector:

Despite added focus on industrialization, agriculture still remains a dominant sector of Indian economy, both in terms of contribution to GDP and also as a source of employment to millions across the country. Over last few years India has emerged as a significant agriculture exporter of commodities like cotton, rice, meat, oil meals, pepper and sugar. As per the WTO statistics, share of Indian agriculture exports in world trade now accounts for 2.7% (2013-14). Recognizing the importance of Agriculture sector as integral part of Indian economy, Govt. of India took number of steps in the Union budget 2014-15 for sustainable development in agriculture. These steps include enhanced institutional credit to farmers, promotion of scientific warehousing infrastructure, including cold storages for increasing shelf-life of agriculture produce, access to irrigation through Pradhan Mantri Krishi Sinchayee yojna, provision of price stabilization fund to mitigate price volatility in agriculture produce, soil health cards, setting up agri-tech infrastructure fund, development of indigenous cattle breeds and promoting inland fisheries and other non-farm activities to support the income of farmers.

Unfortunately, agriculture year 2014 started under the potential shadow of El-nino impact in India. Onset of monsoon got delayed considerably and activated only by mid of July'14 in most parts of the country. However, during subsequent time in Kharif season upto August'14, fortunately, country received good rains, except part of states like UP, Maharashtra, AP, Telangana, Punjab and Haryana where it was relatively deficit. Overall, country received deficit rains to the tune of 12% in Kharif'14 season v/s (LPA) long period average rains received in India (778 mm V/s 887 mm). Area coverage under Kharif crops remained marginally lower by 2% over Kharif'13 season (1027 Lac Ha V/s 1049Lac Ha). Good rains received during Kharif had brightened the prospects for Rabi season. However, lower output prices and procurement issues of cotton as well as Sugarcane has disturbed the sentiments of the farmers to considerable extent. Late harvest of Kharif crops and late onset of winter delayed the Rabi sowing, which continued as late as till December'14 and all India area under cultivation have reached to 95% (615 Lac Hac) compared to last year's sowing area (644 Lac Hac). However, lately during Mar-Apr'15, Rabi crops got damaged heavily in about 181 Lac Ha (more than 30% of total area) across 13 states, mainly northern belt due to heavy unseasonal rains and hailstorms. This has impacted the crop production and the financial health of the farmers severely. Food grain production is expected to show negative growth in 2014-15 and it is likely to remain 251 million MT as per second advance estimates v/s 266 million MT achieved last year (-5%).

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

Overall, pace in the growth of agriculture and allied sectors has slowed down to considerable extent to 1.1% in 2014-15 from 3.7% in 2013-14 and targeted growth of 4 per cent for agriculture and allied sector for the 12th five year plan (2012-17), which is largely attributed to poor performance of monsoon.

Performance of Fertilizer Industry in India:

Govt. of India maintained NBS rates of N,P & S nutrients for 2014-15 as prevailing in 2013-14. Whereas, with decline in import prices of MOP, that of K nutrient has been reduced by 18% over 2013-14. Therefore, practically subsidy rates of DAP and other NP fertilizers were continued @ 2013-14 and that of K based fertilizers has been reduced proportionately in 2014-15.

Provisions of fertilizer subsidy made to the tune of Rs.72,790 Crores in the Union Budget 2014-15 were grossly inadequate, keeping in view the back-log of unpaid subsidy of Rs.38,000 Crores towards 2013-14. Practically, industry's dues to the tune of Rs.40,000 Crores remained unpaid as on close of 2014-15 (since August'14 in case of Urea and since December'14 in case of P&K fertilizers). This has impacted the cash-flow of the companies, especially during the later half of 2014-15, which in turn has compelled higher borrowings and corresponding high interest costs leading to weak profitability and liquidity issues for the industry.

Year 2014-15 started with considerable back-log of Phosphatic fertilizers with the channels. As per one estimate, such stock of DAP alone was in excess of 1.5 million MT and therefore, cut-throat competition continued till mid of Kharif season in the market. However, once such previous stocks got exhausted sometime from mid of August'14 onwards, market conditions for P&K fertilizers were brought back to normalcy in most states and it has opened up good avenues for fresh fertilizer business during subsequent time.

Overall, fertilizer demand has prevailed quite well in the country, especially that of P&K fertilizers during 2014-15. All India sales of DAP showed an increase of 9% - from 69.03 Lac MT during 2013-14 to 75.58 Lac MT during 2014-15. Availability of adequate quantity of Phosphoric acid has remained big constraint during entire 2014-15. Further increased prices of raw materials and higher exchange rate have affected the margins of domestic DAP manufacturers considerably. Such factors have impacted the domestic production of DAP to the tune of 5% in 2014-15 (34.44 Lac MT in 2014-15 v/s 36.28 Lac MT in 2013-14). With increased demand prospects and curtailment in domestic DAP production as above due to limited availability of PA, imports of DAP during 2014-15 has surged from 32.61 Lac MT (during 2013-14) to 38.17 Lac MT (17%) in the country. In line with DAP, sales of NPK grades have also registered growth of 14% from 71.38 Lac MT in 2013-14 to 81.70 Lac MT during 2014-15. Increase in NPK sales with higher pace with respect to DAP is largely attributed to its augmented availability on account of increased shift in domestic phosphatic production from DAP to NP/NPK products so as to make more units out of limited availability of Phosphoric acid in India.

All India State-wise Sales of DAP & NPK

(Lakh MT)

State	DAP			NPK		
	2014-15	2013-14	% Variation	2014-15	2013-14	% Variation
Gujarat	4.04	3.82	6%	5.61	4.6	22%
Maharashtra	5.59	5.83	-4%	16.17	15.43	5%
M P	9.03	8.44	7%	2.25	1.99	13%
Rajasthan	5.66	4.7	20%	0.66	0.32	106%
Haryana	4.12	3.08	34%	0.35	0.1	250%
Punjab	7.16	4.68	53%	0.45	0.28	61%
U P	16.17	14.04	15%	6.29	3.93	60%
A P	2.94	6.15	-52%	12.51	19.75	-37%
Karnataka	5.1	4.56	12%	12.1	10.71	13%
Chhatisgarh	2.33	2.43	-4%	0.71	0.75	-5%
All India	75.58	69.03	9%	81.70	71.38	14%

Source: FMS, Ministry of Chemicals & Fertilizers, Govt. of India.

Significant revival was observed in the demand of Potassic fertilizer (MOP) and has registered a growth of 27% over 2013-14 in the country (27.80 Lac MT in 2014-15 as compared to 21.92 Lac MT during 2013-14). As usual, demand of Urea prevailed quite high throughout the year, mainly on account of its lower MRP and registered growth of 1.4% in sales over 2013-14 (308.76 Lac MT in 2014-15 v/s 304.54 Lac MT in 2013-14).

GSFC's performance FY 2014-15:

Sale of GSFC fertilizers has marginally declined by less than 1% to 13.73 Lakh MT during 2014-15 from that of 13.83 lakh MT achieved in 2013-14. However, this gap has been bridged by increased volume of domestic trading of Fertilizers e.g. Urea, SSP & MOP. In spite of below average monsoon in 2014, contribution of home state of Gujarat (primary market) in aggregate fertilizer sales of the company has been maintained at 49% (6.76 lakh MT), in line with last year. Various promotional initiatives taken by Government of Gujarat including Krishi Mahotsav, special projects run for tribal farmers, increased coverage of area under micro irrigation system (MIS) through GGRC etc. has helped state to increase the agricultural productivity to considerable extent during past few years. In case of secondary market, comprising of Maharashtra, MP and Rajasthan contribution in company's total sales has declined by 2% from 24% (during 2013-14) to 22% in 2014-15. However, looking to market prospects, % share of tertiary market representing Northern, Southern and North-eastern states has increased by 2% i.e from 27% in 2013-14 to 29% in 2014-15.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

Non availability of required quantity of Phosphoric Acid at Sikka unit has affected the overall phosphatic production and hence its sales during the year under review. As a consequence, sales of Sk-DAP decreased from 3.87 Lac MT in 2013-14 to 3.03 Lac MT during 2014-15 (-21.5%). Similarly, sales of Sikka APS and NPK also declined by 24% in 2014-15. In order to compensate the decline in phosphatic availability to some extent, your company has imported one vessel of DAP and sold 52,954 MT quantity during 2014-15. Sales of fertilizers of Baroda unit have increased by 5% as compared to 2013-14 in proportion to the higher availability Urea, Ammonium Sulphate, Ammonium Phosphate Sulphate generated during 2014-15. Individually, Urea registered growth in sales by 8.6% (from 3.25 Lac M T during 2013-14 to 3.53 Lac M T), APS by 4% (2.68 Lac MT in 2013-14 to 2.78 Lac MT in 2014-15) and AS by 1.9% (3.09 Lac MT in 2013-14 to 3.16 Lac MT in 2014-15).

Areas of concern:

Government Subsidy accounts for more than 75% of revenue of the Urea suppliers and about 35% in case of P&K fertilizers. Therefore, its timely payments are very important for sustaining financial health of the industry. However, payment of subsidy gets inordinately delayed primarily because of inadequate provisioning in the union budget, besides cumbersome procedures. In addition, payment of large amount of subsidy and freight bills is pending due to procedural delay by GoI. For instance, balance subsidy bills of the industry are held-up since November 2012 on account of non-compliance of m-FMS. Similarly, differential freight bills of the industry are pending from 2008-09. Such inordinate delays in subsidy payments lead to liquidity problems and higher borrowing cost at industry level.

GSFC's higher dependence on imported raw materials, especially Phosphoric Acid (PA) for Sikka unit severely affected the production of Phosphatic fertilizers through Sikka unit over last few years. This constraint, however would be mitigated partly once PA supplies are channelized fully through our Tunisian JV partner TIFERT.

During 2014-15, NBS rates of N&P based products have been kept at the same level as prevailing in 2013-14 (Rs 12350/MT for DAP & Rs 8129/MT for APS). As per the policy, industry was given freedom to decide MRP of such products however; industry has to submit certified cost data in the prescribed format along with the subsidy claims submitted each month. This indirectly controls the freedom of fixing MRP by industry, which is against the spirit of decontrol. During the year under review on average prices of raw materials – Phosphoric acid and Ammonia have increased to the tune of 9% and 5% in the world market. Besides, increase in raw material cost, depreciation of INR v/s US\$ has exerted pressure on the margins of Indian Phosphatic Fertilizer industry.

Wide spread incidence of untimely rains and hailstorms across 13 states during Mar-Apr'15 has damaged standing/harvested crop in about 181 Lac hectares. States of UP, Rajasthan and Haryana are worst affected. Crops like wheat, mustard, mango are badly damaged. Although Govt. of India is working for considering compensation to such affected farmers, this will have its bearing on the purchasing power of farmers for inputs like seeds and fertilizers towards next season.

Recent Developments and outlook for 2015-16:

The demand outlook for the fertilizer industry as such looks positive for 2015-16 on the ground that the pipe-line stock with trade got completely exhausted. However, the heavy crop damage caused through unseasonal rains and below average forecast for monsoon released by IMD recently will have its proportionate impact on fertilizer off take during initial kharif season. Overall, it appears that there would be relatively moderate volume growth for P&K fertilizers in 2015-16. However, things will largely depend upon how monsoon sets in India and its progress during kharif 2015, besides prices and availability behaviour of imported raw materials and finished fertilizers.

Budget 2015-16 has remained grossly disappointing for Indian fertilizer industry. It was expected that government will provide a definite road map for deregulating Urea sector and its MRP may be increased in a phased manner. With a view to give fillip to the domestic production, it was also hoped that GoI may rationalize the import duty structure for import of finished fertilizers and raw materials, which is presently levied at the same rate. However, these issues are kept untouched. Provisions of fertilizer subsidy at Rs.72,969 Cr are grossly inadequate and may not support the payments of subsidy bills beyond Q1-15/16.

Contractual prices of PA for Indian buyers have lately settled in mid of Apr'15 for current quarter with an increase of US \$ 40/MT (US \$ 805/MT) over contractual price of US \$ 765/MT prevailing during Q3-2014-15. Availability constraint of PA is likely to continue in a short/medium term and therefore, Indian phosphatic fertilizer production is expected to remain sub-optimal in line with last year.

Market imports of DAP are tied up for about 2.8million MT so far and looking at the sluggish domestic production, imports are likely to continue. India needs to import DAP close to 4 million MT in 2015-16 to balance out the demand-supply equilibrium. With recent further depreciation of INR with respect to US \$ (Rs. 64/US \$) current import prices of DAP in the range of US \$480-485/MT appears to be non-viable.

Under the back-drop of moderate availability, fertilizer market is expected to behave absolutely normal during 2015-16 and selling prices of P&K products are likely to get increased in the range of 3-5% initially in kharif season. Anticipating shortages during peak demand time, pre-kharif buying is expected to start little early during May in most Kharif states of western region like Gujarat, Maharashtra etc.

With an intention to eliminate the impact of gas price being currently charged at different rates to Urea units, GoI has approved gas pooling policy, wherein natural gas would be supplied at a uniform price to all Urea units. This will help to revive some closed units of eastern India and boost local output.

Recently, GoI has approved the New Urea Policy effective over next four financial years. The policy has multiple objectives of maximizing indigenous production of Urea and promoting energy efficiency. In order to enhance the use efficiency of Urea, Government had also mandated to produce 75% of domestic Urea as neem coated, so that farmers are benefited, besides preventing contamination of underground water caused through leaching.

New Govt is stressing on soil test based fertilizer application and mandated states to prepare soil health cards over next 3 years for every farmer.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

Govt will continue to emphasise on opening of bank accounts by farmers under Jan Dhan Yojna linked with Adhar cards, which can set the platform for direct subsidy transfer in their account in the time to come.

For the year 2015-16, announcement of Nutrient based subsidy policy (NBS) has been delayed considerably and released in the last week of June' 15. Subsidy rates of N, P, K and S nutrients are maintained in line with 2014-15.

2. RAW MATERIAL PRICES:

The international prices of raw materials were higher during FY 2014 – 15 as compared to 2013 – 14. The average CFR prices of Phosphoric Acid (PA) which was USD 689 per ton during 2013 – 14 went up to USD 763 (11%) per ton during 2014 – 15.

The prices of Ammonia increased during 2014 – 15 as compared to 2013 – 14. The average CFR prices of Ammonia during 2013 – 14 was USD 495 per ton went up to USD 555 (12%) per ton during 2014 - 15. On an average, there were 12% increase in prices of Ammonia as compared to 2013-14.

The average CFR price of Rock Phosphate during 2013 – 14 was USD 145 per ton which is same average CFR price of Rock Phosphate for the year 2014 – 15. There was no increase / decrease in price of Rock Phosphate as compared to 2013 – 14.

The price of Sulphur increased during 2014 – 15 as compared to 2013 – 14. The average CFR price of Sulphur during 2013 – 14 was USD 139 per ton went up to USD 177 (27%) per ton during 2014 – 15. On average, there was 27% increase in price of Sulphur as compared to 2013 – 14.

Average price of Raw Material products (\$ / MT) are summarized below:

Product	2013-14	2014-15	% Increase/Decrease
Phos. Acid (C & F)	689	763	11
Ammonia (C & F)	495	555	12
Rock Phosphate (C & F)	145	145	-
Sulphur (C & F)	139	177	27

3. INDUSTRIAL PRODUCT SCENARIO:

The Financial Year 2015, started with delayed monsoon and gradual decrease in WPI coupled with external shocks to economy amid international crude oil prices falling down.

The crude oil price fell sharply in the second half of 2014. The entire petrochemical value chain got the cascading effect leading to fall in prices of all Industrial Products of the company. On international front, the same has taken sheen off net oil exporting economies. With oil prices plunging, they have become less attractive to investors. Conversely, countries that are net oil importers have benefited from lower oil prices.

India is much better positioned as compared with both 2013 (when the 'taper tantrum' rocked emerging markets) and other emerging market peers. As compared to Fiscal 2014, a sharp decline in inflation was witnessed in fiscal 2015, and expectations of a return to 6%+ growth in Fiscal 2016, have morphed into a significant 'pull factor' for capital flows. In contrast, India has undergone substantial external adjustment over last year and is much better placed with respect to 2013 to withstand investor flight.

India's Industrial Production reported an annual index of 174.9 for FY (14-15) as compared to the annual index of 170.1 for FY (13-14) thus registering a growth of 2.8 % driven mainly due to Electricity generation and manufacturing sector.

Fall in crude oil prices has cascading effect on the Industrial Products of the company. Price of Industrial products has experienced the same trajectory in line with crude oil to the tune of 10% down fall in international prices.

Rupee has depreciated to the tune of 3% to 4% during FY 2014-15 which has helped to compensate the topline (turnover) to an extent.

Demand for Industrial Products primarily depend on growth of automobiles, Heavy commercial vehicles and Real estate Sector. The overall Commercial Vehicles segment registered negative growth of 2.83 percent during FY (14-15) as compared to FY (13-14) owing to a demand slump.

The last decade India's inflation has been observed rising dramatically with respect to (with reference to) its trading partners, be it the US, the EU or ASEAN countries, reducing competitiveness of its exports. Maintaining low and stable inflation is an imperative to boosting India's exports and sustainably reducing CAD.

Caprolactam price was under pressure since the beginning of the year. It nose dived from the levels of USD 2216 PMT in April'14 to the levels of USD 1536 PMT in March'15 owing mainly to the drastic fall in crude oil prices. The Benzene-Caprolactam spread has dropped down from USD 1035 PMT during FY14 to the levels of USD 949 PMT during FY15 reporting a decrease of USD 86 PMT, thus significantly reducing the margin of the Company.

Export:

MEK Oxime is being used as an anti skinning agent in paint production and is a vital element. MEK Oxime has been exported to around 35 countries and the export quantity during FY 15 was 2982 MTs as against 3210 MTs during FY14. The reduction in export is mainly due to sluggish demand from European countries. Stringent Environmental laws in EU may affect consumption of MEK in future.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

4. FINANCIAL PERFORMANCE OF THE COMPANY DURING FY 2014-15:

Your Directors wish to present, in the Table below, the brief highlights of Company's financial performance:

Particulars	Standalone		Consolidated	
	Rs. in Crores	Increase / Decrease over previous year	Rs. in Crores	Increase / Decrease over previous year
Sales turnover	5325	-2	5325	-2
EBIDTA	693	+1	693	+1
Profit Before Tax (PBT)	574	+16	574	+16
Profit After Tax (PAT)	400	+17	400	+17

GSFC's sales turnover for the year ended March 31, 2015 was Rs. 5325 Crores which is lower by 2% as against Rs. 5412 Crores as on March 31, 2014. The fertilizer sales were Rs. 3288 Crores as against Rs. 3127 Crores in the previous year while in Industrial Products Segment, your Company registered a net sales of Rs. 2037 Crores as against Rs. 2286 Crores in the previous year.

The following table highlights the segment wise distribution of Fertilizers v/s industrial products in the net sales of the Company during the last two financial years.

Particulars	2014-15		2013-14	
	₹ Crores	%	₹ Crores	%
Fertilizer Segment	3288.16	61.75	3126.68	57.77
Industrial Products Segment	2036.41	38.25	2285.81	42.23
Total	5324.57	100.00	5412.49	100.00

The EBIDTA is Rs. 693 Crores. The Profit Before Tax is Rs.574 Crores and Profit After Tax is Rs.400 Crores. At the end of the Financial Year 2014-15, the Company had total borrowings of Rs. 5107 Crores as against Rs. 5245 Crores as on March 31, 2015. The Earning per Share (EPS) was Rs.10.05 as compared to Rs. 8.59 during the year 2013-14.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

There exists a comprehensive system of internal controls in place. The internal auditors of the Company comprehensively carry out their audit and their observations/audit queries are being discussed and debated at length by the Audit Committee. The Audit Committee of the Company also reviews the follow-up actions in respect of the items which did not get closed and seeks explanation for the open items. The internal control system is so designed that a particular transaction gets filtered at different levels so as to ensure that proper recording of such transaction takes place and no unscrupulous elements get into the system. The company uses the SAP platform where-in the proper roles, responsibilities and authorities are well defined and no deviation is allowed without proper management approval.

6. TEN YEARS PRODUCT PERFORMANCE RECORD:

Product-wise performance in terms of production and sales for last ten years is tabulated given below :

PARTICULARS	Unit	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
PRODUCTION											
FERTILIZERS	MT	1385857	1423059	1436535	1470350	1556172	1812570	1469470	1594703	1778070	1528265
CAPROLACTAM	MT	89918	84856	83180	80503	79577	81151	70913	79716	79666	78120
NYLON-6	MT	9400	9751	9659	8914	9464	8715	8783	8683	9145	7975
MELAMINE	MT	14284	14916	14001	15279	13938	13735	13655	14741	15335	15323
ARGON	'000NM3	3611	3334	3458	3270	3327	3464	3183	3129	2912	3105
MONOMER	MT	3435	3227	3116	4287	4547	4597	3469	4156	4449	4053
ACRYLIC SHEETS	MT	79	780	566	876	721	687	552	642	664	574
ACRYLIC PELLETS	MT	969	1701	1974	2046	1710	1937	1887	2023	2082	1936
NYLON FILAMENT YARN	MT	3427	3643	3080	3910	4361	4433	4498	4705	5169	5779
NYLON CHIPS	MT	9114	9219	6563	5103	5399	4652	5097	5950	4084	4546

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

PARTICULARS	Unit	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
SALES											
FERTILIZERS*	MT	1320471	1383154	1395376	1441232	1571500	1797894	1382463	1602782	1659381	1405491
CAPROLACTAM*	MT	68901	65725	64728	63082	61770	62650	53859	59710	63419	60660
NYLON-6	MT	9701	9915	9732	8756	9623	9189	8496	9138	9806	8285
MELAMINE	MT	14283	15378	14166	15283	13319	13695	14115	14804	15563	16717
ARGON	'000NM3	3622	3313	3453	3272	3327	3464	3184	3138	2911	3111
MONOMER*	MT	2934	1316	2108	2036	2292	2282	1374	1706	2090	1762
ACRYLIC SHEETS	MT	122	707	678	726	728	696	584	598	692	590
ACRYLIC PELLETS	MT	984	1705	1978	1993	1855	1883	1916	2038	2178	1890
NYLON FILAMENT YARN	MT	3233	3378	2924	3319	4033	4081	4740	4391	4788	5619
NYLON CHIPS	MT	6514	6455	6331	5121	5251	4596	5500	5737	4095	4312

*excluding captive consumption

7. RISK MANAGEMENT:

Changes in Government policy, currency risk, fluctuation in input prices, increase in NG prices, insufficient availability of natural gas and raw material in the international market will have an impact on Company's profitability.

Market may experience frequent changes in the price of domestic Phosphatic Fertilizers depending upon the cost of production of the manufacturers. The resistance from farming community has impacted demand. DAP sales was 111 Lakh MT during 2010-11 which has gone down to 68 Lakh MT during 2013-14. With sharp increase in NG price, prices of Phosphatic fertilizers would go up. In the current scenario, good and widely distributed rainfall, smooth & comparatively cheaper availability of raw materials and timely reimbursement of subsidy by the Govt. of India would be the prime catalysts for the Company to sustain its operations profitably.

In the above likely scenario, the Company is focusing on the efficiency improvement with higher production levels, efficiencies in raw material procurement, increased availability through imports, reduction in marketing & distribution costs, production of various complex grades at Sikka and proper product/segment strategies to maximize the sales to achieve better contribution from its product basket.

To control the financial risks associated with the Foreign Exchange/ Currency rate movements and their impact on raw material prices, the Company has put in place a sophisticated Foreign Exchange Risk Management System.

8. RESEARCH AND PROMOTIONAL ACTIVITIES:

Your company has formed a new subsidiary company GSFC Agrotech Limited under which production activity of Sardar Liquid Biofertilizers viz. Azotobacter, Azospirillum, & Phosphate Solubilizing Bacteria is carried out with technology know-how from Anand Agricultural University. The Liquid Biofertilizers have added advantage of higher bacterial count, shelf-life and application through Micro Irrigation System also.

The production activity of plant protein based Plant Growth Promoters viz. Sardar Amin Granules & Liquid is carried out under GSFC Agrotech Limited. These products contain amino acids and micronutrients which promote better plant growth.

It is a leader in Banana Tissue Culture plants in the State of Gujarat since 1995 and providing Banana and Sugarcane tissue culture plants under GSFC Agrotech Ltd., with uniform quality & disease free plant to the farmers to get higher yield.

GSFC Agrotech Ltd. is also in the business of certified seeds of notified hybrids and varieties having disease and pest resistance.

Your company has state-of-the-art Soil & Water Testing Laboratory since 1969 to guide the farmers for judicious & balance use of fertilizers, micronutrients as well as soil amendment like Gypsum by testing their soils which facilitate maintenance of soil health & their fertility. Your company has also analyzed a large number of soil samples to help in the mission of Govt. of Gujarat for providing Soil Health Card to the farmers. One Mobile Soil Testing cum Audio-visual Van is also operated to provide soil & water testing services at the doorstep of the farmers. Your company has published book on Soil Atlas of Gujarat based on soil testing data to guide the farmers for judicious use of fertilizers & improvement of soil health.

Your Company is having Sardar Agrinet Call Centre well equipped with effectively and efficiently organized telecommunication infrastructure with Toll free number, computer support and human resources for instant response to farmers' queries in local language which is recently upgraded with latest use of Information technology & operating for all days from 6 AM to 10 PM. Subject Matter Specialists (SMS) interact with farmers, understand their problems and answer the queries. It has supported the farmers of Gujarat with valuable knowledge base on new technologies on various crops for improving cultivation and productivity.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

Your Company is organizing regular & re-orientation Farm Youth Training Programs since 1986 in coordination with Agriculture Universities of Gujarat to educate the young generation of Farming Community regarding latest agricultural technology and also motivate them to adopt it for increasing farm productivity. It organizes four regular & one re-orientation Farm Youth Training Programs every year to promote high-tech agri-concepts among the farmers, who are now decision makers.

Your company is publishing agricultural monthly magazine of 'Krishi Jivan' since 1968 in local language. It is one of the highest (77000) circulating magazines having 39400 Life Members. It provides latest agriculture information to farmers based on scientific research of scientists of Agriculture universities and acts as a link for transfer of technology from 'Lab to Land'.

Your Company is concerned about the environment and ecological balance and in its endeavor it is contributing through tree plantation, garden development & maintenance etc. with an objective to turn GSFC 'Green to Greener' and thus also supporting the initiative of Govt. of Gujarat in this direction.

For encouraging urban population to increase greenery and maintaining the ecological balance, your Company sponsored Fruit, Flower & Vegetable shows in association with Baroda Agri Horti Committee. It has participated in the competitions and won accolades and appreciation.

9. SAFETY, HEALTH AND ENVIRONMENT:

During the year under review, strengthening of safety management system was emphasized. Internal safety audit was carried out by drawing in-house resources. Safety training program for contractors and their representatives have been arranged on regular basis during the year under review. The focus is on proactive endeavor and therefore training on basic fire prevention and usage of fire extinguishers was arranged that attracted over 800 participants.

Plant shutdown and start up activities pose hazards that are with the objective to different than normal working plant hazards and therefore intensified safety coverage was ensured in a structured manner, ensure that the right kind of hand tools, power tools, lifting tools tackles as well material handling and shifting devices were utilized to ascertain appropriate safety layer.

There are project work going on viz Nylon 6 and WSF; which again has its own set of safety challenges. Adequate measures have been taken to ensure safety during work by intensifying site supervision and walk through safety inspections.

Measures have been initiated to impart mechanical facelift to fire fighting vehicles and as such mechanically elevated working platform, snorkel, is ready to offer service on the spur of the moment.

10. HUMAN RESOURCES:

Shareholders are requested to refer to point 26 on page no. 18 of the Directors Report which forms part of the Annual Report.

