55th
annual report
2016-17

GSFC

GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

THE ICONIC BANYAN TREE

On the cover of this report, is not only a revered symbol in Vadodara, but also at GSFC. While the Banyan Tree also portrays growth, GSFC is much more than just that. As the myriad branches that sprout from its resilient trunk signify products of GSFC, that are host to many more industries and their products, symbolizes a progressive growth. This is not just for GSFC, but for other companies and for nation.

As the Banyan Tree stands tall and proud through the years, representing dependability of the ages, GSFC is a company whose foundation is built on Trustworthiness. With its branches spreading out, ever growing and expanding and its roots ever connected to the mother earth, the Banyan Tree holds a timeless integrity, a reflection of GSFC's strong and dependable eminence as a company.

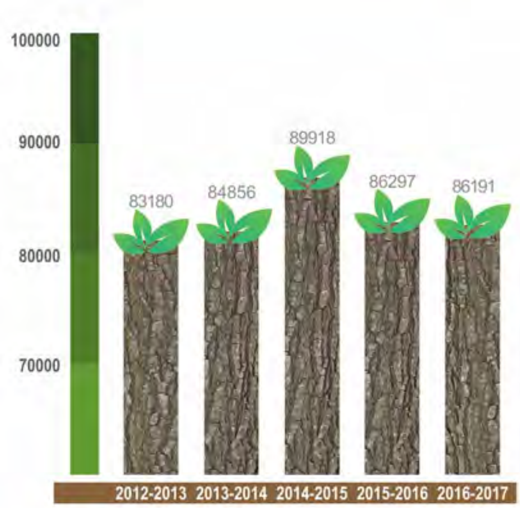
GSFC AT A GLANCE

The Company, set up in early sixties, to manufacture nutrients and to aid farmers to achieve higher production and to meet the challenge of food shortages, now straddles a wider spectrum of products, prospects and vision.

With 38% stake in the Company held by GSIL, an investment arm of Government of Gujarat, Gujarat State Fertilizers & Chemicals Limited, started off initially by manufacturing Urea, its first in the series of fertilizers for use on a sustained basis by farmers. This enabled them to shift from extensive low-yield to high-yield cultivation. Hence GSFC became a catalyst for higher productivity in Indian agriculture. Over the years, GSFC, in its pursuit of excellence along the growth path, has constantly kept on increasing its product range, enhancing manufacturing and marketing processes, expanding Research & Development and triggering a legion of other activities that have made GSFC an industrial behemoth with two balanced core wings of fertilizers and chemicals. Today, GSFC is a Fortune India 500 company.

PRODUCTION (FERTILIZERS) IN MTS

PRODUCTION (CAPROLACTAM) IN MTS



GROSS SALES (₹ CRORES)

OPERATING PROFIT (EBIDTA) (₹ CRORES)

GSFC UNIVERSITY

GSFC University has been set up as CSR initiative of the Company through GSFC Education Society which started from the Academic Year 2015-16 with School of Technology (SoT) with B. E. programs in Chemicals and Mechanical disciplines. Civil Engineering discipline was added in the subsequent year. From academic year 2016-17, School of Science (SoS) was also started offering B. Sc./M. Sc. Integrated course. From current academic year, School of Management (SoM) has been started offering BBA/MBA integrated course.

The University is a 'student focused teaching university' designed to produce industry ready manpower in various disciplines. The University also aims to provide, through its Executive Development Centre (EDC), useful in-service programs to employed professionals convertible into certificates, diplomas, degrees, etc.

The University campus provides a positive gender framework for all round development of girl students giving equal opportunity without any discrimination, while recognizing the inherent biological differences

GSFC CSR ACTIVITIES

GSFC has been working on multifaceted CSR projects covering various areas such as education, health, centre for specially abled children, environment, nutrition, rural development, providing clean drinking water, support to NGOs etc much before CSR has been made mandatory. At GSFC, CSR does not only mean financial contributions but actually taking up and successful implementation of projects along with awareness programs, which ensures the fulfillment of prime objective. Along with GSFC University we are focusing on developing children in activities like karate. GSFC has also tied up with TENVIC Sports Education Pvt. Ltd. for training students in sports activities like football, basket ball and table tennis.