For and on behalf of the Board

Sd/-

Place : Fertilizernagar
Date : 15.06.2015

Dr. S K Nanda, IAS
Chairman & Managing Director

CAUTIONARY STATEMENT:

Some of the statements made in this "Management Discussion & Analysis Report" regarding the economic and financial conditions and the results of operations of the Company, the Company's objectives, expectations and predictions may be futuristic within the meaning of applicable laws/regulations. These statements are based on assumptions and expectations of events that may or may not materialize in the future.

The Company does not guarantee that the assumptions and expectations are accurate and/or will materialize. The Company does not assume responsibility to publicly amend, modify or revise the statements made therein nor does it assume any liability for them. Actual performance may vary substantially from those expressed in the foregoing statements. The investors' are, therefore, cautioned and are requested to take considered decisions with respect to these matters.

Data sources : Websites of (1) Ministry of Finance, Department of Economic Affairs, (2) Ministry of Fertilizers & Chemicals, Department of Fertilizers, Govt. of India, (3) Govt. of Gujarat, (4) FAI, New Delhi, (5) Economic Survey- 2014-15, (6) Fertilizer Market Bulletins and (7) A special issue on Vibrant Gujarat 2015 (8) RBI Bulletin.

CORPORATE GOVERNANCE REPORT

(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

1. THE PHILOSOPHY

Corporate governance is about commitment to values and ethical business conduct by an organization. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company is an integral part of corporate governance. This enhances public understanding of the structure, activities and policies of an organization. Consequently, the organization is able to attract and retain investors, and enhance their trust and confidence.

We believe that sound corporate governance is critical for enhancing investors' trust and seek to attain business goals with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures always seek to attain the best practices followed. We also endeavor to enhance Stakeholders' value and respect minority rights in all our business decisions with a long term perspective.

Our corporate governance philosophy is based on the following principles:

1. Satisfying the spirit of law and not just the letter of law.
2. Transparency and maintenance of a high degree of disclosure levels.
3. Make a clear distinction between personal conveniences and corporate resources.
4. Communicating effectively, in a truthful manner, about how the Company is run internally.
5. Comply with the Law of Land.
6. Having a simple and transparent corporate structure driven solely by business needs.
7. Firm belief that Management is the trustee of the shareholders' capital and not the owner.

The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our Stakeholders. We believe that an active, well-informed and independent Board is imperative for ensuring highest standards of corporate governance.

The Company is having an appropriately constituted Board, with each Director bringing in key expertise in their respective professional arena. The Chairman of the Company is an Executive Director. More than half of the Board consists of Independent Directors. In fact, the Board of GSFC comprises of entirely non-executive Directors except the Chairman & Managing Director (CMD), who is an Executive Director.

There is a proactive flow of information to the members of the Board and the Board Committees enabling discharge of fiduciary duties effectively. The Company has full-fledged systems and processes in place for internal controls on all operations, risk management and financial reporting. Providing of a timely and accurate disclosure of all material, operational and financial information to the stakeholders is a practice followed by the Company. The Company conforms to the mandatory requirements of Clause 49 of the Listing Agreement.

All the Committees of the Board like Stakeholders Relationship Committee, Finance-cum-Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Risk Management etc. that are constituted under the Code of Corporate Governance, have been functioning effectively.

The Board of Directors of the Company has formally adopted the Code of Conduct at its Meeting held on 28-01-2005, which was subsequently been updated from time to time. The Code has been made applicable to the Board of Directors and the Senior Officers of the Company, i.e. all the members of the Internal Management Committee of the Company. The code includes honesty and integrity in all the transactions concerning the Company, conflict of interest, insider trading, protection of assets, communication, duties of independent directors etc. The code of conduct is also available on the website of the Company at www.gsfclimited.com. The Company firmly believes and accepts that this code of conduct cannot be expected to remain static and therefore, it would need continuous improvisation as per moral, cultural and ethical sense of values encountered by the Company with the passage of time.

2 BOARD OF DIRECTORS

☛ COMPOSITION AND CATEGORY OF DIRECTORS :

The strength of the Board of Directors as on 31st March, 2015 was eight; its composition is tabulated below:

	Name of Directors	Category
1.	Dr. S K Nanda, IAS, Chairman & Managing Director (w.e.f. 01.11.2014)	Promoter, Executive, Non Independent, Non Rotational Director
2.	Dr. Vareshe Sinha, IAS, Chairman (till 31.10.2014)	Promoter, Non Executive, Non Independent, Non Rotational Director
3.	Shri Atanu Chakraborty, IAS, Managing Director (till 31.10.2014)	Promoter, Executive, Non Independent, Non Rotational Director
4.	Shri D.C. Anjaria	Non Executive, Independent, Non Rotational Director
5.	Prof. Vasant P. Gandhi	Non Executive, Independent, Non Rotational Director
6.	Shri Ajay N. Shah	Non Executive, Independent, Non Rotational Director
7.	Shri Vijai Kapoor	Non Executive, Independent, Non Rotational Director
8.	Smt. Geeta Goradia (w.e.f. 08.08.2014)	Non Executive, Independent, Non Rotational Director
9.	Shri Raj Kumar, IAS (w.e.f. 08.08.2014)	Non Executive, Non Independent, Rotational Director
10.	Dr. J N Singh, IAS (w.e.f. 25.11.2014)	Non Executive, Non Independent, Rotational Director
11.	Shri PN Roy Chowdhury (till 08.08.2014)	Non Executive, Non Independent, Rotational Director
12.	Dr. Hasamukh Adhia, IAS, (till 05.11.2014)	Non Executive, Non Independent, Rotational Director
13.	Shri D J Pandian, IAS, (till 30.08.2014)	Non Executive, Non Independent, Rotational Director

CORPORATE GOVERNANCE REPORT (Contd.)

In all, seven meetings of the Board of Directors of the Company were held during the Financial Year 2014-15 as detailed below:

Sr. No.	Dates of Board meeting	Board strength	No. of Directors present
01	13/05/2014	9	5
02	08/08/2014	10	5
03	15/10/2014	9	8
04	18/11/2014	8	6
05	22/12/2014	8	6
06	27/01/2015	8	4
07	18/03/2015	8	5

The gap between the two board meetings never exceeded 120 days.

The details relating to the names and categories of the Directors on the Board, their attendance during FY 2014-15 at the Board Meetings and the 52nd Annual General Meeting, their Chairmanship/ Membership in the Committees of other Companies are given below:

Sr. No.	Name	Category	No. of Equity shares of the Company held by him	No. of Meetings attended	Attendance at the last AGM	No. of other Directorships/ Memberships	No. of Committees in which Chairman/ Member (Including GSFC Ltd.)
							Chairman(*) Member(*)
1	Dr. S. K. Nanda, IAS Chairman & Managing Director (w.e.f. 01/11/2014)	Promoter's i.e. GOG Nominee Executive Director	-	4	N.A.	10	.. 1
2	Shri D. C. Anjaria	Non-Executive/ Independent Director	@3950	7	Yes	4	2 1
3	Prof. Vasant P. Gandhi	Non- Executive/ Independent Director	@2500	6	Yes	1	1 2
4	Shri Ajay N. Shah	Non- Executive/ Independent Director	@2500	1	No	3	- 1
5	Shri Vijai Kapoor	Non- Executive/ Independent Director	@2500	4	Yes	2	- -
6	Smt. Geeta Goradia (w.e.f. 08.08.14)	Non- Executive/ Independent Director	-	5	NA	4	- 1
7	Dr J N Singh, IAS (w.e.f. 25.11.14)	Non- Executive/Non-Independent Director	-	1	NA	9	- 3
8	Shri PN Roy Chowdhury (till 08.08.14)	Non- Executive/ Non-Independent Director	-	-	No	-	- -
9	Dr. Has Mukh Adhia, IAS, (till 05.11.2014)	Non- Executive/ Non-Independent Director	-	2	NA	11	- 3
10	Shri D J Pandian, IAS, (till 30.08.2014)	Non- Executive/ Non-Independent Director	@2500	1	NA	14	- -
11	Dr. Varesh Sinha, IAS Chairman (till 31.10.2014)	Promoter's i.e. GOG Nominee Non-Executive Director	-	3	Yes	6	- -
12	Shri Atanu Chakraborty, IAS, Managing Director (till 31.10.2014)	Promoter's i.e. GOG Nominee Executive Director	-	3	Yes	11	1 4
13	Shri Raj Kumar, IAS (w.e.f. 08.08.14 to 22.04.2015)	Non- Executive/ Non-Independent Director	-	3	NA	10	- -

@ Holding 2500 Equity Shares in joint account with Gujarat State Investments Ltd. as qualification shares and balance in personal capacity.

(*) In accordance with Clause 49, Memberships/ Chairmanships of only the Audit Committee and Stakeholders Relationship Committee of all Public Limited Companies including GSFC have been considered.

CORPORATE GOVERNANCE REPORT (Contd.)

None of the Director is a member in more than ten Committees or is a Chairman in more than five committees, across all Companies in which he is a Director.

- Notes:
- (i) None of the Directors is inter se related to any other Director.
 - (ii) None of the Directors has any business relationship with the Company.
 - (iii) None of the Directors received any loans and advances from the Company during the year.

All Directors including independent directors meet with the requirements pertaining to the number of membership on the Board as well as membership/ chairmanship of the Board level Committees.

☛ **Disclosure regarding appointment/ re-appointment of Directors at the Annual General Meeting :**

Chairman & Managing Director - Executive Director

Dr. S. K. Nanda, IAS has been nominated as Chairman and Managing Director of the Company w.e.f. 01.11.2014 in place of Dr. Varesh Sinha, IAS, Chairman (till 31.10.2014) and Shri Atanu Chakraborty, IAS, Managing Director of the Company (till 31.10.2014). Accordingly, resolutions relating to his appointment and terms & conditions relating to his appointment are placed for your approval.

Independent Director and Non-executive Directors

Appointments of Shri D C Anjaria, Prof. Vasant P Gandhi, Shri Vijai Kapoor and Shri Ajay Shah, as independent directors of the Company for a term of one year have been approved at 52nd AGM of the Company. The resolutions proposing their re-appointment for another term of five consecutive years have been placed for your approval.

Smt. Geeta Goradia has been appointed additional director of the Company. In the opinion of the Board, Smt. Geeta Goradia fulfills the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as a woman Independent Director of the Company and is independent of the management. Accordingly, resolution relating to her appointment as a woman independent director for a term of five years is placed for approval.

Shri Raj Kumar, IAS has been appointed w.e.f. 08.08.2014 as a rotational director of the Company in place of Shri P N Roy Chowdhury, Director (till 08.08.2014). Shri L Chuaungo, IAS has been appointed w.e.f. 23.04.2015 as a rotational director in place of Shri D J Pandian, IAS, Director of the Company (till 30.08.2014). Dr. J N Singh, IAS has been appointed w.e.f. 25.11.2014 as rotational director of the Company in place of Dr. Hasmukh Adhia, IAS, Director of the Company (till 05.11.2014).

The brief resume of Directors including declaration of Independent Director etc with regard to appointment/ re-appointment at 53rd Annual General Meeting is annexed to the Notice convening the 53rd Annual General Meeting, which forms the integral part of this Annual Report.

☛ **Code of Conduct :**

The Company has laid down a Code of Conduct for all its Board Members and Senior Management Personnel to avoid any conflict of interest. The confirmation of adherence to the Code of Conduct for the Financial Year 2014-15 in the form of declaration is received from all the Directors and Members in the Senior Management of the Company, to whom such code is applicable.

The Board of Directors has noted the adherence to the code of conduct. The Code of Conduct of the Company is available on the Company's web-site viz. www.gsfclimited.com.

☛ **Availability of Information to the Board of Directors :**

The Board of Directors of the Company is apprised of all the relevant and significant information and developments pertaining to the Company's business and this facilitates them to take timely corporate decisions. The comprehensive management reporting systems are in place which encompass preparation and reporting of operating results by divisions, other business developments etc. Their reviews are being carried out by senior management and the Board at its Meeting/s.

The Board of Directors has complete access to all the information that is within the Company. At the meetings of the Board, the senior executives and if required, even functional Managers, who can provide insight into the agenda items, are being invited.

All the mandatory information that is required to be placed before the Board of Directors and as required under Clause 49 is being placed before the Board of Directors should the occasion arise.

Apart from the matters that require mandatory Board approval, following matters are also put up for information to the Board, as and when the occasions arise:

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Quarterly results for the company and its operating divisions or business segments.

CORPORATE GOVERNANCE REPORT (Contd.)

4. Minutes of meetings of audit committee and other committees of the board.
5. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
6. Show cause, demand, prosecution notices and penalty notices which are materially important.
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
8. Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company.
9. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
10. Details of any joint venture or collaboration agreement.
11. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
12. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
13. Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
15. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

A Certificate of Compliance with all the applicable laws to the Company is being placed before the Board at its every meeting.

MANAGERIAL REMUNERATION

Remuneration to the Non-executive Directors

Directors (except Managing Director - Executive Director) are paid sitting fees for attending Board/ Committee Meetings and no commission/ share of profit is paid to them. The details of sitting fees paid to them for attending Board/ Committee Meetings during the year are as follows:

(Rupees)	
Name	Sitting Fees
Dr. Varesh Sinha, Chairman (up to 31.10.2014)	40,000/-*
Shri D.C. Anjaria	1,60,000/-
Prof. Vasant P. Gandhi	1,85,000/-
Shri Ajay N. Shah	25,000/-
Shri Vijai Kapoor	75,000/-
Shri P N Roy Chowdhury (till 08.08.2014)	--
Shri D. J. Pandian (till 30.08.2014)	25,000/-*
Dr. Hasmukh Adhia (till 05.11.2014)	35,000/-*
Shri Raj Kumar (w.e.f. 08.08.2014 to 22.04.2015)	30,000/-*
Smt. Geeta Goradia (w.e.f. 08.08.2014)	65,000/-
Dr. J. N. Singh (w.e.f. 25.11.2014)	40,000/-*

(*) Deposited in the Govt. Treasury.

The Company pays sitting fee @ Rs.10,000/- per meeting to the Directors. The Sitting fees have been revised from Rs. 5000/- to Rs. 10,000/- w.e.f. 08.08.2014. No sitting fee however is being paid to Managing Director/ Chairman & Managing Director.

Remuneration to the Executive Director (Managing Director)

The Managing Director/ Chairman & Managing Director of the Company is appointed from amongst the Director nominated by the Government of Gujarat, who is a Senior Officer of Indian Administrative Service (IAS Cadre). He is being paid the remuneration applicable to his scale in the Government and in line with the terms & conditions prescribed by the Govt. of Gujarat. The remuneration to the Whole Time Director and other Non-Executive Directors of the Company, if any, is decided by the Board upon recommendation by the Nomination & Remuneration Committee. The details of the remuneration paid to the Directors during the Financial Year 2014-15 are as under:

CORPORATE GOVERNANCE REPORT (Contd.)

Name of MD/ CMD	Salary	Perquisites
Shri Atanu Chakraborty, IAS, (MD till 31.10.2014)	Rs. 11.42 Lakhs	Rs. 5.52 Lakhs
Dr. S. K. Nanda, IAS, (CMD w.e.f. 01.11.2014)	Rs. 9.49 Lakhs	Rs. 1.38 Lakhs

The Company currently does not have any Stock Option Plan in place. All the Directors have been reimbursed expenses incurred by them in discharge of their duties. The payments made to a Director in his individual capacity or to his relatives have been disclosed. However, none of these Directors has any material pecuniary relationship or transactions with the Company, its promoters, its Directors, its senior management or its holding Company, its subsidiaries and associates which may affect their independence. The Company has not entered into any materially significant transaction with Promoters, Directors or their relatives or its management or subsidiary that may have potential conflict with the interests of the Company.

COMMITTEES OF THE BOARD

2 AUDIT COMMITTEE

The Finance-cum-Audit Committee presently comprises of five Directors and majority of them are Independent and all are Non-Executive Directors. All the members of the Committee have wide knowledge and experience in the field of Corporate Finance and Accounts. The Committee is governed by a charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

1. Management discussion and analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management.
3. Management letters / letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

The terms of reference of this Committee include matters specified in the Companies Act, 2013, Rules made there under, Listing Agreements and those specified by the Board in writing. Besides having access to all required information within the Company the Committee may investigate any activity within its terms of reference, seek information from any employee, secure attendance of outsiders with relevant expertise, or obtain legal or other professional advice from external sources, whenever required.

The Committee acts as a link amongst the Management, Auditors and the Board of Directors. The Audit Committee shall act in accordance with the terms of reference which shall, inter alia, include;

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters, required to be included in the Director's Responsibility Statement.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by Management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statement.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft audit report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;

CORPORATE GOVERNANCE REPORT (Contd.)

11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is included in the terms of reference of the Audit Committee.

During the Financial Year 2014-15, five meetings of Finance-cum-Audit Committee were held i.e. on 02-05-2014, 07-08-2014, 15-10-2014, 27-01-2015 and 18-03-2015. The Composition of the Audit Committee and the attendance details are as under:

Sr. No.	Name of the Member	Category	No. of meetings held during the tenure of Directors	No. of meetings attended
1	Shri D.C. Anjaria (Chairman of the Committee)	Independent Non-Executive	5	5
2	Prof. Vasant P. Gandhi	Independent Non-Executive	5	4
3	Shri Ajay N. Shah	Independent Non-Executive	5	1
4	Shri P.N. Roy Chowdhury (till 08.08.2014)	Non-Independent Non-Executive	1	-
5	Dr. Hasmukh Adhia (till 05.11.2014)	Non-Independent Non-Executive	3	-
6	Shri Raj Kumar (w.e.f. 08.08.2014)	Non-Independent Non-Executive	2	-
7	Dr J N Singh (w.e.f. 25.11.2014)	Non-Independent Non-Executive	2	-

The Finance - cum - Audit Committee meetings are usually attended by the Head of Finance Dept. Managing Director is also invited to attend the meetings as a Special Invitee. The Internal Auditors, Statutory Auditors, Cost Auditors and Branch Auditors are invited to attend the meetings as and when required. The Company Secretary acts as Secretary to the Committee.

Shri D. C. Anjaria, Chairman of the Finance-cum-Audit Committee remained present at the last i.e. 52nd Annual General Meeting held on 08-08-2014.

3 STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to provisions of Section 178(5) of the Companies Act, 2013 and Listing Agreement, Stakeholders Relationship Committee of the Board was constituted on 13th May, 2014 replacing the Share-cum- Debenture Transfer & Investors' Grievance Committee. The Committee comprises of Prof. Vasant Gandhi, Chairman of the Committee and Dr. S K Nanda on 31.03.2015. Shri V V Vachhrajani, Company Secretary & Vice President (Legal) is the Compliance Officer for complying with requirements of Securities Laws and Listing Agreements with Stock Exchanges.

During the FY 2014-15, five meetings of the Committee were held i.e. on 13-05-2014, 08-08-2014, 15-10-2014, 27-01-2015 and 18-03-2015. The details of Committee members and their attendance at the Committee meetings during the Financial Year 2014-15 are furnished below:

Sr. No	Name of the Members	No. of meetings held during the tenure of Directors	No. of Meetings Attended
1	Prof. Vasant P. Gandhi	5	4
2	Shri D. J. Pandian (till 08.08.2014)	3	1
3	Shri Atanu Chakraborty (till 31.10.2014)	3	3
4	Dr. S K Nanda	2	2

CORPORATE GOVERNANCE REPORT (Contd.)

As a measure of good Corporate Governance and accepting the shareholders as its esteemed customers, the Company has well designed Investors' Grievance Redressal System. The average time taken for the grievance redressal is very less and the Committee monitors the investors' grievance redressal periodically. On the date of this report there are no complaints pending, which need redressal. Also there are no cases of share transfers pending except those which are under sellers' notice/court cases under injunction order etc.

With a view to facilitating and ensuring timely transfer, transmission, transposition etc., the Board of Directors has delegated the authority in favor of the Company Secretary/ Dy. Company Secretary upto 5000 shares of Rs. 2/- each per transfer request and the authority for approval of more than 5000 shares of Rs. 2/- each per transfer request has been delegated to the Managing Director.

The report on various issues concerning the shareholders such as issue of share certificates, redressal of shareholders' complaints etc. is being periodically placed before the Committee.

The jurisdiction/terms of reference of the Committee encompasses the following areas:

- Timely transfer of Shares and Debentures.
- Dematerialization and/or Rematerialization of shares.
- Transmission of Shares/ Deletion of Name in case of death of the shareholder/s.
- Issue of duplicate shares/debentures Certificates in case of lost / misplaced/ torn/ mutilated ones.
- Timely redressal of complaints pertaining to non-receipt of dividends, interests on debentures, redemption amount of Non Convertible Debentures / Partly Convertible Debentures redeemed etc.
- Any other related issue/s.

All the shares received for Transfer/ Transmission/ Transposition/ Split/ Consolidation etc. are processed and dispatched within the period not exceeding fifteen days and a half-yearly Certificate from a Practicing Company Secretary to that effect is being obtained pursuant to Clause 47(c) of the listing agreement.

The following table highlights the details of the complaints received during the F.Y. 2014-15 and their status as on date. It is further reported that as on 31-03-2015, there are no outstanding complaints pertaining to and received during the F.Y. 2014-15:

(a) No. of complaints received from Shareholders/Investors during the Financial Year 2014-15.	20
(b) No. of complaints not redressed to the satisfaction of shareholders / investors.	Nil
(c) No. of applications received for transfers/ transmissions /transposition of shares during the Financial Year 2014-15.	884
(d) No. of pending requests for share transfers, transmissions and transposition of shares as on 31-3-2015.	Nil

As mandated by SEBI, the Quarterly Reconciliation of share capital Audit, highlighting the reconciliation of total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis-a-vis the total issued and listed capital is being carried out by the Practicing Company Secretary. This Audit confirms that the total issued and paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with the two depositories viz. the NSDL and CDSL.

As on 31st March, 2015 total 38,56,27,480 Equity Shares of Rs. 2/- each representing 96.78% of the total no. of Shares were dematerialized.

4 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to provisions of Section 135 of the Companies Act, 2013, Corporate Social Responsibility Committee of the Board was constituted effective July 31, 2014. This Committee lastly reconstituted at the Board Meeting held on February 11, 2015 consisting of following members as on 31.03.2015:

1. Dr.S K Nanda-Chairman of the Committee-Non-Independent & Executive Director
2. Dr. J N Singh- Member - Non- Independent & Non-executive Director
3. Shri D C Anjaria- Member- Independent & Non-executive Director
4. Smt. Geeta Goradia - Member - Independent & Non-executive Director
5. Shri L Chuaungo - Member - Non- Independent & Non-executive Director

CORPORATE GOVERNANCE REPORT (Contd.)

During the year 2014-15, one such meeting has been held on 09.07.2014 which were attended by all who were members at that time viz., Dr. Varesn Sinha, Shri D C Anjaria, Shri D J Pandian, Dr. Hasmukh Adhia and Shri Atanu Chakraborty. The details of CSR Activities in the prescribed format forms the part of Directors' Report to shareholders.

5 NOMINATION AND REMUNERATION COMMITTEE

Pursuant to provisions of Section 178 of the Companies Act, 2013 read with Listing Agreement, 'Nomination and Remuneration Committee' of the Board was constituted on 08.08.2014 replacing the Remuneration Committee. The Committee as on 31.03.2015 consists of following members.

- (1) Shri D. C. Anjaria, Chairman- Independent & Non-executive Director,
- (2) Prof. Vasant Gandhi, Member- Independent & Non-executive Director,
- (3) Smt. Geeta Goradia, Member - Independent & Non-executive Director,
- (4) Dr. J N Singh, Member- Non- Independent & Non-executive Director, and
- (5) Dr. S K Nanda, Member- Non- Independent & Executive Director.

During the Financial Year 2014-15, three meetings of Nomination and Remuneration Committee were on 08/08/2014, 18/11/2014 and 22/12/2014.

Sr. No.	Name of the Members	No. of meetings held during the tenure of Directors	No. of Meetings Attended
1	Shri D C Anjaria	3	3
2	Prof. Vasant P. Gandhi	3	3
3.	Smt. Geeta Goradia (w.e.f 08.08.2014)	2	2
4.	Dr. J N Singh (w.e.f. 25.11.2014)	1	1
5.	Shri D. J. Pandian (till 08.08.2014)	1	0
6.	Dr. Hasmukh Adhia (till 05.11.2014)	1	0
7.	Shri Atanu Chakraborty (till 31.10.2014)	1	1
8.	Dr. S K Nanda (w.e.f. 01.11.2014)	2	2

Besides having access to all required information within the Company, the Committee may investigate any activity within its terms of reference, seek information from any employee, secure attendance of outsiders with relevant expertise, or obtain legal or other professional advice from external sources, whenever required. The Committee acts as a link amongst the Management and the Board of Directors. The Committee shall act in accordance with the terms of reference which shall, inter alia, include;

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. Devising a policy on Board diversity;
- iv. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- v. Evaluation of every Director's performance.

The Policy on Nomination & Remuneration cum Board Diversity as approved is available at the website of the Company at www.gsfclimited.com.

➤ Criteria for Nomination as per Nomination and Remuneration Policy

The Committee shall follow the procedure mentioned below for appointment of Director, Independent Director, KMP and Senior Management Personnel and recommend their appointments to the Board.

- The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Act, rules made there under, Listing Agreement or any other enactment for the time being in force.
- In case of the appointment of Independent Director, Independent Director should comply with the additional criteria of his / her independence as prescribed under the Act, rules framed there under and the Listing Agreement. For selection of Independent Director, the Company may use the data bank containing names, addresses and qualifications of persons who are eligible and willing to act as independent directors, maintained by anybody, institute or association, as may be notified by the Central Government, having expertise in creation and maintenance of such data bank.

CORPORATE GOVERNANCE REPORT (Contd.)

- The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, Listing Agreement or any other enactment for the time being in force.

➤ REMUNERATION

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval. The Committee shall ensure that:

- The level and composition of remuneration so determined shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the company successfully;
- The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, KMP and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

A. Managing Director/ Whole-time Director(s)

Besides the above criteria, the Remuneration/ compensation/ commission etc to be paid to Managing Director, Whole-time Director(s) etc shall be governed as per provisions of the Act read with Schedule V and rules made there under or any other enactment for the time being in force.

B. Non-Executive Independent Directors

The Non-Executive Independent Directors may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof, reimbursement of expenses for participation in the Board and other meetings and profit related commission if so decided and approved by the Board/ Shareholders as per the provisions of the Act. Provided that the amount of such fees shall not exceed the amount as prescribed under the Act read with the rules made there under or any other enactment for the time being in force. Further, independent director shall not be entitled to any stock option.

The Non-Executive Independent Directors may be paid remuneration for services rendered in any other capacity, like to serve as a member of Selection Committee for recruitment of Senior Management Personnel and/or any other specific assignment given by the Company from time to time. The remuneration paid for such services shall be subject to provisions of the Act and approval of the Nomination-cum-Remuneration Committee.

Provided that the payment of remuneration for services rendered by any such director in other capacity shall not be included in the overall ceiling prescribed under the Act read with Schedule V and rules made there under, if -

- (a) The services rendered are of a professional nature; and
- (b) In the opinion of the Committee, the director possesses the requisite qualification for the practice of the profession.

C. KMPs/ Senior Management Personnel etc.

The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any, prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

The requisite information as required in terms of provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of Companies Rules, 2014 are mentioned below:

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year-
Submission: Not Applicable, as the Directors are not paid any salary / remuneration.
- b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company secretary or Manager, if any, in the Financial Year-
Submission: 3% Rise in Basic Pay of all Officers in the Company in the Financial Year. This rise is across all levels and is in line with the salary revision made for a period effective from 01.01.2011. The next such revision has become due effective from 01-01-2015 and is yet to be finalised.
- c) The percentage increase in the median remuneration of employees in the Financial Year-
Submission: 3% Rise in Basic Pay of the median remuneration of employees in the Financial Year.
- d) The number of permanent employees on the rolls of the Company- 3952 permanent employees are on the rolls of the company.
- e) The explanation on the relationship between average increase in remuneration and company performance- There is no linkage of increase in remuneration with the performance of the Company hence not applicable.

CORPORATE GOVERNANCE REPORT (Contd.)

- f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company since the KMPs get the remuneration as per the Salary and Perquisites that are permissible under their respective grades and hence there is no linkage of remuneration of KMPs with the performance of the Company therefore not applicable.
- g) 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- 3% Rise in Basic pay of Key Managerial Personnel & also 3 % Rise in Basic pay of employees other than Key Managerial Personnel. No Exceptional Circumstances for increase in the managerial remuneration. Next increase in the remuneration is due under Long Term Wage Revision which is due from 01-01-2015 and it is yet to be finalised.
- h) The key parameters for any variable component of remuneration availed by the directors- Not Applicable, as the Directors are not paid any salary / remuneration.
- i) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year- Not Applicable, as the Directors are not paid any salary / remuneration.

➤ **Performance evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the directors individually as well as the evaluation of its committees. The performance evaluation of the Independent directors was carried out by the entire board. The performance evaluation of the chairman and the non independent directors was carried out by the independent directors.

6 RISK MANAGEMENT COMMITTEE

Business Risk and Management is an ongoing process within the organization. The Company has a risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The Objective and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the Risk Management policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation and reporting of risks.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan. The Board has constituted the Risk Management Committee comprising of following members. The said Committee has delegated the monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit.

- i. Dr S K Nanda;
- ii. Shri D C Anjaria;
- iii. Smt. Geeta Goradia;
- iv. Shri L Chuaungo.

7 GENERAL BODY MEETINGS

☞ **Date & Venue of the last three Annual General Meetings :**

Meetings	52nd AGM	51st AGM	50th AGM
Particular			
Date	August 08, 2014	August 03, 2013	August 04, 2012
Start Timing	12.30 PM	3.30 PM	4.00 PM
Venue	Cultural Center Auditorium situated at P. O. Fertilizernagar - 391750, Dist. Vadodara (Registered Office of the Company)		

- No 'Extraordinary General Meeting' was held during the last three years.
- No postal ballot was conducted in aforesaid meetings.
- Three Special Resolutions for borrowing limits u/s 180 (1) (c) of Companies Act, 2013, for creating charge etc. on company's properties u/s 180 (1) (a) of Companies Act, 2013 and for alignment of Articles of Association with provisions of Companies Act, 2013 were passed at 52nd Annual General Meeting.
- At the forthcoming 'Annual General Meeting' there is no item on the agenda requiring postal ballot.

CORPORATE GOVERNANCE REPORT (Contd.)

8 DISCLOSURES

There are no materially significant related party transactions made by the Company with its Promoters, Directors, or Management, their subsidiaries or relatives etc. which may have potential conflict with the interest of the Company at large. An adequate disclosure regarding related party transactions is contained in the Annual Accounts of the Company in Note No. 33 which forms a part of this Annual Report.

There are no non compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.

The Company complies with all the mandatory requirements of Clause 49 of the Listing Agreement on Code of Corporate Governance. The Board of Directors has approved the Code of Conduct and Ethics for the Directors and the Senior Management of the Company.

☛ CEO Certification

The Chairman & Managing Director (CEO) of the Company has certified the compliance of Code of Conduct in respect of the Financial Year 2014-15 by the Board Members & Senior Management and the said certificate forms part of this report.

Statutory Compliance of all applicable Laws is being made by the Company and is reported to the Board in its every meeting. Further in preparation of the financial statements, all those Accounting Standards that are applicable have been complied with by the Company.

➤ Vigil mechanism

The Company has a vigil mechanism policy to deal with instances of fraud and mismanagement, if any.

The Company has been employing 187 no of women employees in various cadres. The Company has in place an anti harassment policy in line with the requirements of the Act. Internal Complaint Committee is set up to redress complaints received regularly and are monitored by women supervisors who directly reports to the Managing Director. All employees (permanent, contractual, temporary, trainees) are covered under the policy. There were no complaints received from any employee during the Financial Year 2014-15 and hence no complaints is outstanding as on 31.03.2015 for redressal.

➤ Board Training and induction

At the time of appointing an independent director, a formal letter of appointment is given to them, which inter alia explains the role, functions, duties and responsibilities expected of him as a director of the company. The director is also explained in detail the compliances required from him under the companies Act, clause 49 of the Listing Agreement and other relevant regulations and his affirmation taken with respect to the same.

By way of introduction to the Company, the Director is presented with a book of product profile, its history and growth trajectory over 53 years of its existence, companies Promoted and other relevant information. Further, with a view to familiarize the new director with the Company's operations, the director is also given a CD explaining the organizational set up of the Company, Company's market share and shareholding pattern of the Company, its investments etc.

➤ Independent Directors' Meeting

During the year under review, the Independent Directors met on 27.01.2015 and on 14.05.2015, inter alia, to discuss:

- Evaluation of the performance of non-independent directors and the Board as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the executive and non-executive directors.
- Evaluation of quality, content and timeliness of flow of information between the management and the board that is necessary for the Board to effectively and reasonably perform its duties.

The familiarisation programme in line with the provisions of the Companies Act, 2013 and listing agreement was arranged for the Independent Directors on 14.05.2015 by way of presentation, where in they were provided with the guidelines of their duties, roles, responsibilities etc.

➤ Subsidiary Company (GSFC Agrotech Limited)

The Company does not have any material subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or has generated 20 % of the consolidated income of the company during the previous Financial Year. Accordingly, the policy on material subsidiaries has not been formulated.

The Audited Annual Financial Statements of subsidiary company was tabled at audit committee and board meetings. The board periodically takes note of the minutes of the meetings of the subsidiary company.

- The following are the policies/details that are required to be placed on the Company's website as required under the provisions of the Companies Act, 2013 and provisions of Listing Agreement. The following web-link can be clicked/used to access those policies/details; http://www.gsfclimited.com/statu_comp.asp?mnuid=12.

CORPORATE GOVERNANCE REPORT (Contd.)

1. Vigil mechanism policy;
2. Terms and conditions of ID;
3. Policy on evaluation of Board Performance;
4. Nomination-cum-Remuneration and Board Diversity Policy;
5. Code of conduct;
6. Corporate Social Responsibility policy;
7. Related party transactions Policy;
8. Details of Familiarisation programme of ID.

9 MEANS OF COMMUNICATION

Apart from furnishing the copies of the Unaudited Quarterly & Half Yearly Results and Audited Annual results to all the Stock Exchanges where the shares of the Company are listed, the Company also publishes the results at least in one English newspaper and one vernacular newspaper.

The Company's financial results are timely sent to the Stock Exchanges so that they are available on their website. The financial results of the Company and other information pertaining to the Company are available on the Company's website www.gsfclimited.com. The Company also supplies copies of its financial results to the investors free of cost, if requested for, and simultaneously they are also available on the Company's website. The Management Discussion & Analysis Report shall form as a part of the Directors' Report to shareholders.

The Company has voluntarily adopted the procedure of getting the Compliance of Code on Corporate Governance audited on quarterly basis besides annually as required under clause 49 of the listing agreement and a Certificate to that effect together with the quarterly compliance report has been submitted to Stock Exchange(s) as follows:

Report for the quarter ended	Date of submission to Stock Exchange(s)
30-06-2014	08-08-2014
30-09-2014	15-10-2014
31-12-2014	27-01-2014
31-03-2015	14-05-2015

As required by the amended Clause 47(f) of the Listing Agreement, the Company has designated an email account specifically for investor service and the same is displayed on the website of the Company. Investors may lodge their complaints at: vishvesh@gsfcld.com.

Presentations to Institutional Investors/ Analysts:

Detailed presentations are made to institutional investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results. These presentations are also uploaded on the Company's website (www.gsfclimited.com).

10 GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

As is indicated in the Notice convening the 53rd Annual General Meeting of the Company will be held on 16th day of September, 2015 at 3.00 P.M. at the Cultural Center Auditorium situated at Fertilizernagar - 391750, Dist. Vadodara (Registered Office of the Company).

b) Financial Calendar

The Financial Year of the Company is from 1st April to 31st March. The tentative financial calendar is given below :

Unaudited Results for Quarter ending June 30, 2015	Latest by 14 th August, 2015
Unaudited Results for Quarter ending September 30, 2015	Latest by 14 th November, 2015
Unaudited Results for Quarter ending December 31, 2015	Latest by 14 th February, 2016
Audited Results for Quarter / Year ending March 31, 2016	Latest by 30 th May, 2016

c) Book closure date

The Register of Members of the Company shall remain closed from 2nd September, 2015 to 16th September, 2015. (Both days inclusive).

d) Dividend payment date

Dividend shall be paid on and from 22nd September, 2015.

CORPORATE GOVERNANCE REPORT (Contd.)

e) (i) Listing of Equity Shares

The Equity Shares of the Company are listed at the following stock exchanges :

Sr.No.	Name of the Exchange	Scrip Code
01	BSE Limited	500690
02	National Stock Exchange of India Limited	GSFC - EQ

An application for delisting of Equity Shares from Calcutta Stock Exchange (CSE) has been made to CSE and their approval is yet not received. The Annual Listing Fees in respect of BSE Limited and National Stock Exchange of India Limited for the F.Y. 2015-16 has been paid by the Company.

(ii) Demat ISIN Number in NSDL & CDSL for Equity shares : INE026A01025.

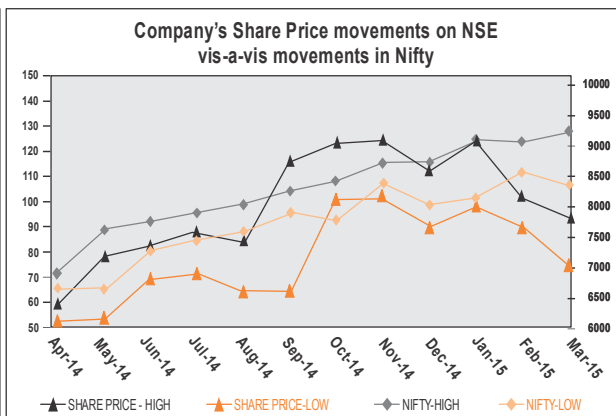
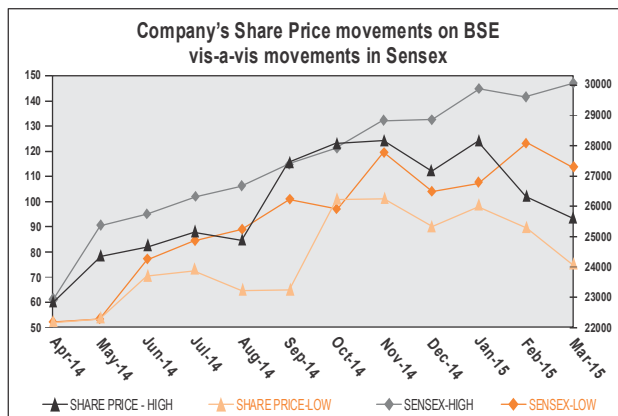
(iii) Corporate Identity Number (CIN) : L99999GJ1962PLC001121

(iv) Stock Market Data

High - Low share price performance in comparison to broad-based indices - BSE Sensex and NSE Nifty :

Month & year	BSE				NSE			
	Sensex		GSFC's Share Price (Rs.)		Nifty		GSFC's Share Price (Rs.)	
	High	Low	High	Low	High	Low	High	Low
Apr-14	22939.31	22197.51	60.20	52.60	6869.85	6650.40	60.55	53.20
May-14	25375.63	22277.04	78.40	54.15	7563.50	6638.55	78.60	54.50
Jun-14	25725.12	24270.20	82.60	70.70	7700.05	7239.50	82.95	70.15
Jul-14	26300.17	24892.00	88.30	73.00	7840.95	7422.15	88.50	72.20
Aug-14	26674.38	25232.82	84.70	65.00	7968.25	7540.10	84.80	64.70
Sep-14	27354.99	26220.49	116.25	65.25	8180.20	7841.80	116.50	65.00
Oct-14	27894.32	25910.77	123.50	101.25	8330.75	7723.85	123.65	101.10
Nov-14	28822.37	27739.56	124.50	101.50	8617.00	8290.25	124.55	102.15
Dec-14	28809.64	26469.42	112.30	90.70	8626.95	7961.35	112.35	90.10
Jan-15	29844.16	26776.12	124.25	98.50	8996.60	8065.45	124.40	98.55
Feb-15	29560.32	28044.49	102.40	89.80	8941.10	8470.50	101.95	89.65
Mar-15	30024.74	27248.45	93.50	75.35	9119.20	8269.15	93.60	75.10

The graphical presentations depict the movement of monthly high/ low share prices of the Company's Shares on BSE and NSE vis-à-vis the movements in the Sensex and Nifty during the period from April 2014 to March 2015.



CORPORATE GOVERNANCE REPORT (Contd.)

f) Share Transfer System and Registrars & Share Transfer Agents of the Company

The entire share transfer process, physical as well as dematerialized, is being handled by the Company's Registrar and Transfer Agents viz. **Link Intime India Pvt. Ltd., B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020.** Share Transfer in physical form can be lodged either with the Registrars & Transfer Agents OR at the Registered Office of the Company. Share Transfer requests received are attended within a fortnight. All requests for de-materialization / re-materialization of shares are processed and confirmation is sent to the depositories by the Registrars & Share Transfer Agents of the Company generally within 15 days from the date of the receipt thereof.

The Company's representatives regularly visit the office of the Registrar and Share Transfer Agents to monitor, supervise and ensure that there are no unusual delays or lapses in the system.

g) Distribution of Shareholding as on 31st March, 2015

➤ Pattern of Shareholding (Category wise)

Category	No. of Shares	% to Total Capital
Promoter: Gujarat State Investments Limited	15,07,99,905	37.84
Public Financial Institutions, Insurance Companies & Mutual Funds	5,76,87,451	14.48
Companies & Banks	11,46,09,943	28.76
Individuals, Co-operative Societies & Co-operative Banks	7,53,80,231	18.92
Total	39,84,77,530	100.00

➤ Pattern of Shareholding (Shareholding wise)

Category (No. of Shares) From To	No. of Shareholders	%	No. of Shares	%
Upto 500 Shares	88325	81.76	12874956	3.23
501 - 1000	9153	8.47	7233334	1.82
1001 - 2000	5515	5.11	8220930	2.06
2001 - 3000	1913	1.77	4820228	1.21
3001 - 4000	754	0.70	2683539	0.67
4001 - 5000	654	0.61	3110565	0.78
5001 - 10000	877	0.81	6500325	1.63
10001 and above	839	0.78	353033653	88.60
Total	108030	100.00	398477530	100.00

h) Unclaimed Shares

SEBI vide Circular No. CIR/CFD/DIL/10/2010 dated December 16, 2010 has amended Clause 5A of the Listing Agreement to provide that shares held physically which may have remained unclaimed by shareholders due to insufficient/incorrect information or for any other reason should be transferred in demat mode to one folio in the name of "Unclaimed Suspense Account" with one of the Depository Participants.

On 12th April, 2012, the Company has transferred 35160 unclaimed shares of Rs. 2/- each (prior to sub-division - 7032 shares of Rs. 10/- each) 487 shareholders in the "GSFC Unclaimed Shares Suspense Account" opened with Stock Holding Corporation of India Limited. Out of which, till 31st March, 2015 - 1005 shares of Rs. 2/- each in respect of 6 shareholders were credited to their demat account and 34,155 shares of Rs. 2/- each are lying in the suspense account as on 31st March, 2015.

- i) ➤ No pledge has been created over the Equity Shares held by the Promoters as on March 31, 2015.
- 96.78% of the Equity Shares have been dematerialized till 31/03/2015. The Company's Equity Shares are to be compulsorily dealt in dematerialized form since 26/06/2000 and the ISIN no. of the Company's Equity Share is INE026A01025.
- The Company has paid the Annual Custody Charges to National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) for the year 2015-16.
- Dividend @ Rs. 2.20/- per share of Rs. 2/- each has been recommended by the Board of Directors on the Equity Shares which shall be paid/ distributed on and from 22nd September, 2015 upon its approval by the Shareholders in the ensuing 53rd Annual General Meeting.
- **Unit wise Plant locations**
The Company's Units are located as follows :
- Vadodara Unit : Fertilizernagar – 391 750, Dist. Vadodara
- Polymers Unit : Nandesari GIDC, Dist. Vadodara
- Fibre Unit : Kuwarda, Dist. Surat
- Sikka Unit : Moti Khawdi, Dist. Jamnagar

CORPORATE GOVERNANCE REPORT (Contd.)

j) Address for Correspondence

The shareholders may send their communications at the following address :

Company Secretary & Vice President (Legal)

Gujarat State Fertilizers & Chemicals Limited, Fertilizernagar - 391 750, Dist. Vadodara

Tel. Nos. 0265-2242451/2242651/2242751, Fax No. 0265-2240966/2240119

E-mail: vishvesh@gsfcltd.com, Website: www.gsfclimited.com

or

Registrars & Transfer Agents for Equity Shares of the Company

Link Intime India Pvt. Ltd. (Unit - GSFC) B-102 & 103, Shangrila Complex, First Floor,

Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020.

Phone : (0265) 2356573 / 2366794 Fax : (0265) 2356791

Email : vadodara@linkintime.co.in

Affirmation of compliance with the Code of Conduct by all Board Members & Senior Management of the Company

Based on the confirmations received from Board Members & Members of Sr. Management of the Company, I hereby certify that all the Board Members & Members of Senior Management of the Company have affirmed their compliance with the Code of Conduct as approved by the Board of Directors of the Company.

Date : 4th June, 2015

Place : Fertilizernagar

Sd/-

Dr. S. K. Nanda, IAS

Chairman & Managing Director

AUDITORS' CERTIFICATE

To the Shareholders,

We have examined the compliance of the conditions of Corporate Governance by Gujarat State Fertilizers & Chemicals Limited for the year ended 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2015, no grievances are pending for the period of exceeding one month against the Company as per the records maintained by the Company and presented to the Shares Cum Debentures Transfers and Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

S. Samdani

Practicing Company Secretary

S. Samdani & Associates

Company Secretaries

CP No. 2863

Date : 15.06.2015

Place : Vadodara

FINANCIAL HIGHLIGHTS OF TEN YEARS

PARTICULARS	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
OPERATING RESULTS		(₹ in Crores)								
GROSS INCOME	5427	5537	6391	5464	4856	4132	5952	3649	3413	2940
GROSS PROFIT	675	640	900	1276	1259	530	883	500	496	579
DEPRECIATION	101	145	132	129	147	141	143	142	143	142
EXCEPTIONAL ITEMS	-	-	-	(34)	-	-	-	-	-	-
PROFIT / (LOSS) BEFORE TAX	574	495	768	1113	1112	389	740	358	353	437
TAX	173	153	250	356	363	135	241	120	86	143
PROFIT / (LOSS) AFTER TAX	401	342	518	758	749	254	499	238	267	294
DIVIDEND	88	80	80	60	56	36	36	36	36	36
DIVIDEND TAX	18	13	13	10	9	6	6	6	6	5
RETAINED EARNINGS	295	249	425	688	684	213	457	196	225	253
AMOUNT PER SHARE (Rupees)*										
SALES	134	136	157	665	597	504	738	448	416	355
EARNING	10	9	13	95	94	32	63	30	33	37
CASH EARNING	13	12	16	117	119	47	69	44	50	68
EQUITY DIVIDEND	2.20	2.00	2.00	7.50	7.00	4.50	4.50	4.50	4.50	4.50
BOOK VALUE	112	107	99	441	355	269	242	185	171	143
MARKET PRICE: HIGH	125	63	91	504	413	255	216	370	251	208
LOW	53	44	55	322	215	87	61	141	142	103

* Per share figures for F.Y. 2012-13 to 2014-15 are based on face value of ₹ 2/. For remaining years figures are based on face value of ₹ 10/-.

Independent Auditors' Report

To the Members of Gujarat State Fertilizers & Chemicals Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

Independent Auditors' Report (Contd.)

2. As required by Section 143 (3) of the Act, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) To the best of our information and according to the explanations given to us, there are no financial transactions or matters which have any adverse effect on the functioning of the Company.
 - f) On the basis of written representations received from the directors as on 31st March, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 29 to the 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 Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 117364W

Gaurav J Shah
Partner
Membership No. 35701

Place : New Delhi
Date : May 14, 2015

Annexure to the Independent Auditors' Report

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

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services and during the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

(Contd.)

Annexure to the Independent Auditors' Report (Contd.)

- (c) Details of dues of Income-tax, Sales Tax, Service Tax and Excise Duty which have not been deposited as on 31st March, 2015 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Lakhs)#
Income Tax Act, 1961	Income Tax	Upto Income Tax Appellate Tribunal	F.Y. 1991-92 & FY 2006- 07	122.52
Gujarat Value Added Tax Act, 2003	Gujarat Value Added Tax	Jt/DyCommissioner of Commercial Tax	Various years from 2006-07 to 2010-11	1,318.75
Central Sales Tax Act, 1956	Central Sales Tax	Gujarat Commercial Tax Tribunal	Various years from 2006-07 to 2010-11	2,579.92
Central Excise Act, 1944	Excise Duty	High Court	Various years from 1985-86 to 2014-15	1,721.06
		UptoCESTAT		853.69

excluding interest & penalty

- (d) The Company has been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institution. The Company has not issued any debentures.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 117364W

Place : New Delhi
Date : May 14,2015

Gaurav J Shah
Partner
Membership No. 35701

Balance Sheet as at 31st March, 2015

(₹ in lakhs)

		Note	As at 31st March	
			2015	2014
A. EQUITY AND LIABILITIES				
1. Shareholders' Funds				
(a)	Share capital	2	7,969.55	7,969.55
(b)	Reserves and surplus	3	4,38,451.31	4,11,085.20
			4,46,420.86	4,19,054.75
2. Non-current liabilities				
(a)	Long term borrowings	4	19,194.51	22,437.26
(b)	Deferred tax liabilities (Net)	5	27,614.63	26,166.22
(c)	Long term provisions	6	17,471.97	16,297.10
			64,281.11	64,900.58
3. Current liabilities				
(a)	Short term borrowings	7	51,068.40	52,453.53
(b)	Trade payables	8	34,797.96	58,119.08
(c)	Other current liabilities	9	28,075.89	31,533.31
(d)	Short term provisions	10	28,313.15	28,477.36
			1,42,255.40	1,70,583.28
			6,52,957.37	6,54,538.61
B. ASSETS				
1. Non-current assets				
(a)	Fixed assets			
(i)	Tangible assets	11	1,94,849.41	2,00,777.95
(ii)	Intangible assets	11	943.17	852.48
(iii)	Capital work-in-progress		25,988.66	18,499.35
(b)	Non-current investments	12	85,772.58	82,741.58
(c)	Long term loans and advances	13	23,928.85	21,650.92
(d)	Other non current assets	14	3,840.18	3,530.00
			3,35,322.85	3,28,052.28
2. Current assets				
(a)	Inventories	15	63,191.53	69,119.28
(b)	Trade receivable	16	1,97,236.54	1,98,408.74
(c)	Cash and cash equivalents	17	35,498.90	38,638.90
(d)	Short term loans and advances	18	14,836.66	14,408.76
(e)	Other current assets	19	6,870.89	5,910.65
			3,17,634.52	3,26,486.33
			6,52,957.37	6,54,538.61
See accompanying notes forming part of financial statements				

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117364W
Gaurav J. Shah
Partner
Membership No. 35701

New Delhi
14th May, 2015

Dr. S K Nanda
Chairman & Managing Director

D. C. Anjaria
Ajay Shah
Vijai Kapoor
Geeta Goradia
Directors

New Delhi
14th May, 2015

V. D. Nanavaty
Sr. VP (Finance) & CFO
V. V. Vachhrajani
Company Secretary

Statement of Profit & Loss for the period ended 31st March, 2015

(₹ in lakhs)

	Note	Year Ended 31st March	
		2015	2014
I Income			
Revenue from operations			
Sales (Gross)	20	5,57,619.11	5,69,796.95
Less: Excise duty		25,162.51	28,547.79
Net Sales		5,32,456.60	5,41,249.16
Other income	21	10,193.61	12,453.72
Total revenue		5,42,650.21	5,53,702.88
II Expenses			
Cost of materials consumed	22	2,92,983.99	3,11,125.99
Purchase of stock in trade	23	33,461.79	17,846.10
Changes in inventories of finished goods, work in process and stock in trade	24	2,082.40	(1,648.97)
Power and Fuel		48,840.08	52,908.93
Employee benefit expenses	25	38,732.77	33,443.25
Finance cost	26	1,800.77	4,513.80
Depreciation and amortization expense	11	10,065.81	14,531.41
Other expenses	27	57,291.54	71,441.00
Total Expenses		4,85,259.15	5,04,161.51
III Profit before exceptional items and tax (I-II)		57,391.06	49,541.37
IV Exceptional items		-	-
V Profit before tax (III-IV)		57,391.06	49,541.37
VI Tax expense			
Current tax		15,892.09	13,075.50
Deferred tax	5	1,448.41	2,248.62
VII Profit for the year		40,050.56	34,217.25
Basic and Diluted Earnings per equity share ₹	28	10.05	8.59
Nominal value per share ₹		2.00	2.00
See accompanying notes forming part of the financial statements			
Significant Accounting policies	1		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117364W
Gaurav J. Shah
Partner
Membership No. 35701

New Delhi
14th May, 2015

Dr. S K Nanda
Chairman & Managing Director

D. C. Anjaria
Ajay Shah
Vijai Kapoor
Geeta Goradia
Directors

New Delhi
14th May, 2015

V. D. Nanavaty
Sr. VP (Finance) & CFO
V. V. Vachhrajani
Company Secretary

Cash Flow Statement for the year ended 31st March, 2015

(₹ in lakhs)

	As at 31st March	
	2015	2014
A Cash Flow From Operating Activities		
Profit Before Tax	57,391.06	49,541.37
Adjustments for :		
Depreciation and amortisation expense	10,065.81	14,531.41
Finance cost	1,800.77	4,513.80
Interest received	(2,706.18)	(2,942.62)
Loss on fixed assets sold/written off	15.91	432.41
Profit on sale of fixed assets	(0.05)	0.00
Income from investments	(1,859.38)	(1,934.45)
Provision for doubtful debts/advances	550.68	152.72
Operating Profit before Working Capital Changes	65,258.62	64,294.64
Changes in working capital:		
Inventories	5,927.75	(335.86)
Trade receivables and loans and advances	(3,276.15)	91,357.96
Trade payables, other current liabilities & provision	(27,082.37)	16,083.99
Cash Generated from/ (used in) Operations	40,827.85	1,71,400.73
Direct taxes paid	(15,038.78)	(14,129.96)
Net Cash Flow From/ (used in) Operating Activities	25,789.07	1,57,270.77
B Cash Flow From Investing Activities		
Purchase of fixed assets	(13,866.98)	(28,978.20)
Sale of fixed assets	0.56	(1,213.96)
Purchase of investments	(3,031.00)	(15,500.00)
Interest received	1,643.86	2,565.31
Dividend received	1,859.38	1,934.45
Net Cash Flow from/ (used in) Investing Activities	(13,394.18)	(41,192.40)
C Cash Flow From Financing Activities		
Gross repayment of long term borrowings	(3,076.68)	(5,500.68)
Net increase/(decrease) in cash credit/buyers credit	(1,385.13)	(22,731.03)
Gross proceeds from short term borrowings	10,000.00	70,000.00
Gross repayment of short term borrowings	(10,000.00)	(1,21,393.95)
Finance cost	(1,800.12)	(4,852.51)
Dividend paid	(7,918.53)	(7,929.35)
Tax on dividend paid	(1,354.43)	(1,354.43)
Net Cash Flow from/ (used in) Financing Activities	(15,534.89)	(93,761.95)
Net Increase/ (Decrease) in Cash & Cash Equivalents	(3,140.00)	22,316.42
Cash and Cash Equivalents as at the beginning of the year	38,638.90	16,322.48
Cash and Cash Equivalents as at end of the year	35,498.90	38,638.90
See accompanying notes forming part of the financial statements		

Note: The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 "Cash Flow Statements".