GSFC in association with VMSS and GCSRA has set up Osmosis Centre for Special Children. It is a learning centre in the vicinity of Vadodara city to help children with learning difficulties and impart education for children from 6th to 8th standard for subjects like Mathematics and English. This centre also has a library, special aids and computer lab facility for speedy learning of the children.

EXPANSION AND DIVERSIFICATION

GSFC is contemplating to increase production capacities for Phosphoric Acid, Sulphuric Acid, Caprolactam and MMA at different locations in Gujarat. In line with Government of India's initiatives for use of renewable energy, We are in process of setting up 1 MW roof top Solar Power Project at its existing Vadodara complex and 10 MW Solar Power Plant at Gujarat Solar park, Charanka. To increase the production capacity along with improving efficiency & reliability of existing plants, revamping of Ammonia, Urea & Phosphoric Acid Plants is under active consideration.

GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

[Corporate Identity Number (CIN) : L99999GJ1962PLC001121]

55TH ANNUAL GENERAL MEETING

Date	:	16th September, 2017
Day	:	Saturday
Time	:	3.30 p.m.
Place	:	Cultural Centre Auditorium Fertilizernagar Township Fertilizernagar - 391 750 District Vadodara

CONTENTS

Page No.

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 05-08-2017)*

DR. J. N. SINGH *Chairman*
SHRI D. C. ANJARIA
PROF. VASANT P. GANDHI
SHRI AJAY N. SHAH
SHRI VIJAI KAPOOR
SMT. GEETA GORADIA
SHRI ANIL MUKIM
SHRI SUJIT GULATI
SHRI A. M. TIWARI *Managing Director*

EXECUTIVE DIRECTOR (FINANCE) & CFO

SHRI V. D. NANAVATY

SR. VICE PRESIDENTS

MS. F. M. DAYAMAKUMAR
DR. Y. P. SINGH
SHRI S. P. YADAV
SHRI H D DALSANIA
SMT. A. P. GANGULI
SHRI S. V. VARMA
SHRI H K JOSHI
DR. D D SHAH
SHRI A K JOHRI
SHRI AJAY SIKDAR
SHRI B B BHAYANI
SHRI D B SHAH
SHRI D N THAKKAR
SHRI D K GANDHI

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.

LEGAL ADVISORS AND ADVOCATES

Nanavati Associates, Advocates, Ahmedabad
Trivedi & Gupta, Advocates, Ahmedabad
Jaideep B. Verma, Advocate, Vadodara

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells, Vadodara (upto FY 2016-17)

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 Saturday, the 02nd September, 2017 to Saturday, the 16th September, 2017 (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, 2017, 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, 2017.

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, 2017 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@gsfcltd.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.gsfclimited.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-fifth 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 **Saturday, the 16th September, 2017 at 3.30 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, 2017, 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, 2017.

2. To declare Dividend on Equity Shares.

3. To appoint a Director in place of Shri Anil Mukim, IAS (DIN 02842064), 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 the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendations of Audit Committee, M/s. T R Chadha & Co., LLP, Ahmedabad, Chartered Accountants (Firm Registration No. 006711N/N500028), be and are hereby appointed as Statutory Auditors of the Company, who shall hold office from the conclusion of this 55th Annual General Meeting (AGM) till the conclusion of 57th AGM of the Company, in place of M/s. Deloitte Haskins and Sells, Chartered Accountants, whose one term to the office as auditors stands completed, upon such terms as to remuneration as may be determined by the Board of Directors based on the recommendation of Audit Committee plus applicable taxes and reasonable out of pocket expenses actually incurred by them during the course of Audit."

Special Business

5. To approve the remuneration of the Cost Auditors for the Financial Year ending 31st March, 2018 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, 2018 be paid the remuneration of Rs. 4,80,000/- plus applicable taxes and reasonable out of pocket and traveling expenses.