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117364W

Gaurav J. Shah
Partner
Membership No. 35701

New Delhi
14th May, 2015

Dr. S K Nanda
Chairman & Managing Director

D. C. Anjaria
Ajay Shah
Vijai Kapoor
Geeta Goradia
Directors

New Delhi
14th May, 2015

V. D. Nanavaty
Sr. VP (Finance) & CFO

V. V. Vachhrajani
Company Secretary

Notes to the Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation and presentation of financial statements :

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the mandatory Accounting Standards notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Companies Act, 2013. The significant accounting policies have been consistently applied by the Company.

B. Capital Expenditure :

- Fixed Assets acquired and constructed are stated at historical cost including attributable cost for bringing the asset to its intended use.
- Assets under erection / installation of the existing projects and on going projects are shown as "Capital Work in Progress".
- Capital advances given for procurement of fixed assets are treated as non current assets irrespective of when fixed assets are expected to be received and are classified as Long term loans and advances.
- In the absence of availability of specific original cost in respect of a part of assets capitalised under turn-key contracts, the original value of such asset written / disposed off is estimated on the basis of its current cost adjusted for price and technological factors.
- Major cost of civil works required as plant and machinery supports, on the basis of technical estimates, is considered as Plant & Machinery.
- Advances paid for the purchase / acquisitions of land in possession of the Company are included in the cost of land.
- Renewals and replacements are either capitalised or charged to revenue as appropriate, depending upon the nature and long term utility of such renewals and / or replacements.
- Intangible assets are stated at cost.

C. Borrowing Cost :

Borrowing cost of the funds borrowed for the qualifying asset is capitalised till the date of commencement of commercial production. Other borrowing cost is charged to revenue.

D. Depreciation and Amortisation :

Depreciation on Fixed Assets is provided on Straight Line Method at the rates prescribed in Schedule II to the Company's Act, 2013. Depreciation on additions to fixed assets and assets disposed off/discarded is charged on pro-rata basis. Depreciation on commissioning of plants

and other assets of new projects is charged for the days they are actually put to use. Exchange variation adjusted in the carrying cost of the fixed assets is amortised over the residual life of the assets.

Leasehold land, other than that on perpetual lease, is amortized over the life of the lease.

Intangible assets are amortized over their estimated economic lives but not exceeding ten years on a straight-line basis.

Assets retired from use and held for disposal are stated at cost or realizable value whichever is lower. No depreciation has been charged on these assets after their retirement.

E. Impairment of Assets :

The Company makes assessment to find out whether there are any indications for impairment of assets as provided in the Accounting Standard notified under Section 133 of the Companies Act, 2013. If any such indications are available then further process as per the Accounting Standard is carried out by the Company and necessary adjustments in the books of the accounts are made accordingly.

F. Foreign Currency Transaction :

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the year-end are translated into rupee at the contract rates, when covered by forward cover contracts and at the year-end exchange rates in other cases. The exchange difference arising on foreign currency transactions including gain or loss arising due to cancellation of forward cover contracts are recognised in the statement of profit and loss except those relating to fixed assets acquired prior to 01-04-2004 which are adjusted to the carrying cost of the fixed assets. Accounting for derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the Income Statement. Net gains on derivative transactions are ignored.

G. Investments :

Current investments are carried at the lower of cost or quoted / fair value. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

H. Inventories :

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing

Notes to the Financial Statements

overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, process chemicals, stores and spares, packing materials, trading and other products are determined on weighted average basis.

I. Revenue Recognition :

- a) Sales of industrial products are accounted on the dispatch basis except export sales, which are recognised on the basis of bill of lading. Sales of fertilizers are accounted for on the basis of issue of release orders. Subsidy and equated freight on fertilizers are accounted on accrual basis as and when the order notified by for the same is available with the Company from the Government of India.
- b) The amounts receivable from various agencies are accounted for on accrual basis except interest on delayed payments, refunds from customs & excise authorities, insurance claims (other than marine claims), etc. where it is not possible to ascertain the income with reasonable accuracy or in absence of finality of the transaction.

J. Employee Benefits :

Defined benefit plans:

- (a) Short-term employee benefits
Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.
- (b) Post Employment benefits
Post employment benefits comprise of gratuity, superannuation for the eligible employees of all the four units of the Company and medical benefit for eligible employees of Baroda unit of the Company. Post employment benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable using actuarial valuation carried out as at the end of the year in accordance with the revised Accounting Standard 15 (revised 2005) on 'Employee Benefits' issued by the Central Government.
The Company has set up separate recognized Provident Fund trusts for all the units of the Company. Contributions paid/payable for Provident Fund of eligible employees is recognized in the statement of Profit and Loss each year. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trusts and the interest rate notified by Government.
The Company also contributes to a government administered Family Pension fund on behalf of its employees.

- (c) Other long term employee benefits

Other long term employee benefits comprise of leave encashment. The Company accounts for Leave Encashment Liability on the basis of actuarial valuation carried out as at the end of the year.

- (d) Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the statement of profit and loss.

Defined contribution plans:

The Company's contribution to National Pension Scheme is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

K. Research and Development:

Capital expenditure on Research & Development activities is included in Fixed Assets to the extent it has alternative economic use. Revenue expenditure pertaining to research activity is charged under respective account heads in the statement of Profit & Loss.

L. Taxation:

Provision for Current Income tax is based on the estimated taxable income for the period in accordance with the provisions of the Income Tax Act, 1961 and at the rate enacted or substantively enacted at the balance sheet date.

Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date and is recognised on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets, subject to consideration of prudence, are recognised and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Provision for Wealth Tax is made in accordance with the provisions of the Wealth Tax Act, 1957.

M. Segment Reporting :

The Company has identified two reportable business segments i.e. Fertilizer products and Industrial products. The Company operates mainly in Indian market and there are no reportable geographical segments.

N. Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of a past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes to the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

Notes Forming Part of the Financial Statements

2. Share Capital

(₹ in lakhs)

	As at 31st March			
	2015		2014	
	Number of Shares	Amount	Number of Shares	Amount
	Refer Note (a) below		Refer Note (a) below	
Authorised				
Equity Shares of ₹ 2/- each	1,00,00,00,000	20,000.00	1,00,00,00,000	20,000.00
Redeemable Cumulative Preference Shares of ₹100/- each	1,60,00,000	16,000.00	1,60,00,000	16,000.00
		36,000.00		36,000.00
Issued, Subscribed and Paid-up:				
Issued				
Equity Shares: Face value of ₹ 2/- each				
Shares outstanding at beginning of the year	39,91,21,850	7,982.44	39,91,21,850	7,982.44
Shares outstanding at year end	39,91,21,850	7,982.44	39,91,21,850	7,982.44
Subscribed				
Equity Shares: Face value of ₹ 2/- each				
Shares outstanding at beginning of the year	39,90,69,685	7,981.39	39,90,69,685	7,981.39
Shares outstanding at year end	39,90,69,685	7,981.39	39,90,69,685	7,981.39
Paid-up				
Equity Shares: Face value of ₹ 2/- each				
Shares outstanding at beginning of the year	39,84,77,530	7,969.55	39,84,77,530	7,969.55
Shares outstanding at year end	39,84,77,530	7,969.55	39,84,77,530	7,969.55
TOTAL	39,84,77,530	7,969.55	39,84,77,530	7,969.55

a) Rights, preferences and restrictions attached to shares

Equity shares

The Company has one class of equity shares having a par value of ₹ 2/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

During the year ended 31st March, 2015, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 2.20 (31st March, 2014: ₹ 2/-) per equity share of face value of ₹ 2 each.

b) Shareholders holding more than 5% of Equity Share Capital

Name of the Shareholders	As at 31st March			
	2015		2014	
	Number of shares	Percentage of holding	Number of shares	Percentage of holding
Gujarat State Investments Limited	15,07,99,905	37.84	15,07,99,905	37.84
Life Insurance Corporation of India	3,11,23,023	7.81	3,17,73,460	7.97
Fidelity Puritan Trust-Fidelity Low priced stock fund	3,15,00,000	7.91	3,04,26,989	7.64

Notes Forming Part of the Financial Statements

3. Reserves and Surplus

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Capital reserve		
Per last balance sheet	1,256.33	1,256.33
Add: Additions during the year	-	-
Less: Deductions during the year	-	-
	1,256.33	1,256.33
Capital redemption reserve		
Per last balance sheet	3,335.00	3,335.00
Add: Additions during the year	-	-
Less: Deductions during the year	-	-
	3,335.00	3,335.00
Securities premium account		
Per last balance sheet	30,524.02	30,524.02
Add: Additions during the year	-	-
Less: Deductions during the year	-	-
	30,524.02	30,524.02
General reserve		
Per last balance sheet	3,47,286.60	3,22,286.60
Add: Transfer during the year from the statement of Profit and Loss	26,000.00	25,000.00
Less: Depreciation adjusted consequent upon implementation of Sch-II of the Companies Act, 2013	2,133.29	-
Less: Deductions during the year	-	-
	3,71,153.31	3,47,286.60
Surplus in the Statement of Profit and Loss		
Opening balance	28,683.25	28,789.98
Add : Profit for the year	40,050.56	34,217.25
	68,733.81	63,007.23
Less : Appropriations		
Transferred to general reserve	26,000.00	25,000.00
Proposed equity dividend (₹ 2.20 per share)	8,766.51	7,969.55
Provision for dividend tax on equity dividend	1,784.65	1,354.43
Closing balance	32,182.65	28,683.25
TOTAL	4,38,451.31	4,11,085.20

4. Long Term Borrowings

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Secured		
Term loan from banks*	19,194.51	22,437.26
TOTAL	19,194.51	22,437.26

Note:

*The term loan from banks comprise of External Commercial Borrowings (ECB) and are secured by pledge on Shares of Karnalyte Resources Inc, Canada. The principal amount of the loan is repayable over a period of six years in annual instalments with the first instalment due in March 2015 and the interest on the loan is repayable in quarterly instalments over the tenure of the loan. The above loan carries interest rates with spread ranging from 175 bps to 190 bps over three months LIBOR. The repayment obligations for these loans have been partially hedged for exchange rate risk and fully hedged for interest rate risk. The loan repayment schedule is as under.

Loan Repayment Schedule	Financial Year	USD Mn
	2015-16	6.67
	2016-17	14.66
	2017-18	8.00
	2018-19	8.00

Notes Forming Part of the Financial Statements

5. Deferred tax liability (net)

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
A] Deferred tax liability		
1. Depreciation	40,086.42	38,926.75
	40,086.42	38,926.75
B] Deferred tax asset		
1. Expenses allowable for tax purpose when paid	7,904.08	8,461.49
2. Provision against receivables, advances and accruals	4,567.71	4,299.04
	12,471.79	12,760.53
C] Net deferred tax liability/(asset) at end of the year (A-B)	27,614.63	26,166.22
D] Net deferred tax liability at the beginning of the year	26,166.22	23,917.60
E] Deferred tax expense for the year	1,448.41	2,248.62

6. Long term provisions

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Provision for employee benefits (Refer Note 31)		
Provision for Gratuity	1,933.46	2,074.69
Provision for Pension	1,937.60	2,167.41
Provision for Leave Encashment	11,039.33	9,816.53
Provision for Post Retirement Medical Benefit Scheme (PRMBS)	2,561.58	2,238.47
TOTAL	17,471.97	16,297.10

7. Short term borrowings

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Secured		
Loans repayable on demand		
From Banks		
Cash credit account *	17,430.13	8,361.40
Unsecured		
Other loans and advances		
Buyers credit and bill discounting facility	33,638.27	44,092.13
TOTAL	51,068.40	52,453.53

* The Cash credit facility from consortium of banks is secured by hypothecation of stock of raw materials, finished products, packing materials, general stores, spares, book debts etc. of the Company.

Notes Forming Part of the Financial Statements

8. Trade payables

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Due to MSMED*	550.07	399.76
Others	34,247.89	57,719.32
TOTAL	34,797.96	58,119.08

* The payments to Micro Small and Medium undertakings have been made within the prescribed time limit/ date agreed upon with supplier and hence no interest is payable for delayed payments. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

9. Other current liabilities

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Current maturities of long term debt	4,172.72	4,006.65
Interest accrued but not due on borrowings	135.84	135.19
Income received in advance	6.98	3.29
Unpaid dividend*	361.19	310.17
Unpaid matured deposits*	5.36	9.10
Deposits received	3,562.07	4,150.48
Statutory dues	8,878.11	6,471.91
Dues to shareholders for fractional bonus shares	18.38	19.53
Subsidies payable	32.82	132.96
Liability towards employee benefits	5,908.23	4,694.98
Creditors for capital goods	1,627.39	7,576.67
Advances from customers	1,812.97	1,329.10
Other payables	1,553.83	2,693.28
TOTAL	28,075.89	31,533.31

* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.

10. Short term provisions

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Provision for employee benefits (Refer note 31)		
Provision for Gratuity	1,366.88	1,707.39
Provision for Leave Encashment	1,895.38	2,175.43
Provision for Pension	2,634.41	3,273.19
Provision for PRMBS	116.46	118.07
Provision-Others		
Provision for taxation	11,748.86	11,879.30
Proposed equity dividend	8,766.51	7,969.55
Dividend tax on proposed equity dividend	1,784.65	1,354.43
TOTAL	28,313.15	28,477.36

Notes Forming Part of the Financial Statements

11. Fixed Assets

(₹ in lakhs)

	Gross Block				Depreciation				Net Block		
	As at 01-Apr-14	Asset Acquisitions	Asset Disposals	As at 31-Mar-15	As at 01-Apr-14	Adjusted/ Written Back	Adj. to retained Earning	For the period	As at 31-Mar-15	As at 31-Mar-15	As at 31-Mar-14
a) Tangible Assets											
Freehold land	551.47	0.00	0.00	551.47	0.00	0.00	0.00	0.00	0.00	551.47	551.47
	551.47	0.00	0.00	551.47	0.00	0.00	0.00	0.00	0.00	551.47	551.47
Leasehold land	32466.50	0.00	0.00	32466.50	451.60	0.00	0.00	367.39	818.99	31647.51	32014.90
	1134.39	31332.11	0.00	32466.50	115.65	0.00	0.00	335.95	451.60	32014.90	1018.74
Buildings	11112.75	740.62	0.00	11853.37	3915.66	0.00	1458.59	462.88	5837.13	6016.24	7197.09
	10498.08	681.51	66.84	11112.75	3688.63	21.07	0.00	248.10	3915.66	7197.09	6809.45
Bridge, culverts, bunders, etc.	0.30	0.00	0.00	0.30	0.10	0.00	0.00	0.02	0.12	0.18	0.20
	0.30	0.00	0.00	0.30	0.10	0.00	0.00	0.00	0.10	0.20	0.20
Roads	1403.71	0.00	0.00	1403.71	1245.32	0.00	52.87	10.05	1308.24	95.47	158.39
	1423.91	0.00	20.20	1403.71	1227.90	5.57	0.00	22.99	1245.32	158.39	196.01
Plant and machinery	411048.92	4639.34	114.26	415574.00	253557.30	108.54	282.41	8150.99	261882.16	153691.84	157491.62
	365887.72	46723.92	1562.72	411048.92	241363.69	1204.54	0.00	13378.15	253557.30	157491.62	124504.03
Furniture and fittings	1683.29	176.54	3.61	1856.22	1246.64	3.10	12.88	81.53	1337.95	518.27	436.65
	1545.01	177.13	38.85	1683.29	1248.36	31.60	0.00	29.88	1246.64	436.65	296.65
Motor Vehicles	441.82	15.37	5.66	451.53	201.59	4.92	3.53	52.34	252.54	198.99	240.23
	435.82	7.38	1.38	441.82	166.15	1.31	0.00	36.75	201.59	240.23	269.67
Railway sidings	1597.70	0.00	0.00	1597.70	1182.91	0.00	45.42	81.28	1309.61	288.09	414.79
	1597.70	0.00	0.00	1597.70	1137.65	0.00	0.00	45.26	1182.91	414.79	460.05
Office equipment	1579.93	273.48	19.19	1834.22	951.66	15.72	259.33	142.64	1337.91	496.31	628.27
	1445.23	164.63	29.93	1579.93	915.33	23.31	0.00	59.64	951.66	628.27	529.90
Computers and Data Processing units	1914.25	111.60	9.50	2016.35	1408.53	3.53	3.29	343.06	1751.35	265.00	505.72
	1868.43	138.56	92.74	1914.25	1369.41	88.26	0.00	127.38	1408.53	505.72	499.02
Laboratory equipment	801.60	76.43	0.00	878.03	354.67	0.00	1.39	57.71	413.77	464.26	446.93
	471.50	340.49	10.39	801.60	344.23	9.01	0.00	19.45	354.67	446.93	127.27
Electrical Installation and Equipment	2647.21	18.93	0.00	2666.14	1977.20	0.00	11.83	78.29	2067.32	598.82	670.01
	2219.68	427.53	0.00	2647.21	1947.39	0.00	0.00	29.81	1977.20	670.01	272.29
Library books	86.31	0.00	0.00	86.31	64.63	0.00	1.75	2.97	69.35	16.96	21.68
	86.50	0.00	0.19	86.31	62.66	0.19	0.00	2.16	64.63	21.68	23.84
Total	467335.76	6052.31	152.22	473235.85	266557.81	135.81	2133.29	9831.15	278386.44	194849.41	200777.95
Previous year	389165.74	79993.26	1823.24	467335.76	253607.15	1384.86	0.00	14335.52	266557.81	200777.95	135558.59
	Gross Block				Amortisation				Net Block		
b) Intangible assets											
Others Acquired:											
Computer software	1336.32	325.35	0.00	1661.67	483.84	0.00	0.00	234.66	718.50	943.17	852.48
	1223.71	112.61	0.00	1336.32	287.95	0.00	0.00	195.89	483.84	852.48	935.76
Total	1336.32	325.35	0.00	1661.67	483.84	0.00	0.00	234.66	718.50	943.17	852.48
Previous year	1223.71	112.61	0.00	1336.32	287.95	0.00	0.00	195.89	483.84	852.48	935.76

Current year figures are in bold

Notes :

- The Company has acquired land through Government and also through direct negotiations. The entire land is in possession of the Company. In respect of portion of land for which the Company has still not received the award/sale deed, the advance paid to land owners have been treated as land. In respect of other portion of land acquired through direct negotiations, compensation has been paid at the negotiated price. The Company also holds possession of a portion of land for which no amount has been paid in absence of receipt of awards.
- The Company has leased a portion of its land to Bank of Baroda for bank premises at Fertilizernagar and Sikka and Gas Authority of India Ltd. (GAIL) for establishment of CNG pumping station.
- Buildings include Rs.0.02 lakh being the value of shares in Co-operative Housing Societies.
- The Company established Sikka Jetty at its own cost, which is in operation since 1987. After due discussion with Gujarat Maritime Board (GMB), a consensus was arrived at establishing ownership of jetty with the Company. Thereafter, in terms of resolution passed by GMB, the ownership of the jetty at Sikka was transferred to the Company. However, during 1994, GMB has reversed its earlier decision not supported by resolution and contended that the ownership of the jetty rests with GMB. The Company has made representation to the appropriate authority with regards to the ownership of the jetty with the Company.

The matter of deciding the status of Jetty was under examination at GMB & Government of Gujarat levels since long back. Various meetings were also held and after due diligence on the matter, it is decided by the Board of GMB supported by a resolution to assign the status of Captive Jetty to sikka jetty and the Company has to sign Captive Jetty Agreement with GMB. The matter is under discussion with GMB authorities. Pending finalization of the Captive Jetty Agreement, no provision is considered necessary in respect of various claims against the Company and counter-claims of the Company (both the amounts not determined). At present the Company is in possession of the Jetty and continues to be the owner of the Jetty pending signing of the Agreement.
- Consequent upon enactment of Schedule-II of the New Company's Act, 2013, the Fixed Assets have been reclassified. In the respect of the fixed assets having completed their useful life, an amount of Rs.2133.29 Lakhs has been adjusted against the opening balance of retained earnings.

Notes Forming Part of the Financial Statements

12. Non-current Investments

(₹ in lakhs)

Particulars	As at 31st March			
	2015		2014	
	Numbers	Amount	Numbers	Amount
I. Trade Investments:				
Investment in equity instruments-fully paid (Unquoted)				
a) Susidiary				
GSFC Agrotech Ltd. - ₹ 10 each	9,99,994	100.00	9,99,994	100.00
b) Associates				
Vadodara Enviro Channel Ltd. - ₹ 10 each (Erstwhile Effluent Channel Project Ltd.)	14,302	-	14,302	-
Gujarat Green Revolution Company Ltd. - ₹ 10 each	12,50,000	125.00	12,50,000	125.00
c) Others				
Indian Potash Limited - ₹ 10 each	11,25,000	60.50	11,25,000	60.50
Gujarat Chemical Port Terminal Co. Ltd. - ₹ 1 each	12,26,31,575	1,226.32	12,26,31,575	1,226.32
Bhavnagar Energy Company Ltd. - ₹ 10 each (Subscribed during the year 3,03,10,000 shares)	5,10,60,000	5,106.00	2,07,50,000	2,075.00
Gujarat State Petroleum Corporation Limited – ₹ 1 each	2,35,00,000	15,010.00	2,35,00,000	15,010.00
GSPC Gas Company Limited – ₹ 10 each	51,00,000	2,510.00	51,00,000	2,510.00
GSPC Distribution Networks Limited– ₹ 10 each	15,00,00,000	15,000.00	15,00,00,000	15,000.00
Tunisian Indian Fertilizers (TIFERT S.A.) - Tunisian Dinar (TND) 10 each	33,75,000	12,024.77	33,75,000	12,024.77
		50,937.59		47,906.59
Investment in equity instruments-fully paid (Quoted)				
Gujarat Narmada Valley Fertilizers & Chemicals Ltd. - ₹ 10 each	3,07,79,167	5,838.81	3,07,79,167	5,838.81
Gujarat Industries Power Company Ltd. - ₹ 10 each	2,23,62,784	3,649.59	2,23,62,784	3,649.59
Gujarat Alkalies & Chemicals Ltd. - ₹ 10 each	16,55,040	827.52	16,55,040	827.52
Kamalyte Resources Inc - Canadian Dollar (CAD) 8.15 each	5,490,306	23,768.70	54,90,306	23,768.70
		34,084.62		34,084.62
Total Trade Investments		85,247.21		82,216.21

(Contd.)

Notes Forming Part of the Financial Statements

12. Non-current Investments (Contd.)

(₹ in lakhs)

Particulars	As at 31st March			
	2015		2014	
	Numbers	Amount	Numbers	Amount
II. Other Investments:				
Investment in equity instruments fully paid				
i) Quoted				
Gujarat State Financial Corporation - ₹ 10 each	9,35,600	187.12	935,600	187.12
Less : Provision for Diminution		187.12		187.12
		-		-
GRUH Finance Limited - ₹ 2 each (Received Bonus shares 5,00,000)	10,00,000	29.50	500,000	29.50
Industrial Development Bank of India - ₹ 10 each	5,49,440	446.42	549,440	446.42
Mangalore Chemicals & Fertilizers Ltd. - ₹ 10 each	5,79,000	38.45	579,000	38.45
		514.37		514.37
ii) Unquoted				
Gujarat Data Electronics Limited - ₹ 10 each	1,15,000	11.50	115,000	11.50
Less : Provision for Diminution		11.50		11.50
		-		-
Gujarat Venture Finance Limited – ₹ 10 each	60,000	6.00	60,000	6.00
Biotech Consortium India Limited – ₹ 10 each	50,000	5.00	50,000	5.00
		11.00		11.00
Total Other Investments		525.37		525.37
TOTAL INVESTMENTS		85,772.58		82,741.58
Aggregate amount of Quoted Investments		34,598.99		34,598.99
Market Value of Quoted Investments		48,268.71		48,158.47
Aggregate amount of Unquoted Investments		51,173.59		48,142.59
Aggregate provision for diminution in value of Investments		198.62		198.62

Notes :

- As one of the promoters of the Gujarat Chemical Port Terminal Company Limited (GCPTCL), the Company has given undertaking to ICICI Bank for not to transfer, assign, dispose off, pledge, charge or create any lien or in any way encumber Company's existing or future shareholding in the GCPTCL in favour of any person so long as money remains due by GCPTCL to ICICI Bank or till the project is duly completed, whichever is later.
- The equity shares held by the Company in Tunisian Indian Fertilizers S.A., Tunisia (TIFERT) have been pledged to secure the obligations of TIFERT to their lenders. During the year, TIFERT has commissioned the phosphoric acid plant and has commenced production. Pursuant to the shareholders' agreement in this respect, the day to day operations have been assumed by the Tunisian partners and the Company has accordingly discontinued the same as Joint venture, and accordingly treating its investments in TIFERT under other Investments as per AS-13 - "Accounting for Investments".
- The Company has consented for the proposed scheme of amalgamation and arrangement between the GSPC Gas Company Limited and GSPC Distribution Networks Limited.
- As a promoter of Bhavnagar Energy Company Limited (BECL), the Company has signed the Sponsors' Support Agreement (SSA) and as per the said Agreement, the promoters collectively shall not, till the final settlement date (being the date on which all obligations under the SSA have been irrevocably and unconditionally paid and discharged in full to the satisfaction of lenders), dispose-off their shareholdings which would result in dilution of their shareholding below 51%.
- The equity shares of Karnalyte Resources Inc., Canada, held by the Company are pledged to secure the Company's long term borrowings from bank.
- For basis of valuation refer Note 1 – Significant accounting policies

Notes Forming Part of the Financial Statements

13. Long term loans and advances

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Secured, considered good		
Loans and advances to employees (housing and vehicles)	5,791.62	5,318.65
Unsecured, considered good		
Capital advances	5,589.95	2,877.21
Deposit with govt.agencies	49.72	99.88
Other deposits	3,740.44	3,640.52
Convertible term loan*	2,555.94	2,555.94
Other advances including loans and advances to employees	561.01	534.80
Advance tax (net of provision)	5,640.17	6,623.92
Unsecured, considered doubtful		
Deposits with companies & others	102.70	102.70
Less: provision for doubtful deposits	102.70	102.70
TOTAL	23,928.85	21,650.92

* the loan of USD 4.65 million is provided to TIFERT with a condition of compulsory conversion in equity shares after three years period. The loan carries interest rate of 12 month LIBOR+225 bps. The principal amount of the convertible term loan and accrued interest thereon will be converted into equity within next 12 Months period.

14. Other non current assets

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Accruals		
Interest accrued but not due- Housing and vehicle loans	3,557.09	3,357.93
Interest accrued but not due- marriage loans, etc	267.51	156.49
Others	15.58	15.58
TOTAL	3,840.18	3,530.00

15. Inventories(at lower of cost and net realisable value)

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Raw materials	18,226.83	13,718.05
Raw materials in Transit	240.70	8,086.17
Work-in-Process	1,877.98	2,915.47
Finished goods	20,445.25	18,692.41
Stock in trade	1,047.80	5,095.31
Stock in trade-in Transit	1,249.76	-
Stores and spares (including packing material)	19,944.49	20,519.61
Stores and spares in transit	129.41	58.23
Loose tools	29.31	34.03
TOTAL	63,191.53	69,119.28

Notes Forming Part of the Financial Statements

16. Trade receivable

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Outstanding for a period exceeding six months from the date they were due for payment (Refer note no.36)		
Secured, considered good	124.17	140.66
Unsecured, considered good	99,990.20	93,931.87
Unsecured, considered doubtful	5,394.75	4,844.27
	1,05,509.12	98,916.80
Less: Provision for doubtful trade receivables	5,394.75	4,844.27
	1,00,114.37	94,072.53
Others		
Secured, considered good	464.76	710.29
Unsecured, considered good	96,657.41	1,03,625.92
	97,122.17	1,04,336.21
TOTAL	1,97,236.54	1,98,408.74

17. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Cash and cash equivalents (as per AS-3 cash flow statement)		
Cash on hand	16.31	17.79
<i>Balances with bank</i>		
In current accounts	3,253.56	11,921.01
In Short term deposits account (original maturity less than three months)	-	15,000.00
Other bank balances:		
In Unpaid dividend account	361.19	310.17
In Fractional bonus account	9.52	10.67
In Deposit accounts (maturity more than three months)	31,858.32	11,379.26
TOTAL	35,498.90	38,638.90

18. Short term loans and advances

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Unsecured, considered good		
Advances to employees	95.98	118.53
Advances to suppliers	6,504.74	7,300.26
Balances with govt. agencies:		
(i) Cenvat	7,028.67	4,381.31
(ii) Vat	440.30	803.70
(iii) Service tax credit receivable	231.44	136.38
Prepaid expenses	516.27	1,549.43
Others	19.26	119.15
TOTAL	14,836.66	14,408.76

19. Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Current maturity of employee loans	1,160.61	1,109.50
Interest accrued	1,631.52	569.20
Interest on employee loans	156.11	177.65
Assets retired from use and held for disposal	308.45	308.45
Others	3,614.20	3,745.85
TOTAL	6,870.89	5,910.65

Notes Forming Part of the Financial Statements

20. Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31st March	
	2015	2014
Revenue from sale of products (Refer note no.-37)		
- Manufactured / Generated products	5,17,970.43	5,55,641.57
- Traded products	39,648.68	14,155.38
Total	5,57,619.11	5,69,796.95
Less : Excise duty	25,162.51	28,547.79
	5,32,456.60	5,41,249.16
Details of sale of products		
Manufactured Products		
Urea	51,199.91	41,398.42
Ammonium Sulphate	52,014.05	43,987.98
Di ammonium Phosphate	1,06,144.98	1,31,942.40
Ammonium Phosphate Sulphate	85,434.38	80,110.44
NPK (12:32:16 and 10:26:26)	4,714.90	8,549.29
Caprolactam	91,373.60	97,467.45
Nylon 6	26,338.97	28,590.08
Melamine	12,802.41	13,920.61
Polymer Products	8,335.52	7,368.57
Nylon Filament Yarn	6,831.26	7,414.54
Other manufactured products	47,617.94	66,344.00
Total Manufactured Products	4,92,807.92	5,27,093.78
Trading Products		
DAP	18,863.23	-
Anone	3,816.09	10,668.76
Methanol	10,357.91	663.87
Melamine	2,296.73	2,010.08
Others	4,314.72	812.67
Total Trading Products	39,648.68	14,155.38
Total (Manufactured+Traded)	5,32,456.60	5,41,249.16

21. Other income

(₹ in lakhs)

Particulars	Year ended 31st March	
	2015	2014
Interest on: (gross)		
Deposits	2,706.18	2,942.61
Advances	438.88	392.55
Others	1,177.36	3,846.78
Dividend from long term investments		
Trade	1,835.02	1,890.89
Others	24.36	43.56
Others		
Rent	90.47	66.13
Insurance claims	56.92	37.78
Profit on sale of fixed assets	0.05	-
Excess provision no longer required	2,495.93	1,608.89
Miscellaneous	1,368.44	1,624.53
TOTAL	10,193.61	12,453.72

Notes Forming Part of the Financial Statements

22. Cost of material consumed

(₹ in lakhs)

Particulars	Year ended 31st March	
	2015	2014
Raw Materials		
Opening stock	21,804.22	20,616.85
Add: Purchases	2,89,647.30	3,12,313.36
Less: Closing stock	18,467.53	21,804.22
TOTAL	2,92,983.99	3,11,125.99
Materials consumed comprise:		
Rock Phosphate	19,657.20	18,264.98
Sulphur	22,216.71	16,547.25
Gas	64,164.26	65,402.17
Benzene	66,073.19	74,419.25
Ammonia	30,921.95	35,155.86
Phosphoric Acid	76,145.10	89,088.82
MEK	2,832.32	3,471.67
Acetone	2,071.36	2,548.34
Others	8,901.90	6,227.65
TOTAL	2,92,983.99	3,11,125.99

23. Purchase of stock in trade

(₹ in lakhs)

Particulars	Year ended 31st March	
	2015	2014
DAP	15,702.56	-
Anone	-	13,211.95
Methanol	11,575.99	-
Melamine	3,014.74	1,651.24
Others	3,168.50	2,982.91
TOTAL	33,461.79	17,846.10

Notes Forming Part of the Financial Statements

24. Changes in inventory of finished goods, work in process and stock in trade

(₹ in lakhs)

Particulars	Year ended 31st March	
	2015	2014
Opening stock		
Finished products	18,692.41	19,848.60
Stock in trade	5,095.31	2,480.49
Work-in-process	2,915.47	2,725.13
	26,703.19	25,054.22
Less: Closing stock		
Finished products*	20,445.25	18,692.41
Stock in trade	2,297.56	5,095.31
Work-in-process	1,877.98	2,915.47
	24,620.79	26,703.19
(Increase) / Decrease	2,082.40	(1,648.97)
*Details of Inventory of finished goods		
Fertilizers	11,124.66	4,793.39
Caprolactam	2,592.68	5,367.53
Ammonia	2,093.41	613.27
Nylon 6	186.01	478.59
Methanol	457.05	1,687.87
Melamine	38.52	29.63
Others	3,952.92	5,722.13
TOTAL	20,445.25	18,692.41

25. Employee benefit expenses

(₹ in lakhs)

Particulars	Year ended 31st March	
	2015	2014
Salaries, wages, bonus	28,981.31	26,533.02
Contribution to provident, gratuity and superannuation (pension) funds (including provisions)	3,783.76	1,500.17
Staff Welfare expenses	5,967.70	5,410.06
TOTAL	38,732.77	33,443.25

26. Finance costs

(₹ in lakhs)

Particulars	Year ended 31st March	
	2015	2014
Interest		
- borrowings	1,387.48	3,533.47
- others	122.42	506.68
Other borrowing cost	290.87	473.65
TOTAL	1,800.77	4,513.80

Notes Forming Part of the Financial Statements

27. Other expenses

(₹ in lakhs)

Particulars	Year ended 31st March	
	2015	2014
Consumption of stores and spare parts	7,601.15	14,939.93
Water	2,060.30	1,724.35
Packing expenses	8,161.53	7,545.54
Repairs to buildings	336.40	404.79
Repairs to machinery	5,618.46	4,757.90
Other repairs	752.78	857.78
Insurance	950.41	1,036.71
Rent, rates and taxes (excluding income taxes)	132.13	151.97
Excise duty (net)	(699.92)	292.21
Product transportation, distribution & loading & unloading charges	18,112.55	18,951.81
Depots and farm information centers expenses	1,487.23	1,911.86
Marketing expense reimbursement, demonstration, extension services and publicity etc.	417.54	692.57
Cash rebate on sales	1,342.49	2,647.25
Variation in exchange rates	2,505.66	6,022.67
Premium on forward contract	735.28	2,634.74
Directors Sitting Fees	6.80	2.85
Auditors' remuneration *	63.85	64.31
Cost auditors' fees	4.79	4.85
Research and development expenses	42.89	14.96
Loss on fixed assets sold/discarded	15.91	432.41
Provision for doubtful debts/advances	550.68	152.72
Donations and contributions	1,177.95	269.77
Miscellaneous	5,914.68	5,927.05
TOTAL	57,291.54	71,441.00
*Auditors' remuneration		
Payment to Statutory Auditors as:		
Auditors	16.31	15.46
(including Statutory audit fees & Limited review fees)		
For Taxation matters	37.17	41.91
For other services (including certification)	10.10	6.21
For Reimbursement of expenses	0.27	0.73
	63.85	64.31
Payment to Cost Auditors		
Cost auditors' fees	4.79	4.85

Notes Forming Part of the Financial Statements

28. Earnings per Share (EPS)

Particulars	Year ended 31st March	
	2015	2014
Profit for the Year (₹ in lakhs)	40,050.56	34,217.25
Weighted average number of Equity Shares for Basic EPS [nos.]	39,84,77,530	39,84,77,530
Weighted average number of Equity Shares including Potential Equity Shares for Diluted EPS [nos.]	39,84,77,530	39,84,77,530
Basic EPS (₹)	10.05	8.59
Diluted EPS (₹)	10.05	8.59
Nominal Value per Share (₹)	2.00	2.00

29. Contingent Liabilities

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Claims against the Company not acknowledgement as debt		
(i) Excise Duty	4,404	4,454
(ii) Central Sales Tax and Value Added Tax	4,309	3,076
(iii) Income Tax	2,904	3,965
(iv) Other Claims by :		
- Statutory Corporations	1,122	3,826
- Department of Fertilizers, total amount not quantifiable, demands stayed, matter pending with High Courts	Refer note no.36	Refer note no.36
- Employees/ex-employees, contractual labour - pending before courts	Not ascertainable	Not ascertainable
It is not practicable for the Company to estimate the timings of cash flow, if any, in respect of the above.		
Guarantees		
The Company has provided sponsor's Guarantee towards the borrowing of Tunisian Indian Fertilizers S.A., Tunisia (TIFERT) upto 15% of the amount due and outstanding	32,391	31,102

30. Commitments

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	59,661	36,584

Notes Forming Part of the Financial Statements

31. Employees Benefits

a) The Company operates post employment and other long term employee benefits defined plans as follows:

- | | | | |
|-----|----------|-----|--|
| I | Funded | II | Unfunded |
| i. | Gratuity | i. | Leave Encashment Benefit |
| ii. | Pension | ii. | Post Retirement Medical Benefit Scheme (PRMBS) |

b) Defined contribution plans:

Amount towards Defined Contribution Plans have been recognised under "Contributions to Provident, Gratuity and Superannuation Fund (pension) Funds (including provisions)" in Note:25 Rs 1873.98 lakhs (2013-14 Rs 1751.76 lakhs)

c) Details of funded & unfunded plans are as follows :

(₹ in lakhs)

Description	2014-15 2013-14		2014-15 2013-14	
	Pension		Gratuity	
1. Changes in Present Value of obligation				
a. Obligation as at the beginning of the year	35506.00	36420.46	20835.98	20608.59
b. Current Service Cost	436.71	1639.58	925.49	896.76
c. Interest Cost	2840.48	2913.64	1675.18	1648.68
d. Actuarial (Gain)/Loss	534.77	(1573.72)	(460.73)	(303.78)
e. Benefits Paid	(3609.96)	(3893.96)	(1903.47)	(2014.25)
f. Obligation as at the end of the year	35708.00	35506.00	21072.45	20836.00
The defined benefit obligation as at 31.03.2015 is	Funded	Funded	Funded	Funded
2. Changes in Fair Value of Plan Assets				
a. Fair Value of Plan Assets as at the beginning of the year	30065.39	28729.63	17053.92	16392.28
b. Expected return on Plan Assets	2530.75	2677.31	1435.24	1530.78
c. Actuarial Gain/(Loss)	-	-	-	-
d. Contributions	2149.81	2552.41	1186.42	1145.11
e. Benefits Paid	(3609.96)	(3893.96)	(1903.47)	(2014.25)
f. Fair Value of Plan Assets as at the end of the year	31135.99	30065.39	17772.11	17053.92
3. Amount Recognised In The Balance Sheet				
a. Fair Value of Plan Assets as at the end of the year	31135.99	30065.39	17772.11	17053.92
b. Present Value of Obligation as at the end of the year	(35708.00)	(35506.00)	(21072.45)	(20836.00)
c. Amount recognised in the Balance Sheet	(4572.01)	(5440.61)	(3300.34)	(3782.08)
4. Expense recognised during the year				
a. Current Service Cost	436.71	1639.58	925.49	896.76
b. Interest Cost	2840.48	2913.64	1675.18	1648.68
c. Expected return on Plan Assets	(2530.75)	(2677.31)	(1435.24)	(1530.78)
d. Actuarial (Gain)/Loss	534.77	(1573.72)	(460.73)	(303.78)
e. Expense recognised during the year	1281.21	302.19	704.70	710.88
5. Investment Details of Plan Assets				
Administered by LIC of India	100%	100%	100%	100%
6. Assumptions	31.3.2015	31.3.2014	31.3.2015	31.3.2014
a. Discount Rate (per annum)	8%	8%	8%	8%
b. Estimated Rate of return on Plan Assets (per annum)	9.15%	9.50%	9.25%	9.50%

(Contd.)

Notes Forming Part of the Financial Statements

31. Employees Benefits (Contd.)

(c) Details of funded & unfunded plans :

(₹ in lakhs)

Description	2014-15	2013-14	2014-15	2013-14
	Leave Encashment		PRMBS	
1. Changes In Present Value of the defined benefit obligation				
a. Obligation as at the beginning of the year	11991.96	12781.59	2356.54	2144.92
b. Current Service Cost	2400.58	849.62	693.89	500.39
c. Actuarial (Gain)/Loss	335.69	332.00	0.00	0.00
d. Benefits Paid	(1793.52)	(1971.25)	(372.39)	(288.77)
e. Obligation as at the end of the year	12934.71	11991.96	2678.04	2356.54
The defined benefit obligation as at 31.03.2015 is	Unfunded	Unfunded	Unfunded	Unfunded
2. Amount Recognised In The Balance Sheet				
a. Fair Value of Plan Assets as at the end of the year	--	--	--	--
b. Present Value of Obligation as at the end of the year	(12934.71)	(11991.96)	(2678.04)	(2356.54)
c. Amount recognised in the Balance Sheet	(12934.71)	(11991.96)	(2678.04)	(2356.54)
3. Expense recognised during the year				
a. Current Service Cost	2400.58	849.74	693.89	500.39
b. Actuarial (Gain)/Loss	335.69	331.87	0.00	0.00
c. Expense recognised during the year	2736.27	1181.61	693.89	500.39
The expense is disclosed in Note No. 25 - "Employee Benefit Expenses", Pension & Gratuity are disclosed in line item - Contribution to Provident Fund, and provision to Gratuity, Superannuation (Pension) Funds,. Leave Encashment is disclosed in line item - Salaries, Wages and Bonus and PRMBS is disclosed in line item - Welfare Expenses				
4. Assumptions :	31.03.2015	31.03.2014	31.03.2015	31.03.2014
a. Discount Rate (per annum)	7.95% to 8.04%	8% to 9.25%	7.95%	9.27%
b. Estimated Rate of return on Plan Assets (per annum)	N.A.	N.A.	N.A.	N.A.
c. The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.				
d. Provident Fund contributions are made to Trusts administered by the Company. The interest rate payable to the members of the Trusts shall not be lower than the statutory rate of interest declared by the Central Government under the Employees provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Having regard to the assets of the Fund managed by the Trusts and the return on the investments, the Company does not expect any deficiency in the foreseeable future.				
5. Effect of one percentage point change in the assumed medical inflation rate-Benefit Obligation				
a. One percentage point increase in medical inflation rate				2899.89
b. One percentage point decrease in medical inflation rate				2485.62

Notes Forming Part of the Financial Statements

31. Employees Benefits (Contd.)

d) Amount for current and previous four years is as follow.

(₹ in lakhs)

Pension	2014-15	2013-14	2012-13	2011-12	2010-11
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
1 Present Value of Defined Benefit Obligation	35708	35506	36420.46	34361.24	29040.97
2 Fair Value of Plan Assets	31135.98	30065.39	28729.63	28476.54	18464.26
3 Status [Surplus/(Deficit)]	(4,572.02)	(5,440.61)	(7,690.83)	(5,884.70)	(10,576.71)
4 Experience Adjustment of Plan Assets [Gain/(Loss)]	-	-	-	-	-
5 Experience Adjustment of obligation [(Gain)/Loss]	534.77	(1,573.72)	2,121.48	5,175.99	(2,328.01)
Gratuity	2014-15	2013-14	2012-13	2011-12	2010-11
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
1 Present Value of Defined Benefit Obligation	21072.46	20835.98	20608.60	18565.66	16288.53
2 Fair Value of Plan Assets	17772.13	17053.92	16392.27	16264.54	15506.74
3 Status [Surplus/(Deficit)]	(3,300.33)	(3,782.06)	(4,216.33)	(2,301.12)	(781.79)
4 Experience Adjustment of Plan Assets [Gain/(Loss)]	-	-	-	-	-
5 Experience Adjustment of obligation [(Gain)/Loss]	(460.73)	(303.78)	1897.77	1640.2	670.85
Leave Encashment	2014-15	2013-14	2012-13	2011-12	2010-11
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
1 Present Value of Defined Benefit Obligation	12934.7	11991.95	12781.49	11972.49	9834.41
2 Fair Value of Plan Assets	-	-	-	-	-
3 Status [Surplus/(Deficit)]	(12,934.70)	(11,991.95)	(12,781.49)	(11,972.49)	(9,834.41)
4 Experience Adjustment of Plan Assets [Gain/(Loss)]	-	-	-	-	-
5 Experience Adjustment of obligation [(Gain)/Loss]	335.69	332.00	-	-	1444.94
PRMBS	2014-15	2013-14	2012-13	2011-12	2010-11
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
1 Present Value of Defined Benefit Obligation	2678.04	2356.54	2144.92	1941.17	1881.5
2 Fair Value of Plan Assets	-	-	-	-	-
3 Status [Surplus/(Deficit)]	(2,678.04)	(2,356.54)	(2,144.92)	(1,941.17)	(1,881.50)
4 Experience Adjustment of Plan Assets [Gain/(Loss)]	-	-	-	-	-
5 Experience Adjustment of obligation [(Gain)/Loss]	-	-	44	-182	-161

Notes Forming Part of the Financial Statements

32. Segment Information

(₹ in lakhs)			(₹ in lakhs)		
Particulars	For the year ended on 31.03.2015	For the year ended on 31.03.2014	Particulars	For the year ended on 31.03.2015	For the year ended on 31.03.2014
i) PRIMARY SEGMENT INFORMATION :					
A] SEGMENT REVENUE :					
1. Total Segment Revenue :			6. Total Liabilities	206536.53	231914.20
a) Fertilizer Products	328815.64	312668.00	7. Capital Expenditure :		
b) Industrial Products	203640.96	228581.16	a) Fertilizer Products	2178.71	2066.86
TOTAL	532456.60	541249.16	b) Industrial Products	6988.88	6568.77
2. Inter Segment Revenue	0.00	0.00	c) Corporate Capital Expenditure	4547.20	19739.26
3. External Revenue (1-2) :			TOTAL	13714.79	28374.89
a) Fertilizer Products	328815.64	312668.00	8. Depreciation :		
b) Industrial Products	203640.96	228581.16	a) Fertilizer Products	6249.73	9927.45
TOTAL	532456.60	541249.16	b) Industrial Products	3581.21	4277.24
B] RESULT :			c) Unallocated Corporate Depreciation	234.87	326.72
1. Segment Result :			TOTAL	10065.81	14531.41
a) Fertilizer Products	37911.15	17958.19	9. Non-Cash Expenses :		
b) Industrial Products	18622.92	28954.89	a) Fertilizer Products	3658.72	669.56
TOTAL	56534.07	46913.08	b) Industrial Products	2654.69	2178.21
2. a) Unallocated Income	8533.93	10944.19	c) Unallocated non-cash expenses	0.49	0.00
b) Unallocated Expenses	-5876.17	-3802.10	TOTAL	6313.90	2847.77
3. Operating Profit (B1+B2)	59191.83	54055.17			
4. Finance Cost	-1800.77	-4513.80	ii) SECONDARY SEGMENT INFORMATION :		
5. Provision for Taxation :			The Company operates mainly in Indian market and there are no reportable geographical segments.		
Current Income Tax	-15892.09	-13075.50			
Deferred Tax (net)	-1448.41	-2248.62	iii) OTHER DISCLOSURES :		
6. Net Profit	40050.56	34217.25	1. The Products and Services covered under each business segment are as under :		
OTHER INFORMATION :			Fertilizer Products :		
1. Segment Assets :			Urea, Ammonium Sulphate, Di-ammonium Phosphate, Ammonium Phosphate Sulphate, NPK (12:32:16)(10:26:26), traded fertilizer products etc.		
a) Fertilizer Products	327847.96	305497.73	Industrial Products :		
b) Industrial Products	146307.11	168455.10	Caprolactam, Nylon-6, Nylon Filament Yarn, Nylon Chips, Melamine, Methanol, Polymer products, traded industrial products etc.		
TOTAL	474155.07	473952.83			
2. Unallocated Corporate Assets	178802.32	180585.78			
3. Total Assets	652957.39	654538.61			
4. Segment Liabilities :					
a) Fertilizer Products	44845.09	54756.30			
b) Industrial Products	36716.28	40731.20			
TOTAL	81561.37	95487.50			
5. Unallocated Corporate Liabilities	124975.16	136426.70			

Notes Forming Part of the Financial Statements

33. Related Party Transactions

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

1. Relationship :
 - (a) Subsidiary Company : GSFC Agrotech Ltd.
 - (b) Associate Company :
 - (i) Vadodara Enviro Channel Ltd.
(Erstwhile Effluent Channel Project Ltd.)
 - (ii) Gujarat Green Revolution Company Ltd.
 - (c) Key Managerial Personnel and their relatives:
 - (i) Shri Atanu Chakraborty -
Managing Director up to 31/10/2014
 - (ii) Dr. S K Nanda - Chairman cum Managing
Director w.e.f. 01/11/2014
 - (iii) Shri V D Nanavaty - Sr VP (Finance) & CFO
 - (iv) Shri V V Vachharajani-
Company Secretary & VP (Legal)
 - (d) Others : GSFC Education Society
2. Details of transactions with related parties :
 - (i) Details relating to parties referred to in 1(a) above:

(₹ in lakhs)			
Sr. No.	Nature of Transaction	Value for FY 2014-15	Value for FY 2013-14
1	Purchase of goods	1567.58	843.10
2	Sale of materials	2.58	226.50
3	Sale of fixed assets	0.00	5.62
4	Commission income	67.04	35.65
5	Rent receipt	13.79	10.70
6	Reimbursement of expenses	290.04	220.04
7	Outstanding balance	561.54	419.42

- (II) Details relating to parties referred to in 1(b) above: (₹ in lakhs)

(i) Vadodara Enviro Channel Ltd.		
1. Usage of effluent channel	288.91	241.55
2. Advances given	35.40	15.00
3. Outstanding balance	25.20	15.00
(ii) Gujarat Green Revolution Company		
1. Reimbursement of expenses	124.42	98.33
2. Dividend received	6.25	-
3. Outstanding balance	201.34	90.05

- (III) Details relating to parties referred to in 1(c) above: (₹ in lakhs)

1. Remuneration to		
(i) Managing Director	16.94	18.64
(ii) Chairman cum Managing Director	10.87	-
(iii) Sr VP (Finance) & CFO	26.13	27.20
(iv) Company Secretary & VP (Legal)	21.44	8.79

- (IV) Details relating to parties referred to in 1(d) above: (₹ in lakhs)

1. Donations given	948.31	72.92
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34. Other Disclosures

(₹ in lakhs)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
C.I.F. Value of Imports		
Raw Materials	102106.00	119605.68
Spare Parts	1150.40	5367.64
Stock in trade	31227.17	17826.79
Capital Goods	582.91	4035.82
Expenditure in Foreign Currency		
Interest	650.38	954.40
Technical Assistance / Know-how	434.95	2653.84
Others	153.24	77.17
Remittance of dividend in Foreign Currency	-	-
Earnings in Foreign currency		
F.O.B.value of Exports	4129.63	4651.92

Value of Imported and Indigenous Raw Materials and Spare Parts consumed and percentage thereof to total consumption

	For the year ended 31st March 2015		For the year ended 31st March 2014	
	₹ lakhs	%	₹ lakhs	%
Raw Materials				
Imported	116551.70	39.78	131932.67	42.40
Indigenous	176432.30	60.22	179193.32	57.60
	292984.00	100.00	311125.99	100.00
Spare Parts				
Imported	352.95	13.91	3887.01	59.06
Indigenous	2184.50	86.09	2694.38	40.94
	2537.45	100.00	6581.39	100.00

Balance of certain creditors and debtors / advances are subject to confirmation / reconciliation and consequential adjustments, if any.

Resrch & Development Expenses

	For the year ended 31st March 2015	For the year ended 31st March 2014
Capital*	27.91	19.83
Recurrirg**	862.26	697.47
Total	890.17	717.29
*Capital Expenses included in Fixed Asset Note No. 11	27.91	19.83
**Recurring Expenses included in		
Note No. 25 Employee Benefit expenses	799.63	664.57
Note No. 27 Other expenses	62.63	32.90

Notes Forming Part of the Financial Statements

35. Details on derivative instruments and unhedged foreign currency exposures

- (a) Forward exchange contracts and options (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.
- (i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2015

Currency	Amount (in Mn)	Buy/Sell	Cross currency
USD	0.77	Buy	Rupees
USD	(79.3)	Buy	Rupees

Note: Figures in brackets relate to the previous year

(ii) Outstanding option contracts entered into by the Company as on 31st March, 2015 :

Currency	Amount (in Mn)	Buy/Sell	Cross currency
USD	47.51	Buy	Rupees
USD	(53.69)	Buy	Rupees
USD	47.51	Sell	Rupees
USD	(53.69)	Sell	Rupees

Note: Figures in brackets relate to the previous year

- (b) Interest rate swaps to hedge against fluctuations in interest rate changes: No. of contracts:2, Amount: 37.33 Mn USD Principal (As at 31 March, 2014 :No of contracts 2, Amount :44 Mn USD Principal)
- (c) Currency Futures (other than forward exchange contracts stated above) which are not intended for trading or speculative purposes but for hedge purposes to hedge against fluctuations in changes in exchange rate.

Currency	Amount (in Mn)	Buy/Sell	Cross currency
USD	47.50	Buy	Rupees
USD	(10.00)	Buy	Rupees

Note: Figures in brackets relate to the previous year

- II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise, represented in equivalent USD: USD 7.08 Mn (As at March 31, 2014: : USD 4.87 Mn)

36. Government Grants and Subsidies

(₹ in lakhs)

	2014-15	2013-14
Revenue from Operations (Note-20) includes :		
Subsidy from Government of India under Retention Price Scheme and Nutrient Based Subsidy Scheme:		
Pertaining to current year	1,26,706	1,26,428
Pertaining to earlier years determined during current year	3,124	790
	As at 31.03.2015	As at 31.03.2014
Trade Receivable (Note-16) includes :		
Subsidy from Government of India under Retention Price Scheme and Nutrient Based Subsidy Scheme*:		
Outstanding for a period exceeding six months from due date	98,097	1,07,683
Outstanding for a period not exceeding six months from due date	48,449	4,875

*The above amount includes outstanding subsidy on Ammonium Sulphate fertilizer Rs 65539 lakhs (previous year Rs 47636 lakhs), pending finality of matter in the court.

37. Previous Year's Figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosures.

Signatures to Notes 1 to 37 forming the part of the Financial Statements 2014-15.

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117364W

Gaurav J. Shah
Partner
Membership No. 35701

New Delhi
14th May, 2015

Dr. S K Nanda
Chairman & Managing Director

D. C. Anjaria
Ajay Shah
Vijai Kapoor
Geeta Goradia
Directors

New Delhi
14th May, 2015

V. D. Nanavaty
Sr. VP (Finance) & CFO
V. V. Vachhrajani
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report

To the Members of Gujarat State Fertilizers & Chemicals Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and associates, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 794.00 lakhs as at 31st March, 2015, total revenues of Rs. 6.74 lakhs and net cash flows amounting to Rs. 130.93 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

Independent Auditors' Report (Contd.)