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

Place : Fertilizernagar
Date : 25/07/2017

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 up to 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 31-03-2009 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
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
41	2014-15	16-09-2015	15-09-2022
42	2015-16	17-09-2015	16-09-2023

Members who have not yet encashed their dividend warrant (s) for the Financial Year ended 31-03-2010 to 31-03-2016, are requested to lodge their claims to the Company accordingly, without any delay.

Pursuant to Sections 124 and 125 of the Companies Act, 2013 read with Rule 6 of Investor Education & Protection Fund Authority (Accounting, Audit, Transfer & Refund) Amendment Rules, 2017, the Company is mandated to transfer all such shares in respect of which dividend amount remains unclaimed/ unpaid for a consecutive period of seven years or more, in the name of "Investor Education and Protection Fund" (IEPF) Demat Account to be opened by the IEPF Authority. In this regard, we have informed all those members vide our letter dated 16/02/2017, requesting to claim their dividend amount for a consecutive period of seven years from financial year 2009-10. Now, in compliance of Rule 6 as referred above, the Company shall be required to transfer equity shares of such investor to IEPF Authority, in case the unclaimed dividend is not claimed. The due date of transfer of such shares to IEPF Authority was 31/05/2017 as per MCA Circular dated 28/02/2017 which have now been extended till further amended. You are therefore, requested to claim your dividend amount as soon as possible, failing which the subject shares shall be transferred to IEPF Authority. We would like to draw your attention that subsequent to transfer of such shares to IEPF Authority, all future benefits if any, (except right issue) which may accrue on subject shares including dividend will be credited to IEPF Demat Account. Further, in terms of Rule 7 of the said Rules, shareholder may claim his shares from IEPF Authority by filing an online application in Form IEPF-5 which is available on IEPF website: www.iepf.gov.in. The IEPF Shares Register showing the name of shareholders whose shares are liable to be transferred to IEPF Demat Account is made available on Company's website: www.gsfclimited.com. For any further clarifications/ information, you may contact the Share Department of the Company at Tel. No. 0265-3093854.

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.

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, 2017.

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, 2017 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, 2017, 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.evotingindia.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, 2017

End of remote e-voting: up to 5.00 P.M. on September 15, 2017.

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.evotingindia.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, 2017.

l. 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.

NOTES (Contd..)

(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 / physical 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.
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.

(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) 170810019 along with "Gujarat State Fertilizers & Chemicals Limited" from the drop down menu and click on "SUBMIT"

(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) Shareholders can also use Mobile app - "m-Voting" for e voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e voting credentials to vote for the company resolution(s).

(xviii) 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.

(xix) 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

This explanatory statement is provided though mandatorily not required as per Section 102 of the Companies Act, 2013 (the Act).

The Members of the Company had at their 52nd Annual General Meeting (AGM) held on 04.08.2012 appointed M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara (Firm Registration No.117364W) as Statutory Auditors of the Company. The Members re-appointed M/s Deloitte Haskins & Sells, Chartered Accountants, Vadodara for a term of 3 consecutive years till the conclusion of this 55th Annual General Meeting (AGM), subject to ratification by the Members at every AGM.

Since, M/s. Deloitte Haskins & Sells were originally appointed as Statutory Auditors of the company at the 50th AGM held in the year 2012. Thereafter under the provisions of Companies Act, 2013 they were appointed as Statutory Auditors for the one term of 03 (Three) consecutive years which shall conclude the ensuing 55th AGM.

Accordingly it is proposed to appoint M/s. T R Chadha & Co., LLP, Chartered Accountants (Firm Registration No. 006711N/ N500028), Ahmedabad, as Statutory Auditors in place of M/s. Deloitte Haskins & Sells, Chartered Accountants, whose first term of appointment gets over at the conclusion of this Annual General Meeting. The appointment of M/s T R Chadha & Co., LLP is proposed for approval for a first term of two years i.e. from the conclusion of the 55th Annual General Meeting till the conclusion of the 57th Annual General Meeting. .