- (b) The consolidated financial statements also include the Group's share of net profit of Rs. 857.05 lakhs for the year ended on 31st March, 2015, as considered in the consolidated financial statements, in respect of two associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.
- (c) In respect of investment in one associate valued at Rs. Nil in the financial statements of the Company, no adjustments have been made in the consolidated financial statements as at 31 st March, 2015 as the financial statements of this associate were not available.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements,
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates - Refer Note 29 to the consolidated financial statements.
 - ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There is no amount, which is required to be transferred, to the Investor Education and Protection Fund by the Subsidiary company and associate companies.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 117364W

Gaurav J Shah
Partner

Membership No. 35701

Place : New Delhi
Date : May 14, 2015

Annexure to the Independent Auditors' Report on the Consolidated Financial Statements

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

Our reporting on the Order includes one subsidiary company, incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of this entity is based solely on the report of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

In respect of two associate companies incorporated in India, which have been included in the consolidated financial statements based on unaudited financial statements / financial information of such entities provided to us by the Management, whilst in our opinion, and according to the information and explanations given to us, reporting under the Order is applicable in respect of these entities, since these entities are unaudited, the possible effects of the same on our reporting under the Order in the case of these consolidated financial statements has not been considered.

- (i) In respect of its fixed assets of the Holding Company and subsidiary company incorporated in India:
 - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a regular programme of verification which, in our opinion and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us and the other auditors, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories of the Holding Company and subsidiary company incorporated in India:
 - (a) As explained to us, and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
 - (b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - (c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on verification.
- (iii) The Holding Company and subsidiary company incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company and subsidiary company incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our and the other auditors audit no continuing failure to correct major weaknesses in such internal control system has been observed.
- (v) In our opinion and according to the information and explanations given to us, the Holding Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

According to the information and explanations given to other auditors, the Subsidiary Company incorporated in India has not accepted any deposit during the year. Further there is no unclaimed deposit at the year end.
- (vi) According to the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the Holding Company and subsidiary company incorporated in India have, *prima facie*, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013. Neither we nor the other auditors have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues the Holding Company and subsidiary company incorporated in India:
 - (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employee State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.
 - (b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employee State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

Annexure to the Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

- (c) Details of dues of Income-tax, Sales Tax, Service Tax and Excise Duty which have not been deposited as on 31st March, 2015 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Lakhs)#
Income Tax Act, 1961	Income Tax	Upto Income Tax Appellate Tribunal	F.Y. 1991-92 & FY 2006- 07	122.52
Gujarat Value Added Tax Act, 2003	Gujarat Value Added Tax	Jt/DyCommissioner of Commercial Tax	Various years from 2006-07 to 2010-11	1,318.75
Central Sales Tax Act, 1956	Central Sales Tax	Gujarat Commercial Tax Tribunal	Various years from 2006-07 to 2010-11	2,579.92
Central Excise Act, 1944	Excise Duty	High Court	Various years from 1985-86 to 2014-15	1,721.06
		UptoCESTAT		853.69

excluding interest & penalty

- (d) The Holding Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- With respect to subsidiary company as mentioned by the other auditor, there are no amounts that are due to be transferred by the Subsidiary Company to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The Group and its associates does not have consolidated accumulated losses at the end of the financial year and the Group and its associates have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Holding Company has not defaulted in the repayment of dues to banks and financial institution. In the opinion of other auditors and according to information and explanations given other auditors, the subsidiary company has not borrowed any money from banks and financial institution during the year. The Holding Company and subsidiary Company have not issued any debentures.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Holding Company incorporated in India for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Holding Company.
- According to the information and explanations given to us, subsidiary company incorporated in India has not given guarantees for loans taken by others from banks and financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Holding Company incorporated in India during the year for the purposes for which they were obtained.
- In our opinion and according to the information and explanations given to us, the subsidiary company neither took nor utilized any term loan during the year.
- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company and its subsidiary company incorporated in India and no material fraud on the Holding Company and its subsidiary company incorporated in India has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 117364W

Gaurav J Shah
Partner
Membership No. 35701

Place : New Delhi
Date : May 14,2015

Consolidated Balance sheet as at 31st March, 2015

(₹ in lakhs)

		Note	As at 31st March	
			2015	2014
A. EQUITY AND LIABILITIES				
1. Shareholders' Funds				
(a)	Share capital	2	7,969.55	7,969.55
(b)	Reserves and surplus	3	442,568.71	414,303.82
			450,538.26	422,273.37
2. Non-current liabilities				
(a)	Long term borrowings	4	19,194.51	22,437.26
(b)	Deferred tax liabilities (Net)	5	27,615.01	26,165.61
(c)	Long term provisions	6	17,471.97	16,297.10
			64,281.49	64,899.97
3. Current liabilities				
(a)	Short term borrowings	7	51,068.40	52,453.53
(b)	Trade payables	8	35,353.64	58,592.12
(c)	Other current liabilities	9	28,169.24	31,571.61
(d)	Short term provisions	10	28,313.15	28,477.36
			142,904.43	171,094.62
TOTAL			657,724.18	658,267.96
B. ASSETS				
1. Non-current assets				
(a)	Fixed assets			
(i)	Tangible assets	11	194,860.34	200,784.24
(ii)	Intangible assets	11	953.20	863.70
(iii)	Capital work-in-progress		26,124.11	18,595.71
(b)	Non-current investments	12	89,791.51	85,903.46
(c)	Long term loans and advances	13	23,929.05	21,651.12
(d)	Other non current assets	14	3,840.18	3,530.00
			339,498.39	331,328.23
2. Current assets				
(a)	Inventories	15	63,401.80	69,364.44
(b)	Trade receivable	16	197,236.54	198,408.74
(c)	Cash and cash equivalents	17	35,836.35	38,845.43
(d)	Short term loans and advances	18	14,875.48	14,410.47
(e)	Other current assets	19	6,875.62	5,910.65
			318,225.79	326,939.73
TOTAL			657,724.18	658,267.96
See accompanying notes forming part of consolidated financial statements				

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Firm Registration No. 117364W

Gaurav J. Shah

Partner

Membership No. 35701

New Delhi
14th May, 2015

Dr. S K Nanda

Chairman & Managing Director

D. C. Anjaria

Ajay Shah

Vijai Kapoor

Geeta Goradia

Directors

New Delhi
14th May, 2015

V. D. Nanavaty

Sr. VP (Finance) & CFO

V. V. Vachhrajani

Company Secretary

Consolidated Statement of Profit & Loss for the period ended 31st March, 2015

(₹ in lakhs)

	Note	Year Ended 31st March	
		2015	2014
I Income			
Revenue from operations			
Sales (Gross)	20	557,619.11	569,796.95
Less: Excise duty		25,162.51	28,547.79
Net Sales		532,456.60	541,249.16
Other income	21	10,119.52	12,422.30
Total revenue		542,576.12	553,671.46
II Expenses			
Cost of materials consumed	22	293,225.28	311,198.37
Purchase of stock in trade	23	32,444.04	17,321.03
Changes in inventories of finished goods, work in process and stock in trade	24	2,145.84	(1803.38)
Power and Fuel		48,854.41	52,928.17
Employee benefit expenses	25	38,986.45	33,582.72
Finance cost	26	1,800.77	4,513.80
Depreciation and amortization expense	11	10,067.62	14,531.97
Other expenses	27	57,578.44	71,776.04
Total Expenses		485,102.85	504,048.72
III Profit before exceptional items and tax (I-II)		57,473.27	49,622.74
IV Exceptional items			
V Profit before tax (III-IV)		57,473.27	49,622.74
VI Tax expense			
Current tax		15,931.58	13,091.92
Deferred tax	5	1449.40	2248.01
VII Profit for the year		40,092.29	34,282.81
VIII Share of profit of Associates		857.05	658.91
IX Profit after tax and share of profit of Associates (VII+VIII)		40,949.34	34,941.72
Basic and Diluted Earnings per equity share ₹	28	10.06	8.60
Nominal value per share ₹		2.00	2.00
See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117364W

Gaurav J. Shah
Partner
Membership No. 35701

New Delhi
14th May, 2015

Dr. S K Nanda
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14th May, 2015

V. D. Nanavaty
Sr. VP (Finance) & CFO
V. V. Vachhrajani
Company Secretary

Consolidated Cash Flow Statement for the year ended 31 March, 2015

(₹ in lakhs)

	As at 31st March	
	2015	2014
A Cash Flow From Operating Activities :		
Profit Before Tax	57,473.27	49,622.74
Adjustments for :		
Depreciation and amortisation expense	10,067.62	14,531.97
Finance cost	1,800.77	4,513.80
Interest received	(2,706.18)	(2,942.62)
Loss on fixed assets sold/written off	15.91	432.41
Profit on sale of fixed assets	(0.05)	0.00
Income from investments	(1,859.38)	(1,934.45)
Provision for doubtful debts/advances	550.68	152.72
Operating Profit before Working Capital Changes	65,342.64	64,376.57
Changes in working capital:		
Inventories	5,962.64	(581.01)
Trade receivables and loans and advances	(3,317.99)	91,317.22
Trade payables, other current liabilities & provision	(26,944.67)	16,538.37
Cash Generated from/ (used in) Operations	41,042.62	1,71,651.15
Direct taxes paid	(15,078.27)	(14,146.38)
Net Cash Flow From/ (used in) Operating Activities	25,964.35	1,57,504.77
B Cash Flow From Investing Activities :		
Purchase of fixed assets	(13,911.34)	(29,074.96)
Sale of fixed assets	0.56	(1,213.96)
Purchase of investments	(3,031.00)	(15,500.00)
Interest received	1,643.86	2,565.30
Dividend received	1,859.38	1,934.45
Net Cash Flow from/ (used in) Investing Activities	(13,438.54)	(41,289.17)
C Cash Flow From Financing Activities		
Gross repayment of long term borrowings	(3,076.68)	(5,500.68)
Net increase/(decrease) in cash credit/buyers credit	(1,385.13)	(22,731.03)
Gross proceeds from short term borrowings	10,000.00	70,000.00
Gross repayment of short term borrowings	(10,000.00)	(1,21,393.95)
Finance cost	(1,800.12)	(4,852.51)
Dividend paid	(7,918.53)	(7,929.35)
Tax on dividend paid	(1,354.43)	(1,354.43)
Net Cash Flow from/ (used in) Financing Activities	(15,534.89)	(93,761.95)
Net Increase/ (Decrease) in Cash & Cash Equivalents	(3,009.08)	22,453.65
Cash and Cash Equivalents as at the beginning of the year	38,845.43	16,391.78
Cash and Cash Equivalents as at end of the year	35,836.35	38,845.43
See accompanying notes forming part of the consolidated financial statements		

Note: The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 "Cash Flow Statements".

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117364W

Gaurav J. Shah
Partner
Membership No. 35701

New Delhi
14th May, 2015

Dr. S K Nanda
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Directors

New Delhi
14th May, 2015

V. D. Nanavaty
Sr. VP (Finance) & CFO
V. V. Vachhrajani
Company Secretary

Notes to the Consolidated Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation and presentation of financial statements :

The consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the mandatory Accounting Standards notified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013. Accounting policies have been consistently applied by the Company.

B. Principles Of Consolidation:

The consolidated financial statements are prepared in accordance with the principles and procedures laid down under the Accounting Standard (AS) 21, "Consolidated Financial Statements" notified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The consolidated financial statements comprise the financial statements of the company and its subsidiary as disclosed in Note no.34, combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealised gain/loss. The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Minority interests, if any, have been excluded. Minority interests represent that part of the net profit or loss and net assets of the subsidiary that are not, directly or indirectly, owned or controlled by the company.

Investments in associates are accounted for using equity method as per Accounting Standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements" notified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The group's investment in associates includes capital reserves identified on acquisition.

The financial statement of the subsidiary and associates used in the consolidation are drawn up to the same reporting date as that of the Company. However, unaudited financial statements of associates are used in the consolidation since audited financial statements as on reporting date are not available. In the absence of financial statements as on the reporting date for one dormant associate, viz. Gujarat Data Electronics Limited, no

adjustment has been made in the consolidated financial statements. 100% Provision for diminution in value has been provided for this investment and hence it is carried at Nil value in the financial statements.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and appropriate adjustments, if any, are made to the financial statements of subsidiary when they are used in preparing the consolidated financial statements that are presented in the same manner as the Company's separate financial statements.

C. Use of estimates and assumptions :

The preparation of consolidated financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accounting estimates could change from period to period. Actual results could differ from estimates. Differences between the actual results and the estimates are recognised in the period in which the same are known/ materialised.

D. Capital Expenditure :

- Fixed Assets acquired and constructed are stated at historical cost including attributable cost for bringing the asset to its intended use.
- Assets under erection / installation of the existing projects and on going projects are shown as "Capital Work in Progress".
- Capital advances given for procurement of fixed assets are treated as non current assets irrespective of when fixed assets are expected to be received and are classified as Long term loans and advances.
- In the absence of availability of specific original cost in respect of a part of assets capitalised under turn-key contracts, the original value of such asset written / disposed off is estimated on the basis of its current cost adjusted for price and technological factors.
- Major cost of civil works required as plant and machinery supports, on the basis of technical estimates, is considered as Plant & Machinery.
- Advances paid for the purchase / acquisitions of land in possession of the Group are included in the cost of land.
- Renewals and replacements are either capitalised or charged to revenue as appropriate, depending upon the nature and long term utility of such renewals and / or replacements.

Notes to the Consolidated Financial Statements

h) Intangible assets are stated at cost.

E. Borrowing Cost :

Borrowing cost of the funds borrowed for the qualifying asset is capitalised till the date of commencement of commercial production. Other borrowing cost is charged to revenue.

F. Depreciation and Amortisation :

Depreciation on Fixed Assets is provided on Straight Line Method at the rates prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to fixed assets and assets disposed off/discarded is charged on pro-rata basis. Depreciation on commissioning of plants and other assets of new projects is charged for the days they are actually put to use. Exchange variation adjusted in the carrying cost of the fixed assets is amortised over the residual life of the assets.

Leasehold land, other than that on perpetual lease, is amortized over the life of the lease.

Intangible assets are amortized over their estimated economic lives but not exceeding ten years on a straight-line basis.

Assets retired from use and held for disposal are stated at cost or realizable value whichever is lower. No depreciation has been charged on these assets after their retirement.

G. Impairment of Assets :

The Group makes assessment to find out whether there are any indications for impairment of assets as provided in the Accounting Standard notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. If any such indications are available then further process as per the Accounting Standard is carried out by the Group and necessary adjustments in the books of the accounts are made accordingly.

H. Foreign Currency Transaction :

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the year-end are translated into rupee at the contract rates, when covered by forward cover contracts and at the year-end exchange rates in other cases. The exchange difference arising on foreign currency transactions including gain or loss arising due to cancellation of forward cover contracts are recognised in the statement of profit and loss except those relating to fixed assets acquired prior to 01-04-2004 which are adjusted to the carrying cost of the fixed assets. Accounting for derivative contracts, other than those covered under AS-11, are marked to market on a portfolio

basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the Income Statement. Net gains on derivative transactions are ignored.

I. Investments :

Current investments are carried at the lower of cost or quoted / fair value. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

J. Inventories :

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, process chemicals, stores and spares, packing materials, trading and other products are determined on weighted average basis.

K. Revenue Recognition :

- Sales of industrial products are accounted on the dispatch basis except export sales, which are recognised on the basis of bill of lading. Sales of fertilizers are accounted for on the basis of issue of release orders. Subsidy and equated freight on fertilizers are accounted on accrual basis as and when the order notified by for the same is available with the Company from the Government of India.
- The amounts receivable from various agencies are accounted for on accrual basis except interest on delayed payments, refunds from customs & excise authorities, insurance claims (other than marine claims), etc. where it is not possible to ascertain the income with reasonable accuracy or in absence of finality of the transaction.

L. Employee Benefits :

Defined benefit plans:

- Short-term employee benefits**
Short term employee benefits are recognized as an expense at the undiscounted amount in the Consolidated Statement of Profit and Loss of the year in which the related service is rendered.
- Post Employment benefits**
Post employment benefits comprise of gratuity, superannuation for the eligible employees of all the four units of the Company and medical benefit for eligible employees of Baroda unit of the Company. Post employment benefits are recognized as an expense in the statement of profit and loss for the

Notes to the Consolidated Financial Statements

year in which the employee has rendered services. The expense is recognized at the present value of the amount payable using actuarial valuation carried out as at the end of the year in accordance with the revised Accounting Standard 15 (revised 2005) on 'Employee Benefits' issued by the Central Government.

The Company has set up separate recognized Provident Fund trusts for all the units of the Company. Contributions paid/payable for Provident Fund of eligible employees is recognized in the statement of Profit and Loss each year. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trusts and the interest rate notified by Government.

The Company also contributes to a government administered Family Pension fund on behalf of its employees

(c) Other long term employee benefits

Other long term employee benefits comprise of leave encashment. The Company accounts for Leave Encashment Liability on the basis of actuarial valuation carried out as at the end of the year.

(d) Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the statement of profit and loss.

Defined contribution plans:

The Company's contribution to National Pension Scheme is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made

M. Research and Development:

Capital expenditure on Research & Development activities is included in Fixed Assets to the extent it has alternative

economic use. Revenue expenditure pertaining to research activity is charged under respective account heads in the Consolidated Statement of Profit & Loss.

N. Taxation:

Provision for Current Income tax is based on the estimated taxable income for the period in accordance with the provisions of the Income Tax Act, 1961 and at the rate enacted or substantively enacted at the balance sheet date.

Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date and is recognised on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets, subject to consideration of prudence, are recognised and carried forward only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Provision for Wealth Tax is made in accordance with the provisions of the Wealth Tax Act, 1957.

O. Segment Reporting :

The group has identified two reportable business segments i.e. Fertilizer products and Industrial products. The group operates mainly in Indian market and there are no reportable geographical segments.

P. Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of a past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes to the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

Notes forming part of the consolidated financial statements

2. Share Capital

(₹ in lakhs)

	As at 31st March			
	2015		2014	
	Number of Shares Refer Note (a) below	Amount	Number of Shares Refer Note (a) below	Amount
Authorised				
Equity Shares of ₹ 2/- each	1,00,00,00,000	20,000.00	1,00,00,00,000	20,000.00
Redeemable Cumulative Preference Shares of ₹100/- each	1,60,00,000	16,000.00	1,60,00,000	16,000.00
		36,000.00		36,000.00
Issued, Subscribed and Paid-up:				
Issued				
Equity Shares: Face value of ₹ 2/- each				
Shares outstanding at beginning of the year	39,91,21,850	7,982.44	39,91,21,850	7,982.44
Shares outstanding at year end	39,91,21,850	7,982.44	39,91,21,850	7,982.44
Subscribed				
Equity Shares: Face value of ₹ 2/- each				
Shares outstanding at beginning of the year	39,90,69,685	7,981.39	39,90,69,685	7,981.39
Shares outstanding at year end	39,90,69,685	7,981.39	39,90,69,685	7,981.39
Paid-up				
Equity Shares: Face value of ₹ 2/- each				
Shares outstanding at beginning of the year	39,84,77,530	7,969.55	39,84,77,530	7,969.55
Shares outstanding at year end	39,84,77,530	7,969.55	39,84,77,530	7,969.55
TOTAL	39,84,77,530	7,969.55	39,84,77,530	7,969.55

a) Rights, preferences and restrictions attached to shares

Equity shares

The Company has one class of equity shares having a par value of ₹ 2/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

During the year ended 31st March, 2015, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 2.20 (31st March, 2014: ₹ 2/-) per equity share of face value of ₹ 2 each.

b) Shareholders holding more than 5% of Equity Share Capital

Name of the Shareholders	As at 31st March			
	2015		2014	
	Number of shares	Percentage of holding	Number of shares	Percentage of holding
Gujarat State Investments Limited	15,07,99,905	37.84	15,07,99,905	37.84
Life Insurance Corporation of India	3,11,23,023	7.81	3,17,73,460	7.97
Fidelity Puritan Trust-Fidelity Low priced stock fund	3,15,00,000	7.91	3,04,26,989	7.64

Notes forming part of the consolidated financial statements

3. Reserves and Surplus

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Capital reserve		
Per last balance sheet	1,256.33	1,256.33
Add: Additions during the year	-	-
Less: Deductions during the year	-	-
	1,256.33	1,256.33
Capital redemption reserve		
Per last balance sheet	3,335.00	3,335.00
Add: Additions during the year	-	-
Less: Deductions during the year	-	-
	3,335.00	3,335.00
Securities premium account		
Per last balance sheet	30,524.02	30,524.02
Add: Additions during the year	-	-
Less: Deductions during the year	-	-
	30,524.02	30,524.02
General reserve		
Per last balance sheet	3,47,286.60	3,22,286.60
Add: Transfer during the year from the statement of Profit and Loss	26,000.00	25,000.00
Less: Depreciation adjusted consequent upon implementation of Sch-II of the Companies Act, 2013	2,133.29	-
Less: Deductions during the year	-	-
	3,71,153.31	3,47,286.60
Surplus in the Statement of Profit and Loss		
Opening balance	31,901.87	28,681.16
Add : Profit for the year	40,949.34	34,941.72
Add : Share in post acquisition profits of associates of earlier years	-	2,602.97
	72,851.21	66,225.85
Less : Appropriations		
Transferred to general reserve	26,000.00	25,000.00
Proposed equity dividend (₹ 2.20 per share)	8,766.51	7,969.55
Provision for dividend tax on equity dividend	1,784.65	1,354.43
Closing balance	36,300.05	31,901.87
TOTAL	4,42,568.71	4,14,303.82

4. Long Term Borrowings

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Secured		
Term loan from banks*	19,194.51	22,437.26
TOTAL	19,194.51	22,437.26

Note:

*The term loan from banks comprise of External Commercial Borrowings (ECB) and are secured by pledge on Shares of Karnalyte Resources Inc, Canada. The principal amount of the loan is repayable over a period of six years in annual instalments with the first instalment due in March 2015 and the interest on the loan is repayable in quarterly instalments over the tenure of the loan. The above loan carries interest rates with spread ranging from 175 bps to 190 bps over three months LIBOR. The repayment obligations for these loans have been partially hedged for exchange rate risk and fully hedged for interest rate risk. The loan repayment schedule is as under.

Loan Repayment Schedule	Financial Year	USD Mn
	2015-16	6.67
	2016-17	14.66
	2017-18	8.00
	2018-19	8.00

Notes forming part of the consolidated financial statements

5. Deferred tax liability (net)

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
A] Deferred tax liability		
1. Depreciation	40,087.77	38,927.38
	40,087.77	38,927.38
B] Deferred tax asset		
1. Expenses allowable for tax purpose when paid	7,905.05	8,462.73
2. Provision against receivables, advances and accruals	4,567.71	4,299.04
	12,472.76	12,761.77
C] Net deferred tax liability/(asset) at end of the year (A-B)	27,615.01	26,165.61
D] Net deferred tax liability at the beginning of the year	26,165.61	23,917.60
E] Deferred tax expense for the year	1,449.40	2,248.01

6. Long term provisions

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Provision for employee benefits (Refer Note 31)		
Provision for Gratuity	1,933.46	2,074.69
Provision for Pension	1,937.60	2,167.41
Provision for Leave Encashment	11,039.33	9,816.53
Provision for Post Retirement Medical Benefit Scheme (PRMBS)	2,561.58	2,238.47
TOTAL	17,471.97	16,297.10

7. Short term borrowings

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Secured		
Loans repayable on demand		
From Banks		
Cash credit account *	17,430.13	8,361.40
Unsecured		
Other loans and advances		
Buyers credit and bill discounting facility	33,638.27	44,092.13
TOTAL	51,068.40	52,453.53

* The Cash credit facility from consortium of banks is secured by hypothecation of stock of raw materials, finished products, packing materials, general stores, spares, book debts etc. of the Company.

Notes forming part of the consolidated financial statements

8. Trade payables

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Due to MSMED*	557.29	405.49
Others	34,796.35	58,186.63
TOTAL	35,353.64	58,592.12

* The payments to Micro Small and Medium undertakings have been made within the prescribed time limit/ date agreed upon with supplier and hence no interest is payable for delayed payments. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

9. Other current liabilities

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Current maturities of long term debt	4,172.72	4,006.65
Interest accrued but not due on borrowings	135.84	135.19
Income received in advance	6.98	3.29
Unpaid dividend*	361.19	310.17
Unpaid matured deposits*	5.36	9.10
Deposits received	3,582.59	4,160.26
Statutory dues	8,885.68	6,477.24
Dues to shareholders for fractional bonus shares	18.38	19.53
Subsidies payable	32.82	132.96
Liability towards employee benefits	5,908.23	4,694.98
Creditors for capital goods	1,631.47	7,577.19
Advances from customers	1,846.86	1,329.10
Other payables	1,581.12	2,715.95
TOTAL	28,169.24	31,571.61

* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.

10. Short term provisions

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Provision for employee benefits (Refer note 31)		
Provision for Gratuity	1,366.88	1,707.39
Provision for Leave Encashment	1,895.38	2,175.43
Provision for Pension	2,634.41	3,273.19
Provision for PRMBS	116.46	118.07
Provision-Others		
Provision for taxation	11,748.86	11,879.30
Proposed equity dividend	8,766.51	7,969.55
Dividend tax on proposed equity dividend	1,784.65	1,354.43
TOTAL	28,313.15	28,477.36

Notes forming part of the consolidated financial statements

11. Fixed Assets

(₹ in lakhs)

	Gross Block				Depreciation				Net Block		
	As at 01-Apr-14	Asset Acquisitions	Asset Disposals	As at 31-Mar-15	As at 01-Apr-14	Adjusted/ Written Back	Adj. to retained Earning	For the period	As at 31-Mar-15	As at 31-Mar-15	As at 31-Mar-14
a) Tangible Assets											
Freehold land	551.47	0.00	0.00	551.47	0.00	0.00	0.00	0.00	0.00	551.47	551.47
	551.47	0.00	0.00	551.47	0.00	0.00	0.00	0.00	0.00	551.47	551.47
Leasehold land	32466.50	0.00	0.00	32466.50	451.60	0.00	0.00	367.39	818.99	31647.51	32014.90
	1134.39	31332.11	0.00	32466.50	115.65	0.00	0.00	335.95	451.60	32014.90	1018.74
Buildings	11112.75	740.62	0.00	11853.37	3915.66	0.00	1458.59	462.88	5837.13	6016.24	7197.09
	10498.08	681.51	66.84	11112.75	3688.63	21.07	0.00	248.10	3915.66	7197.09	6809.45
Bridge, culverts, bundlers, etc.	0.30	0.00	0.00	0.30	0.10	0.00	0.00	0.02	0.12	0.18	0.20
	0.30	0.00	0.00	0.30	0.10	0.00	0.00	0.00	0.10	0.20	0.20
Roads	1403.71	0.00	0.00	1403.71	1245.32	0.00	52.87	10.05	1308.24	95.47	158.39
	1423.91	0.00	20.20	1403.71	1227.90	5.57	0.00	22.99	1245.32	158.39	196.01
Plant and machinery	411055.25	4644.63	114.26	415585.62	253557.50	108.52	282.41	8151.59	261882.98	153702.64	157497.75
	365887.72	46730.25	1562.72	411055.25	241383.69	1204.55	0.00	13378.36	253557.50	157497.75	124504.03
Furniture and fittings	1683.29	176.54	3.61	1856.22	1246.64	3.10	12.88	81.53	1337.95	518.27	436.65
	1545.01	177.13	38.85	1683.29	1248.36	31.60	0.00	29.88	1246.64	436.65	296.65
Motor Vehicles	441.82	15.37	5.66	451.53	201.59	4.92	3.53	52.34	252.54	198.99	240.23
	435.82	7.38	1.38	441.82	166.15	1.31	0.00	36.75	201.59	240.23	269.67
Railway sidings	1597.70	0.00	0.00	1597.70	1182.91	0.00	45.42	81.28	1309.61	288.09	414.79
	1597.70	0.00	0.00	1597.70	1137.65	0.00	0.00	45.26	1182.91	414.79	460.05
Office equipment	1580.11	273.48	19.19	1834.40	951.68	15.72	259.33	142.67	1337.96	496.44	628.43
	1445.23	164.81	29.93	1580.11	915.33	23.31	0.00	59.66	951.68	628.43	529.90
Computers and Data Processing units	1914.25	111.60	9.50	2016.35	1408.53	3.53	3.29	343.06	1751.35	265.00	505.72
	1868.43	138.56	92.74	1914.25	1369.41	88.26	0.00	127.38	1408.53	505.72	499.02
Laboratory equipment	801.60	76.43	0.00	878.03	354.67	0.00	1.39	57.71	413.77	464.26	446.93
	471.50	340.49	10.39	801.60	344.23	9.01	0.00	19.45	354.67	446.93	127.27
Electrical Installation and Equipment	2647.21	18.93	0.00	2666.14	1977.20	0.00	11.83	78.29	2067.32	598.82	670.01
	2219.68	427.53	0.00	2647.21	1947.39	0.00	0.00	29.81	1977.20	670.01	272.29
Library books	86.31	0.00	0.00	86.31	64.63	0.00	1.75	2.97	69.35	16.96	21.68
	86.50	0.00	0.19	86.31	62.66	0.19	0.00	2.16	64.63	21.68	23.84
Total	467342.27	6057.60	152.22	473247.65	266558.03	135.79	2133.29	9831.78	278387.31	194860.34	200784.24
Previous year	389165.74	79999.77	1823.24	467342.27	253607.15	1384.87	0.00	14335.75	266558.03	200784.24	135558.59
	Gross Block				Amortisation				Net Block		
b) Intangible assets											
Others											
Computer software	1336.84	325.35	0.00	1662.19	483.90	0.00	0.00	234.74	718.64	943.55	852.94
	1223.71	113.13	0.00	1336.84	287.95	0.00	0.00	195.95	483.90	852.94	935.76
Technical Knowhow	11.03	0.00	0.00	11.03	0.27	-0.01	0.00	1.10	1.38	9.65	10.76
	0.00	11.03	0.00	11.03	0.00	0.00	0.00	0.27	0.27	10.76	0.00
Total	1347.87	325.35	0.00	1673.22	484.17	-0.01	0.00	235.84	720.02	953.20	863.70
Previous year	1223.71	124.16	0.00	1347.87	287.95	0.00	0.00	196.22	484.17	863.70	935.76

Current year figures are in bold

Notes :

- The Company has acquired land through Government and also through direct negotiations. The entire land is in possession of the Company. In respect of portion of land for which the Company has still not received the award/sale deed, the advance paid to land owners have been treated as land. In respect of other portion of land acquired through direct negotiations, compensation has been paid at the negotiated price. The Company also holds possession of a portion of land for which no amount has been paid in absence of receipt of awards.
- The Company has leased a portion of its land to Bank of Baroda for bank premises at Fertilizernagar and Sikka and Gas Authority of India Ltd. (GAIL) for establishment of CNG pumping station.
- Buildings include Rs.0.02 lakh being the value of shares in Co-operative Housing Societies.
- The Company established Sikka Jetty at its own cost, which is in operation since 1987. After due discussion with Gujarat Maritime Board (GMB), a consensus was arrived at establishing ownership of jetty with the Company. Thereafter, in terms of resolution passed by GMB, the ownership of the jetty at Sikka was transferred to the Company. However, during 1994, GMB has reversed its earlier decision not supported by resolution and contended that the ownership of the jetty rests with GMB. The Company has made representation to the appropriate authority with regards to the ownership of the jetty with the Company.
The matter of deciding the status of Jetty was under examination at GMB & Government of Gujarat levels since long back. Various meetings were also held and after due diligence on the matter, it is decided by the Board of GMB supported by a resolution to assign the status of Captive Jetty to sikka jetty and the Company has to sign Captive Jetty Agreement with GMB. The matter is under discussion with GMB authorities. Pending finalization of the Captive Jetty Agreement, no provision is considered necessary in respect of various claims against the Company and counter-claims of the Company (both the amounts not determined). At present the Company is in possession of the Jetty and continues to be the owner of the Jetty pending signing of the Agreement.
- Consequent upon enactment of Schedule-II of the New Company's Act, 2013, the Fixed Assets have been reclassified. In the respect of the fixed assets having completed their useful life, an amount of Rs.2133.29 Lakhs has been adjusted against the opening balance of retained earnings.

Notes forming part of the consolidated financial statements

12. Non-current Investments

(₹ in lakhs)

Particulars	As at 31st March			
	2015		2014	
	Numbers	Amount	Numbers	Amount
I. Trade Investments:				
Investment in equity instruments-fully paid (Unquoted)				
a) Associates				
Vadodara Enviro Channel Ltd. - ₹ 10 each (Erstwhile Effluent Channel Project Ltd.)	14,302	247.17	14,302	309.74
Gujarat Green Revolution Company Ltd. - ₹ 10 each	12,50,000	3,996.76	1,250,000	3,077.14
b) Others				
Indian Potash Limited - ₹ 10 each	11,25,000	60.50	1,125,000	60.50
Gujarat Chemical Port Terminal Co. Ltd. - ₹ 1 each	12,26,31,575	1,226.32	122,631,575	1,226.32
Bhavnagar Energy Company Ltd. - ₹ 10 each (Subscribed during the year 3,03,10,000 shares)	5,10,60,000	5,106.00	20,750,000	2,075.00
Gujarat State Petroleum Corporation Limited – ₹ 1 each	2,35,00,000	15,010.00	23,500,000	15,010.00
GSPC Gas Company Limited – ₹ 10 each	51,00,000	2,510.00	5,100,000	2,510.00
GSPC Distribution Networks Limited– ₹ 10 each	15,00,00,000	15,000.00	150,000,000	15,000.00
Tunisian Indian Fertilizers (TIFERT s.a.) - Tunisian Dinar (TND) 10 each	33,75,000	12,024.77	3,375,000	12,024.77
		50,937.59		47,906.59
Investment in equity instruments-fully paid (Quoted)				
Gujarat Narmada Valley Fertilizers & Chemicals Ltd. - ₹ 10 each	3,07,79,167	5,838.81	30,779,167	5,838.81
Gujarat Industries Power Company Ltd. - ₹ 10 each	2,23,62,784	3,649.59	22,362,784	3,649.59
Gujarat Alkalies & Chemicals Ltd. - ₹ 10 each	16,55,040	827.52	1,655,040	827.52
Karnalyte Resources Inc - Canadian Dollar (CAD) 8.15 each	54,90,306	23,768.70	5,490,306	23,768.70
		34,084.62		34,084.62
Total Trade Investments		89,266.14		85,378.09
II. Other Investments:				
Investment in equity instruments fully paid				
i) Quoted				
Gujarat State Financial Corporation - ₹ 10 each	9,35,600	187.12	935,600	187.12
Less : Provision for Diminution		187.12		187.12
GRUH Finance Limited - ₹ 2 each (Received Bonus shares 5,00,000)	10,00,000	29.50	500,000	29.50
Industrial Development Bank of India - ₹ 10 each	5,49,440	446.42	549,440	446.42
Mangalore Chemicals & Fertilizers Ltd. - ₹ 10 each	5,79,000	38.45	579,000	38.45
		514.37		514.37

(Contd.)

Notes forming part of the consolidated financial statements

12. Non-current Investments (Contd.)

(₹ in lakhs)

Particulars	As at 31st March			
	2015		2014	
	Numbers	Amount	Numbers	Amount
II. Other Investments (Contd.) :				
ii) Unquoted				
Gujarat Data Electronics Limited - ₹ 10 each	115,000	11.50	115,000	11.50
Less : Provision for Diminution		11.50		11.50
Gujarat Venture Finance Limited – ₹ 10 each	60,000	6.00	60,000	6.00
Biotech Consortium India Limited – ₹ 10 each	50,000	5.00	50,000	5.00
		11.00		11.00
Total Other Investments		525.37		525.37
TOTAL INVESTMENTS		89,791.51		85,903.46
Aggregate amount of Quoted Investments		34,598.99		34,598.99
Market Value of Quoted Investments		48,268.71		48,158.47
Aggregate amount of Unquoted Investments		55,192.52		51,304.47
Aggregate provision for diminution in value of Investments		198.62		198.62

Notes:

a) Investment in Associates is accounted under equity method as under:

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
(i) Vadodara Enviro Channel Limited		
Opening Carrying value of Investment	327.24	280.69
Less: Capital Reserve	17.50	17.50
Add: Share in Profit for the year	(62.57)	46.55
Carrying value of investments at the year end	247.17	309.74
(ii) Gujarat Green Revolution Company Limited		
Opening Carrying value of Investment	3,241.36	2,629.01
Less: Capital Reserve	164.22	164.22
Add: Share in Profit for the year	919.62	612.35
Carrying value of investments at the year end	3,996.76	3,077.14

- b) As one of the promoters of the Gujarat Chemical Port Terminal Company Limited (GCPTCL), the Company has given undertaking to ICICI Bank for not to transfer, assign, dispose off, pledge, charge or create any lien or in any way encumber Company's existing or future shareholding in the GCPTCL in favour of any person so long as money remains due by GCPTCL to ICICI Bank or till the project is duly completed, whichever is later.
- c) The equity shares held by the Company in Tunisian Indian Fertilizers S.A., Tunisia (TIFERT) have been pledged to secure the obligations of TIFERT to their lenders. During the year, TIFERT has commissioned the phosphoric acid plant and has commenced production. Pursuant to the shareholders' agreement in this respect, the day to day operations have been assumed by the Tunisian partners and the Company has accordingly discontinued the same as Joint venture, and accordingly treating its investments in TIFERT under other Investments as per AS-13 - "Accounting for Investments".
- d) The Company has consented for the proposed scheme of amalgamation and arrangement between the GSPC Gas Company Limited and GSPC Distribution Networks Limited.
- e) As a promoter of Bhavnagar Energy Company Limited (BECL), the Company has signed the Sponsors' Support Agreement (SSA) and as per the said Agreement, the promoters collectively shall not, till the final settlement date (being the date on which all obligations under the SSA have been irrevocably and unconditionally paid and discharged in full to the satisfaction of lenders), dispose-off their shareholdings which would result in dilution of their shareholding below 51%.
- f) The equity shares of Karnalyte Resources Inc., Canada, held by the Company are pledged to secure the Company's long term borrowings from bank.
- g) For basis of valuation refer Note 1 – Significant accounting policies

Notes forming part of the consolidated financial statements

13. Long term loans and advances

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Secured, considered good		
Loans and advances to employees (housing and vehicles)	5,791.62	5,318.65
Unsecured, considered good		
Capital advances	5,589.95	2,877.21
Deposit with govt.agencies	49.92	100.08
Other deposits	3,740.44	3,640.52
Convertible term loan*	2,555.94	2,555.94
Other advances including loans and advances to employees	561.01	534.80
Advance tax (net of provision)	5,640.17	6,623.92
Unsecured, considered doubtful		
Deposits with companies & others	102.70	102.70
Less: provision for doubtful deposits	102.70	102.70
TOTAL	23,929.05	21,651.12

* the loan of USD 4.65 million is provided to TIFERT with a condition of compulsory conversion in equity shares after three years period. The loan carries interest rate of 12 month LIBOR+225 bps. The principal amount of the convertible term loan and accrued interest thereon will be converted into equity within next 12 Months period.

14. Other non current assets

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Accruals		
Interest accrued but not due- Housing and vehicle loans	3,557.09	3,357.93
Interest accrued but not due- marriage loans, etc	267.51	156.49
Others	15.58	15.58
TOTAL	3,840.18	3,530.00

15. Inventories(at lower of cost and net realisable value)

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Raw materials	18,286.99	13,760.84
Raw materials in Transit	240.70	8,086.17
Work-in-Process	1,949.26	3,035.32
Finished goods	20,511.06	18,731.77
Stock in trade	1,001.68	5,090.51
Stock in trade-in Transit	1,249.76	47.96
Stores and spares (including packing material)	20,003.63	20,519.61
Stores and spares in transit	129.41	58.23
Loose tools	29.31	34.03
TOTAL	63,401.80	69,364.44

Notes forming part of the consolidated financial statements

16. Trade receivable

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Outstanding for a period exceeding six months from the date they were due for payment (Refer note no.36)		
Secured, considered good	124.17	140.66
Unsecured, considered good	99,990.20	93,931.87
Unsecured, considered doubtful	5,394.75	4,844.27
	<u>1,05,509.12</u>	<u>98,916.80</u>
Less: Provision for doubtful trade receivables	5,394.75	4,844.27
	<u>1,00,114.37</u>	<u>94,072.53</u>
Others		
Secured, considered good	464.76	710.29
Unsecured, considered good	96,657.41	1,03,625.92
	<u>97,122.17</u>	<u>1,04,336.21</u>
TOTAL	<u>1,97,236.54</u>	<u>1,98,408.74</u>

17. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Cash and cash equivalents (as per AS-3 cash flow statement)		
Cash on hand	16.31	17.79
Balances with bank		
In current accounts	3484.67	12127.54
In Short term deposits account (original maturity less than three months)	26.34	15,000.00
Other bank balances:		
In Unpaid dividend account	361.19	310.17
In Fractional bonus account	9.52	10.67
In Deposit accounts (maturity more than three months)	31,858.32	11,379.26
TOTAL	<u>35,836.35</u>	<u>38,845.43</u>

18. Short term loans and advances

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Unsecured, considered good		
Advances to employees	95.98	118.53
Advances to suppliers	6,504.74	7,300.26
Balances with govt. agencies:		
Other advances		
(i) Cenvat	7,028.67	4,381.31
(ii) Vat	479.12	805.41
(iii) Service tax credit receivable	231.44	136.38
Prepaid expenses	516.27	1,549.43
Others	19.26	119.15
TOTAL	<u>14,875.48</u>	<u>14,410.47</u>

19. Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Current maturity of employee loans	1,160.61	1,109.50
Interest accrued	1,636.25	569.20
Interest on employee loans	156.11	177.65
Assets retired from use and held for disposal	308.45	308.45
Others	3,614.20	3,745.85
TOTAL	<u>6,875.62</u>	<u>5,910.65</u>

Notes forming part of the consolidated financial statements

20. Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31st March	
	2015	2014
Revenue from sale of products (Refer note no.-37)		
- Manufactured / Generated products	5,17,970.43	5,55,641.57
- Traded products	39,648.68	14,155.38
Total	5,57,619.11	5,69,796.95
Less : Excise duty	25,162.51	28,547.79
	5,32,456.60	5,41,249.16
Details of sale of products		
Manufactured Products		
Urea	51,199.91	41,398.42
Ammonium Sulphate	52,014.05	43,987.98
Di ammonium Phosphate	1,06,144.98	131,942.40
Ammonium Phosphate Sulphate	85,434.38	80,110.44
NPK (12:32:16 and 10:26:26)	4,714.90	8,549.29
Caprolactam	91,373.60	97,467.45
Nylon 6	26,338.97	28,590.08
Melamine	12,802.41	13,920.61
Polymer Products	8,335.52	7,368.57
Nylon Filament Yarn	6,831.26	7,414.54
Other manufactured products	47,617.94	66,344.00
Total Manufactured Products	4,92,807.92	5,27,093.78
Trading Products		
DAP	18,863.23	-
Anone	3,816.09	10,668.76
Methanol	10,357.91	663.87
Melamine	2,296.73	2,010.08
Others	4,314.72	812.67
Total Trading Products	39,648.68	14,155.38
Total (Manufactured+Traded)	5,32,456.60	5,41,249.16

21. Other income

(₹ in lakhs)

Particulars	Year ended 31st March	
	2015	2014
Interest on: (gross)		
Deposits	2,706.18	2,942.61
Advances	445.62	392.55
Others	1,177.36	3,846.78
Dividend from long term investments		
Trade	1,835.02	1,890.89
Others	24.36	43.56
Others		
Rent	90.47	66.13
Insurance claims	56.92	37.78
Profit on sale of fixed assets	0.05	-
Excess provision no longer required	2,495.93	1,608.89
Miscellaneous	1,287.61	1,593.11
TOTAL	10,119.52	12,422.30

Notes forming part of the consolidated financial statements

22. Cost of material consumed

(₹ in lakhs)

Particulars	Year ended 31st March	
	2015	2014
Raw Materials		
Opening stock	21,847.01	20,616.85
Add: Purchases	2,89,905.96	3,12,428.53
Less: Closing stock	18,527.69	21,847.01
TOTAL	2,93,225.28	3,11,198.37
Materials consumed comprise:		
Rock Phosphate	19,657.20	18,264.98
Sulphur	22,216.71	16,547.25
Gas	64,164.26	65,402.17
Benzene	66,073.19	74,419.25
Ammonia	30,921.95	35,155.86
Phosphoric Acid	76,145.10	89,088.82
MEK	2,832.32	3,471.67
Acetone	2,071.36	2,548.34
Others	9,143.19	6,300.03
TOTAL	2,93,225.28	3,11,198.37

23. Purchase of stock in trade

(₹ in lakhs)

Particulars	Year ended 31st March	
	2015	2014
DAP	15,702.56	-
Anone	-	13,211.95
Methanol	11,575.99	-
Melamine	3,014.74	1,651.24
Others	2,150.75	2,457.84
TOTAL	32,444.04	17,321.03

Notes forming part of the consolidated financial statements

24. Changes in inventory of finished goods, work in process and stock in trade

(₹ in lakhs)

Particulars	Year ended 31st March	
	2015	2014
Opening stock		
Finished products	18,731.77	19,848.60
Stock in trade	5,090.51	2,480.49
Work-in-process	3,035.32	2,725.13
	26,857.60	25,054.22
Less: Closing stock		
Finished products*	20,511.06	18,731.77
Stock in trade	2,251.44	5,090.51
Work-in-process	1,949.26	3,035.32
	24,711.76	26,857.60
(Increase) / Decrease	2,145.84	(1,803.38)
*Details of Inventory of finished goods		
Fertilizers	11,124.66	4,793.39
Caprolactam	2,592.68	5,367.53
Ammonia	2,093.41	613.27
Nylon 6	186.01	478.59
Methanol	457.05	1,687.87
Melamine	38.52	29.63
Others	4,018.73	5,761.49
TOTAL	20,511.06	18,731.77

25. Employee benefit expenses

(₹ in lakhs)

Particulars	Year ended 31st March	
	2015	2014
Salaries, wages, bonus	29,147.24	26,629.70
Contribution to provident, gratuity and superannuation (pension) funds (including provisions)	3,848.14	1,532.32
Staff Welfare expenses	5,991.07	5,420.70
TOTAL	38,986.45	33,582.72

26. Finance costs

(₹ in lakhs)

Particulars	Year ended 31st March	
	2015	2014
Interest		
- borrowings	1,387.48	3,533.47
- others	122.42	506.68
Other borrowing cost	290.87	473.65
TOTAL	1,800.77	4,513.80

Notes forming part of the consolidated financial statements

27. Other expenses

(₹ in lakhs)

Particulars	Year ended 31st March	
	2015	2014
Consumption of stores and spare parts	7,601.34	14,934.04
Water	2,061.66	1,725.45
Packing expenses	8,237.56	7,536.42
Repairs to buildings	336.40	404.79
Repairs to machinery	5,622.33	4,759.19
Other repairs	752.78	857.78
Insurance	950.41	1,036.71
Rent, rates and taxes (excluding income taxes)	146.76	152.64
Excise duty (net)	(699.92)	292.21
Product transportation, distribution & loading & unloading charges	18,149.31	18,976.24
Depots and farm information centers expenses	1,487.23	1,911.86
Marketing expense reimbursement, demonstration, extension services and publicity etc.	498.27	945.17
Cash rebate on sales	1,342.49	2,647.25
Variation in exchange rates	2,505.66	6,022.67
Premium on forward contract	735.28	2,634.74
Directors Sitting Fees	6.80	2.85
Auditors' remuneration *	64.52	64.87
Cost auditors' fees	4.79	4.85
Research and development expenses	42.89	14.96
Loss on fixed assets sold/discarded	15.91	432.41
Provision for doubtful debts/advances	550.68	152.72
Donations and contributions	1,177.95	269.77
Miscellaneous	5,987.34	5,996.45
TOTAL	57,578.44	71,776.04
*Auditors' remuneration		
Payment to Statutory Auditors as:		
Auditors	16.65	15.74
(including Statutory audit fees & Limited review fees)		
For Taxation matters	37.50	42.19
For other services (including certification)	10.10	6.21
For Reimbursement of expenses	0.27	0.73
	64.52	64.87
Payment to Cost Auditors		
Cost auditors' fees	4.79	4.85

Notes forming part of the consolidated financial statements

28. Earnings per Share (EPS)

Particulars	Year ended 31st March	
	2015	2014
Profit for the Year (₹ in lakhs)	40,092.29	34,282.81
Weighted average number of Equity Shares for Basic EPS [nos.]	3,98,477,530	39,84,77,530
Weighted average number of Equity Shares including Potential Equity Shares for Diluted EPS [nos.]	3,98,477,530	39,84,77,530
Basic EPS (₹)	10.06	8.60
Diluted EPS (₹)	10.06	8.60
Nominal Value per Share (₹)	2.00	2.00

29. Contingent Liabilities

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Claims against the Company not acknowledgement as debt		
(i) Excise Duty	4,404	4,454
(ii) Central Sales Tax and Value Added Tax	4,309	3,076
(iii) Income Tax	2,904	3,965
(iv) Other Claims by :		
- Statutory Corporations	1,122	3,826
- Department of Fertilizers, total amount not quantifiable, demands stayed, matter pending with High Courts	Refer note no.36	Refer note no.36
- Employees/ex-employees, contractual labour - pending before courts	Not ascertainable	Not ascertainable
It is not practicable for the Company to estimate the timings of cash flow, if any, in respect of the above.		
Guarantees		
The Company has provided sponsor's Guarantee towards the borrowing of Tunisian Indian Fertilizers S.A., Tunisia (TIFERT) upto 15% of the amount due and outstanding	32,391	31,102

30. Commitments

(₹ in lakhs)

Particulars	As at 31st March	
	2015	2014
Estimated amount of contracts remaining to be executed on capital accounts and not provided for	59,661	36,584

Notes forming part of the consolidated financial statements

31. Employees Benefits

a) The Company operates post employment and other long term employee benefits defined plans as follows:

- | | |
|-------------|--|
| I Funded | II Unfunded |
| i. Gratuity | i. Leave Encashment Benefit |
| ii. Pension | ii. Post Retirement Medical Benefit Scheme (PRMBS) |

b) Defined contribution plans:

Amount towards Defined Contribution Plans have been recognised under "Contributions to Provident, Gratuity and Superannuation Fund (pension) Funds (including provisions)" in Note:25 Rs. 1873.98 lakhs (2013-14 Rs. 1751.76 lakhs)

c) Details of funded & unfunded plans are as follows :

(₹ in lakhs)

Description	2014-15 2013-14		2014-15 2013-14	
	Pension		Gratuity	
1. Changes in Present Value of obligation				
a. Obligation as at the beginning of the year	35506.00	36420.46	20835.98	20608.59
b. Current Service Cost	436.71	1639.58	925.49	896.76
c. Interest Cost	2840.48	2913.64	1675.18	1648.68
d. Actuarial (Gain)/Loss	534.77	(1573.72)	(460.73)	(303.78)
e. Benefits Paid	(3609.96)	(3893.96)	(1903.47)	(2014.25)
f. Obligation as at the end of the year	35708.00	35506.00	21072.45	20836.00
The defined benefit obligation as at 31.03.2015 is	Funded	Funded	Funded	Funded
2. Changes in Fair Value of Plan Assets				
a. Fair Value of Plan Assets as at the beginning of the year	30065.39	28729.63	17053.92	16392.28
b. Expected return on Plan Assets	2530.75	2677.31	1435.24	1530.78
c. Actuarial Gain/(Loss)	-	-	-	-
d. Contributions	2149.81	2552.41	1186.42	1145.11
e. Benefits Paid	(3609.96)	(3893.96)	(1903.47)	(2014.25)
f. Fair Value of Plan Assets as at the end of the year	31135.99	30065.39	17772.11	17053.92
3. Amount Recognised In The Balance Sheet				
a. Fair Value of Plan Assets as at the end of the year	31135.99	30065.39	17772.11	17053.92
b. Present Value of Obligation as at the end of the year	(35708.00)	(35506.00)	(21072.45)	(20836.00)
c. Amount recognised in the Balance Sheet	(4572.01)	(5440.61)	(3300.34)	(3782.08)
4. Expense recognised during the year				
a. Current Service Cost	436.71	1639.58	925.49	896.76
b. Interest Cost	2840.48	2913.64	1675.18	1648.68
c. Expected return on Plan Assets	(2530.75)	(2677.31)	(1435.24)	(1530.78)
d. Actuarial (Gain)/Loss	534.77	(1573.72)	(460.73)	(303.78)
e. Expense recognised during the year	1281.21	302.19	704.70	710.88
5. Investment Details of Plan Assets				
Administered by LIC of India	100%	100%	100%	100%
6. Assumptions	31.3.2015	31.3.2014	31.3.2015	31.3.2014
a. Discount Rate (per annum)	8%	8%	8%	8%
b. Estimated Rate of return on Plan Assets (per annum)	9.15%	9.50%	9.25%	9.50%

(Contd.)

Notes forming part of the consolidated financial statements

31. Employees Benefits (Contd.)

(c) Details of funded & unfunded plans :

(₹ in lakhs)

Description	2014-15 2013-14		2014-15 2013-14	
	Leave Encashment		PRMBS	
1. Changes In Present Value of the defined benefit obligation				
a. Obligation as at the beginning of the year	11991.96	12781.59	2356.54	2144.92
b. Current Service Cost	2400.58	849.62	693.89	500.39
c. Actuarial (Gain)/Loss	335.69	332.00	0.00	0.00
d. Benefits Paid	(1793.52)	(1971.25)	(372.39)	(288.77)
e. Obligation as at the end of the year	12934.71	11991.96	2678.04	2356.54
The defined benefit obligation as at 31.03.2015 is	Unfunded	Unfunded	Unfunded	Unfunded
2. Amount Recognised In The Balance Sheet				
a. Fair Value of Plan Assets as at the end of the year	--	--	--	--
b. Present Value of Obligation as at the end of the year	(12934.71)	(11991.96)	(2678.04)	(2356.54)
c. Amount recognised in the Balance Sheet	(12934.71)	(11991.96)	(2678.04)	(2356.54)
3. Expense recognised during the year				
a. Current Service Cost	2400.58	849.74	693.89	500.39
b. Actuarial (Gain)/Loss	335.69	331.87	0.00	0.00
c. Expense recognised during the year	2736.27	1181.61	693.89	500.39
The expense is disclosed in Note No. 25 - "Employee Benefit Expenses", Pension & Gratuity are disclosed in line item - Contribution to Provident Fund, and provision to Gratuity, Superannuation (Pension) Funds,. Leave Encashment is disclosed in line item - Salaries, Wages and Bonus and PRMBS is disclosed in line item - Welfare Expenses				
4. Assumptions :	31.03.2015	31.03.2014	31.03.2015	31.03.2014
a. Discount Rate (per annum)	7.95% to 8.04%	8 to 9.25%	7.95%	9.27%
b. Estimated Rate of return on Plan Assets (per annum)	N.A.	N.A.	N.A.	N.A.
c. The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.				
d. Provident Fund contributions are made to Trusts administered by the Company. The interest rate payable to the members of the Trusts shall not be lower than the statutory rate of interest declared by the Central Government under the Employees provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. Having regard to the assets of the Fund managed by the Trusts and the return on the investments, the Company does not expect any deficiency in the foreseeable future.				
5. Effect of one percentage point change in the assumed medical inflation rate-Benefit Obligation				
a. One percentage point increase in medical inflation rate				2899.89
b. One percentage point decrease in medical inflation rate				2485.62

Notes forming part of the consolidated financial statements

31. Employees Benefits (Contd.)

d) Amount for current and previous four years is as follow.

(₹ in lakhs)

Pension	2014-15	2013-14	2012-13	2011-12	2010-11
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
1 Present Value of Defined Benefit Obligation	35708	35506	36420.46	34361.24	29040.97
2 Fair Value of Plan Assets	31135.98	30065.39	28729.63	28476.54	18464.26
3 Status [Surplus/(Deficit)]	(4,572.02)	(5,440.61)	(7,690.83)	(5,884.70)	(10,576.71)
4 Experience Adjustment of Plan Assets [Gain/(Loss)]	-	-	-	-	-
5 Experience Adjustment of obligation [(Gain)/Loss]	534.77	(1,573.72)	2,121.48	5,175.99	(2,328.01)
Gratuity	2014-15	2013-14	2012-13	2011-12	2010-11
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
1 Present Value of Defined Benefit Obligation	21072.46	20835.98	20608.60	18565.66	16288.53
2 Fair Value of Plan Assets	17772.13	17053.92	16392.27	16264.54	15506.74
3 Status [Surplus/(Deficit)]	(3,300.33)	(3,782.06)	(4,216.33)	(2,301.12)	(781.79)
4 Experience Adjustment of Plan Assets [Gain/(Loss)]	-	-	-	-	-
5 Experience Adjustment of obligation [(Gain)/Loss]	(460.73)	(303.78)	1897.77	1640.2	670.85
Leave Encashment	2014-15	2013-14	2012-13	2011-12	2010-11
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
1 Present Value of Defined Benefit Obligation	12934.70	11991.95	12781.49	11972.49	9834.41
2 Fair Value of Plan Assets	-	-	-	-	-
3 Status [Surplus/(Deficit)]	(12,934.70)	(11,991.95)	(12,781.49)	(11,972.49)	(9,834.41)
4 Experience Adjustment of Plan Assets [Gain/(Loss)]	-	-	-	-	-
5 Experience Adjustment of obligation [(Gain)/Loss]	335.69	332.00	-	-	1444.94
PRMBS	2014-15	2013-14	2012-13	2011-12	2010-11
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
1 Present Value of Defined Benefit Obligation	2678.04	2356.54	2144.92	1941.17	1881.5
2 Fair Value of Plan Assets	-	-	-	-	-
3 Status [Surplus/(Deficit)]	(2,678.04)	(2,356.54)	(2,144.92)	(1,941.17)	(1,881.50)
4 Experience Adjustment of Plan Assets [Gain/(Loss)]	-	-	-	-	-
5 Experience Adjustment of obligation [(Gain)/Loss]	-	-	44	-182	-161

Notes forming part of the consolidated financial statements

32. Segment Information

	(₹ in lakhs)			(₹ in lakhs)	
	For the year ended on 31.03.2015	For the year ended on 31.03.2014		For the year ended on 31.03.2015	For the year ended on 31.03.2014
i) PRIMARY SEGMENT INFORMATION :					
A] SEGMENT REVENUE :					
1. Total Segment Revenue :			6. Total Liabilities	207185.92	235994.59
a) Fertilizer Products	328815.64	312668.00	7. Capital Expenditure :		
b) Industrial Products	203640.96	228581.16	a) Fertilizer Products	2221.25	2163.06
TOTAL	532456.60	541249.16	b) Industrial Products	6988.88	6568.77
2. Inter Segment Revenue	0.00	0.00	c) Corporate Capital Expenditure	4547.20	19739.26
3. External Revenue (1-2) :			TOTAL	13757.33	28471.09
a) Fertilizer Products	328815.64	312668.00	8. Depreciation :		
b) Industrial Products	203640.96	228581.16	a) Fertilizer Products	6251.54	9928.01
TOTAL	532456.60	541249.16	b) Industrial Products	3581.21	4277.24
B] RESULT :			c) Unallocated Corporate Depreciation	234.87	326.72
1. Segment Result :			TOTAL	10067.62	14531.97
a) Fertilizer Products	37993.36	18039.56	9. Non-Cash Expenses :		
b) Industrial Products	18622.92	28954.89	a) Fertilizer Products	3658.72	669.56
TOTAL	56616.28	46994.45	b) Industrial Products	2654.69	2178.21
2. a) Unallocated Income	8533.93	10944.19	c) Unallocated non-cash expenses	0.49	0.00
b) Unallocated Expenses	-5876.17	-3802.10	TOTAL	6313.90	2847.77
3. Operating Profit (B1+B2)	59274.04	54136.54			
4. Finance Cost	-1800.77	-4513.80	ii) SECONDARY SEGMENT INFORMATION :		
5. Provision for Taxation :			The Company operates mainly in Indian market and there are no reportable geographical segments.		
Current Income Tax	-15931.58	-13091.92			
Deferred Tax (net)	-1449.40	-2248.01	iii) OTHER DISCLOSURES :		
6. Net Profit	40092.29	34282.81	1. The Products and Services covered under each business segment are as under :		
OTHER INFORMATION :			Fertilizer Products :		
1. Segment Assets :			Urea, Ammonium Sulphate, Di-ammonium Phosphate, Ammonium Phosphate Sulphate, NPK (12:32:16)(10:26:26), traded fertilizer products etc.		
a) Fertilizer Products	328641.96	306046.31	Industrial Products :		
b) Industrial Products	146307.11	164935.46	Caprolactam, Nylon-6, Nylon Filament Yarn, Nylon Chips, Melamine, Methanol, Polymer products, traded industrial products etc.		
TOTAL	474949.07	470981.77			
2. Unallocated Corporate Assets	182775.11	187286.19			
3. Total Assets	657724.18	658267.96			
4. Segment Liabilities :					
a) Fertilizer Products	45494.48	55289.88			
b) Industrial Products	36716.28	40731.20			
TOTAL	82210.76	96021.08			
5. Unallocated Corporate Liabilities	124975.16	139973.51			

Notes forming part of the consolidated financial statements

33. Related Party Transactions

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

1. Relationship :

(a) Associate Company :

(i) Vadodara Enviro Channel Ltd.
(Erstwhile Effluent Channel Project Ltd.)

(ii) Gujarat Green Revolution Company Ltd.

(b) Key Managerial Personnel and their relatives:

(i) Shri Atanu Chakraborty -

Managing Director up to 31/10/2014

(ii) Dr. S K Nanda - Chairman cum Managing Director w.e.f. 01/11/2014

(iii) Shri V D Nanavaty - Sr VP (Finance) & CFO

(iv) Shri V V Vachharajani -
Company Secretary & VP (Legal)

(c) Others : GSFC Education Society

2. Details of transactions with related parties :

(I) Details relating to parties referred to in 1(a) above :

(₹ in lakhs)

Sr. No.	Nature of Transaction	Value for FY 2014-15	Value for FY 2013-14
(i)	Vadodara Enviro Channel Ltd.		
1.	Usage of effluent channel	288.91	241.55
2.	Advances given	35.40	15.00
3.	Outstanding balance	25.20	15.00
(ii)	Gujarat Green Revolution Company		
1.	Reimbursement of expenses	124.42	98.33
2.	Dividend received	6.25	-
3.	Outstanding balance	201.34	90.05

(II) Details relating to parties referred to in 1(b) above: (₹ in lakhs)

1.	Remuneration to		
(i)	Managing Director	16.94	18.64
(ii)	Chairman cum Managing Director	10.87	-
(iii)	Sr VP (Finance) & CFO	26.13	27.20
(iv)	Company Secretary & VP (Legal)	21.44	8.79

(III) Details relating to parties referred to in 1(c) above: (₹ in lakhs)

1.	Donations given	948.31	72.92
----	-----------------	--------	-------

34. Other Disclosures

(₹ in lakhs)

Name of the Company	Country of Incorporation	Proportion of Ownership Interest	Date of financial statements
Subsidiaries			
GSFC Agrotech Limited	India	100% (100%)	31 st March, 2015 (31 st March, 2014)
Associates			
Vadodara Enviro Channel Limited	India	28.57% (28.57%)	31 st March, 2015 (31 st March, 2014)
Gujarat Green Revolution Company Limited	India	46.87% (46.87%)	31 st March, 2015 (31 st March, 2014)

Name of entity in the Parent	Net Assets i.e. total assets - total liabilities		Share of Profit or loss	
	As % of Consolidated net assets	Amount ₹ in lakhs	As % of Consolidated Profit or loss	Amount ₹ in lakhs
I. Subsidiary				
GSFC Agrotech Limited	0.03% (0.01%)	144.60 (61.55)	0.20% (0.20%)	83.06 (70.37)
II. Associates				
Vadodara Enviro Channel Limited	1.00% (1.14%)	4597.65 (4817.09)	-0.15% (0.13%)	-62.57 (46.55)
Gujarat Green Revolution Company Limited	1.93% (1.64%)	8877.43 (6915.43)	2.25% (1.75%)	919.62 (612.35)

35. Details on derivative instruments and unhedged foreign currency exposures

(a) Forward exchange contracts and options (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

(i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2015

Currency	Amount (in Mn)	Buy/Sell	Cross currency
USD	0.77	Buy	Rupees
USD	(79.3)	Buy	Rupees

Note: Figures in brackets relate to the previous year

(ii) Outstanding option contracts entered into by the Company as on 31st March, 2015 :

Currency	Amount (in Mn)	Buy/Sell	Cross currency
USD	47.51	Buy	Rupees
USD	(53.69)	Buy	Rupees
USD	47.51	Sell	Rupees
USD	(53.69)	Sell	Rupees

Note: Figures in brackets relate to the previous year

Notes forming part of the consolidated financial statements

- (b) Interest rate swaps to hedge against fluctuations in interest rate changes: No. of contracts:2, Amount: 37.33 Mn USD Principal (As at 31 March, 2014 : No of contracts 2, Amount :44 Mn USD Principal)
- (c) Currency Futures (other than forward exchange contracts stated above) which are not intended for trading or speculative purposes but for hedge purposes to hedge against fluctuations in changes in exchange rate.

Currency	Amount (in Mn)	Buy/Sell	Cross currency
USD	47.50	Buy	Rupees
USD	(10.00)	Buy	Rupees

Note: Figures in brackets relate to the previous year

- II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise, represented in equivalent USD: USD 7.08 Mn (As at March 31, 2014: : USD 4.87 Mn)

36. Government Grants and Subsidies

(₹ in lakhs)

	2014-15	2013-14
Revenue from Operations (Note-20) includes :		
Subsidy from Government of India under Retention Price Scheme and Nutrient Based Subsidy Scheme:		
Pertaining to current year	1,26,706	1,26,428
Pertaining to earlier years determined during current year	3,124	790
	As at 31.03.2015	As at 31.03.2014
Trade Receivable (Note-16) includes :		
Subsidy from Government of India under Retention Price Scheme and Nutrient Based Subsidy Scheme*:		
Outstanding for a period exceeding six months from due date	98,097	1,07,683
Outstanding for a period not exceeding six months from due date	48,449	4,875

*The above amount includes outstanding subsidy on Ammonium Sulphate fertilizer Rs 65539 lakhs (previous year Rs 47636 lakhs), pending finality of matter in the court.

37. Previous Year's Figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosures.

Signatures to Notes 1 to 37 forming the part of the Consolidated Financial Statements 2014-15

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117364W

Gaurav J. Shah
Partner
Membership No. 35701

New Delhi
14th May, 2015

Dr. S K Nanda
Chairman & Managing Director

D. C. Anjaria
Ajay Shah
Vijai Kapoor
Geeta Goradia
Directors

New Delhi
14th May, 2015

V. D. Nanavaty
Sr. VP (Finance) & CFO
V. V. Vachhrajani
Company Secretary

ANNEXURE “A” TO THE CONSOLIDATED FINANCIAL STATEMENT

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

		Amount in Rs.
1	Serial No.	1
2	Name of the subsidiary	GSFC Agrotech Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not Applicable
5	Share capital (as on 31.03.2015)	10,000,000
6	Reserves & surplus (as on 31.03.2015)	4,459,371
7	Total assets (as on 31.03.2015)	79,400,551
8	Total Liabilities (as on 31.03.2015)	64,941,179
9	Investments (as on 31.03.2015)	Nil
10	Turnover (FY 2014-15)	155,390,618
11	Profit before taxation (FY 2014-15)	12,352,562
12	Provision for taxation (FY 2014-15)	4,047,924
13	Profit after taxation (FY 2014-15)	8,304,638
14	Proposed Dividend (FY 2014-15)	Nil
15	% of shareholding (as on 31.03.2015)	100% (with nominees)

Notes: The following information shall be furnished at the end of the statement:

1	Names of subsidiaries which are yet to commence operations	Nil
2	Names of subsidiaries which have been liquidated or sold during the year.	Nil

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117364W

Gaurav J. Shah

Partner
Membership No. 35701

New Delhi
14th May, 2015

Dr. S K Nanda
Chairman & Managing Director

D. C. Anjaria
Ajay Shah
Vijai Kapoor
Geeta Goradia
Directors

New Delhi
14th May, 2015

V. D. Nanavaty
Sr. VP (Finance) & CFO
V. V. Vachhrajani
Company Secretary

ANNEXURE “A” TO THE CONSOLIDATED FINANCIAL STATEMENT (Contd.)

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of Associates	Gujarat Green Revolution Limited	Vadodara Enviro Channel Limited	Gujarat Data Electronics Limited
1	Latest audited Balance Sheet Date	31st March, 2014	31st March, 2014	Not available
2	Shares of Associates held by the company on the year end			
	No.	1,250,000	14,302	115,000
	Amount of Investment in Associates (Rs.)	12,500,000	20	1,150,000
	Extend of Holding %	46.87%	28.57%	23.00%
3	Description of how there is significant influence	Holding more than 20% of the total capital	Holding more than 20% of the total capital	Holding more than 20% of the total capital
4	Reason why the associate is not consolidated	Not Applicable	Not Applicable	Financial statements are not available and 100% provision for diminution in value of investment has been accounted in the books of GSFC Ltd.
5	(i) Networth attributable to Shareholding as per latest audited Balance Sheet as on 31/03/2014 (Rs.)	324,136,169	32,723,391	Not available
	(ii) Networth attributable to Shareholding as per unaudited Blancesheet as on 31/03/2015 (Rs.)	416,097,907	26,466,526	Not available
6	Unaudited Profit / Loss for the FY 2014-15 (Rs.)	196,200,000	(21,899,025)	Not available
	i. Considered in Consolidation (Rs.)	196,200,000	(21,899,025)	Not available
	ii. Not Considered in Consolidation (Rs.)	–	–	Not available
1.	Names of associates or joint ventures which are yet to commence operations.			Nil
2.	Names of associates or joint ventures which have been liquidated or sold during the year.			Nil

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117364W

Gaurav J. Shah
Partner
Membership No. 35701

New Delhi
14th May, 2015

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14th May, 2015

V. D. Nanavaty
Sr. VP (Finance) & CFO
V. V. Vachhrajani
Company Secretary



GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

(CIN : L99999GJ1962PLC001121)

ATTENDANCE CARD

I/We

Folio No.	
D.P. I.D.	
Client I.D.	

hereby record my/our presence at the **FIFTY THIRD ANNUAL GENERAL MEETING** of the Company held at **Cultural Centre Auditorium** situate at its Registered Office at **Fertilizernagar, District Vadodara**, at **3.00 p.m. on Wednesday, the 16th September, 2015.**

Signature of the member/proxy/representative attending the meeting _____

- Notes : (i) Please handover this Attendance Card at the entrance to the place of meeting.
(ii) Only Members and in their absence, duly appointed proxies will be allowed for the meeting. Please avoid bringing non-members/children to the meeting.



GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

(CIN : L99999GJ1962PLC001121)

Registered Office: Fertilizernagar - 391 750, Dist. Vadodara.

E-mail: vishvesh@gsfcltd.com, Website: www.gsfclimited.com

FIFTY THIRD ANNUAL GENERAL MEETING

Wednesday, September 16, 2015 at 3.00 p.m.

**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(s) of Shareholder(s): _____ Registered Address: _____

Email ID: _____ Folio No. / DP ID / Client ID: _____

I / We, being the Member(s) holding _____ equity shares of the above named Company, hereby appoint the following as my / our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the 53rd Annual General Meeting of the Company, to be held on Wednesday, the 16th September, 2015 at 3.00 pm at the Registered Office of the Company at Cultural Centre Auditorium, Fertilizernagar - 391 750 and at any adjournment thereof in respect of such resolutions as are indicated below:

- | | | |
|-----|------------------|------------------------------------|
| (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 _____ |

Resolution No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1.	To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2015 and the Reports of the Board of Directors and the Auditors thereon.		
2.	Declaration of Dividend on equity shares for the Financial Year ended on 31st March, 2015.		
3.	Re-appointment of Dr. J N Singh, who retires by rotation and being eligible, offers himself for reappointment.		
4.	Ratification of appointment and remuneration of statutory auditors.		
Special Business			
5.	Ratification of Remuneration of Cost Auditors for the Financial Year 2015-16.		
6.	Appointment of Smt. Geeta Goradia as an Independent Director for a period of 5 years.		
7.	Appointment of Shri D C Anjaria as an Independent Director for a period of 5 years.		
8.	Appointment of Prof. Vasant Gandhi as an Independent Director for a period of 5 years.		
9.	Appointment of Shri Ajay Shah as an Independent Director for a period of 5 years.		
10.	Appointment of Shri Vijai Kapoor as an Independent Director for a period of 5 years.		
11.	Appointment of Dr. S K Nanda as Chairman & Managing Director and to approve terms and conditions thereof.		

Signed this _____ day of _____ 2015

Member's Folio/ DP ID- Client ID No. _____

Signature of shareholder(s) _____

Signature of Proxy holder(s) _____

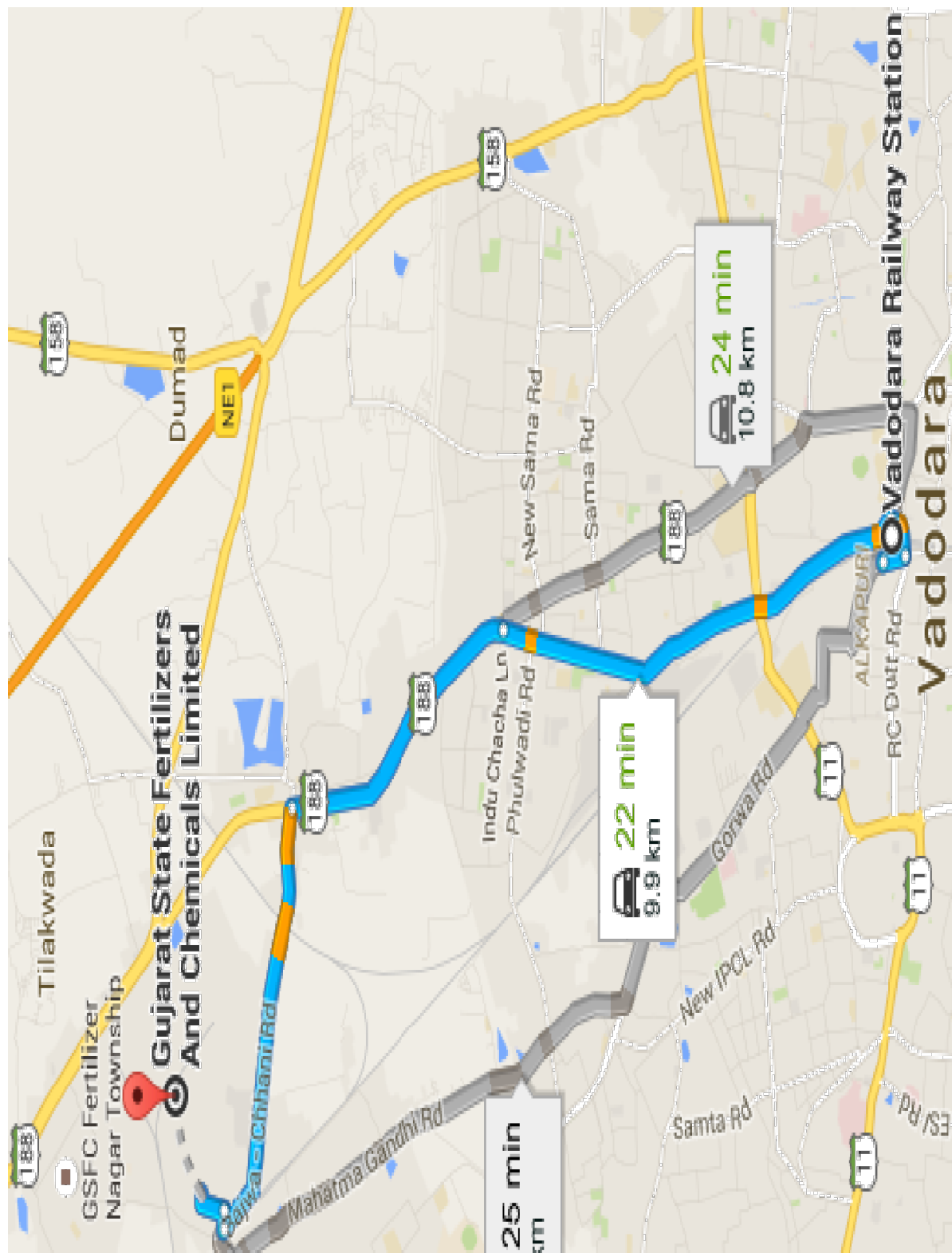
Affix
Revenue
Stamp
Re. 1/-

- Note: 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 forty eight (48) hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 53rd Annual General Meeting.
*3. It is optional to put '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 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

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NOTES

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GSFC: SARDAR PACKAGE

Farmers in Gujarat and elsewhere have come to regard GSFC as not a mere seller of fertilizers but an organization which could help them with innovative approaches to farming.

For instance, GSFC has launched its '**Sardar Package**' scheme in 41 talukas spread across 19 districts in the State to promote the use of renewable energy in irrigation. Under the scheme, two lakh hectares of land will be added to drip irrigation every year. It

will offer solar pumps and drip set packages to the State's farmers under the package.

The Sardar Package Scheme will also educate farmers about use of Water Soluble Fertilizers (WSF) and their benefits with many other modern agricultural practices. GSFC has also plans to launch this package in Uttar Pradesh after Maharashtra.



CORPORATE SOCIAL RESPONSIBILITY

It is the belief of GSFC that a business enterprise, irrespective of its size has to be socially responsible by giving equal importance to the economic, social and the environmental concerns within its core business. It believes that CSR is about managing relationships with employees, customers, suppliers, stakeholders and communities in which they operate.

GSFC is one of the sponsors of The Akshay Patra Foundation (APF), which provides Mid-day Meal to government primary schools in Vadodara City & Vadodara district, Padra & Waghodiya District, feeding more than 1,00,000 children every day. GSFC is one of the leading promoters of SVADES, an NGO which is working to improve the quality of life in rural areas around GSFC through activities like Youth Development, Women Empowerment and Educational Programs which encourage Community to develop its own governance. Youth development is done through Livelihood Generation Programs for Unskilled & Unemployed Rural Youth in which they get trained & placed in various sectors like Retail, Hospitality, Security, Hospitals, Courier Service, Gardening, etc.

Donations and Sponsorships are given to NGOs / Institutions such as Bharat Sevashram Sangh, Disha Charitable Trust (for Autistic Children), and for Armed Forces Flag Day. GSFC provides both Financial and Human resource aid during the time of Natural Calamities. Its own Health Centre organizes

Medical Camps, Blood Donation Camps and Emergency Services for nearby villages. For sanitation, toilets have been constructed in the nearby villages ultimately leading to cleanliness and hygiene. Various awareness programmes are also held towards the same objective. GSFC is contributing to green future by tree plantation activities, having lakhs of trees in its own premises of all four units, donating plants on regular basis, developing a chalk pond into a beautiful and green hillock in the premises of GSFC, rain water harvesting, and water recycling. Financial assistance is provided to nearby villages for infrastructural development.



R & D AT GSFC

GSFC has a state-of-the-art research and development facility for developing & characterizing materials and for determining physical & mechanical properties of polymeric materials, and has made significant contribution in improving the profitability through Value addition to Processes & Products. It is also engaged in process development of new fertilizer products, relevant and synergic to company's business.



GSFC's FOREIGN VENTURES

As a step towards backward integration as well as ensuring feed-stocks, GSFC has formed a Joint Venture in Tunisia viz. Tunisian Indian Fertilizers (TIFERT), which would ensure the consistent supply of 1,80,000 MTPA of additional Phosphoric Acid annually required for the production of DAP. GSFC has also acquired a strategic stake in M/s Karnalyte Resources Inc. in Canada to secure availability of Potash for the Company in the long run.

GSFC looks to the future with confidence. Winning of Awards does not mean it would rest on its laurels. GSFC always wants to be an organization with immense growth potential endowed with an ability to generate higher profits through minimizing costs and delivering better quality.



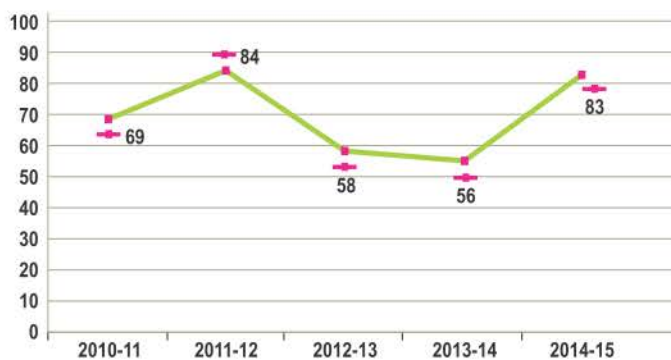
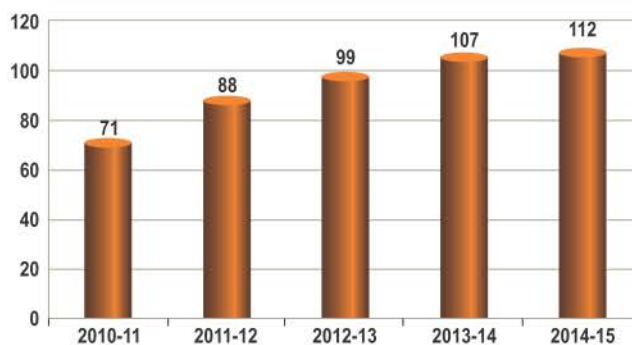
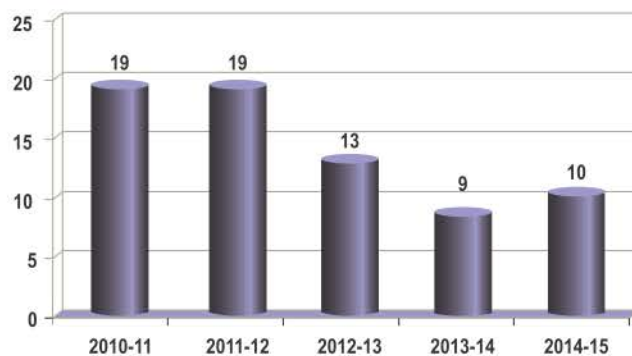
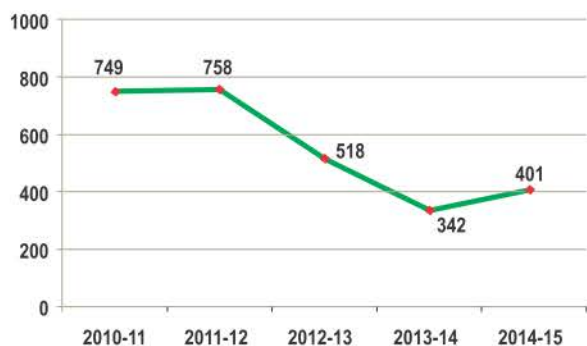
Tunisian Indian Fertilizers (TIFERT), Tunisia



Karnalyte Resources Inc., Canada



PERFORMANCE HIGHLIGHTS



BY COURIER / REGISTERED POST

To,



If undelivered, please return to :



GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

CIN : L99999GJ1962PLC001121

Fertilizernagar - 391 750, Vadodara, Gujarat, India.

www.gsfclimited.com