The Audit Committee, after considering the qualifications and experience of M/s. T R Chadha & Co., LLP, Chartered Accountants, recommended their appointment as Statutory Auditors of the Company to the Board and the Board of Directors have also based on the recommendations of Audit Committee recommended their appointment to the Members as Statutory Auditors of the Company, to hold office from the conclusion of this AGM until the conclusion of next AGM.

T R Chadha & Co., LLP, are a renowned firm of Chartered Accountants and they have wide experience of Audit of large size Companies.

Necessary consent and certificate as required under Section 139 (1) of the Act and Rule 4 of the Companies (Audit & Auditors) Rules, 2014 have been received from the Auditors proposed to be appointed at this AGM.

Your Directors recommend the proposed resolution for your approval.

None of the Directors/ Key Managerial Personnel of the Company and their relative (s) is/are, in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM No. 05

The Board on recommendation of the Audit Committee has approved the appointment of 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, 2018 at a fee as proposed 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 payment of remuneration to the Cost Auditors by passing an ordinary resolution as set out at item no. 5 of the notice for the Financial Year ending March 31, 2018.

Your Directors recommend the proposed resolution for your approval.

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.

By Order of the Board
Sd/-
CS V. V. Vachhrajani
Company Secretary &

Place : Fertilizernagar
Date : 25/07/2017

ANNEXURE TO THE NOTICE (Contd..)

BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

(In pursuance of Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Name in Full	Dr. Jagdip Narayan Singh, IAS	Shri Anil Mukim, IAS
DIN	00955107	02842064
Birth Date	2nd May, 1959	15th August, 1960
Qualification	MA (International Studies, JNU) M.D.M (AIM Manila) PHD From M.S. University, IAS	B.Com. (Management), LL.B., IAS
Status	Chairman - Nominee Director (Govt. of Gujarat) (w.e.f. 31-08-2016) Non Executive	Non Executive Rotational Director
Date of Appointment	25-11-2014	24-10-2016
Self & Family Members Shareholding in GSFC Ltd.	Nil	Nil
Directorship (Other than Gujarat State Fertilizers and Chemicals Limited)	1. Sardar Sarovar Narmada Nigam Limited 2. Gujarat Namada Valley Fertilizers & Chemicals Limited 3. Gujarat State Petroleum Corporation Limited 4. Gujarat Alkalies and Chemicals Limited 5. Gujarat State Petronet Limited 6. Gujarat Gas Limited 7. GSPL India Gas Net Limited 8. GSPL India Transco Limited	1. Gujarat State Investment Ltd. 2. Gujarat State Financial Services Ltd. 3. Sardar Sarovar Narmada Nigam Limited 4. Gujarat International Finance Tech City Company Ltd (GIFTCL) 5. Metro Link Express for Gandhinagar Ahmedabad (MEGA) Company Ltd 6. Gujarat Narmada Valley Fertilizers & Chemicals Limited 7. Gujarat Alkalies and Chemicals Limited 8. Gujarat State Petronet Limited 9. Gujarat State Petroleum Corporation Limited
Membership/ Chairmanship of Companies (includes only Audit & Stakeholders Relationship Committee)	Nil	1. Gujarat State Petronet Limited - Audit Committee - Member 2. Gujarat State Fertilizers and Chemicals Ltd. - Audit Committee - Member 3. Gujarat Alkalies and Chemicals Limited - Audit Committee - Member 4. Gujarat Alkalies and Chemicals Limited - Stakeholders Committee - Chairman
Brief Profile covering experience	Dr. J N Singh, IAS is Chief Secretary, Government of Gujarat. He has very rich and varied experience of 33 years holding various positions in Government of Gujarat and Government of India. He has served largely in Infrastructure & Finance sector including Industrial Infrastructure, Power, Telecom, Information Technology, Highways, Water, etc. He was Additional Chief Secretary, Finance Department, Government of Gujarat from 05.11.2014 to 31.07.2016, Jt. Managing Director of GIDC, Member of Gujarat Electricity Board and Managing Director of Sardar Sarovar Narmada Nigam Limited.	Shri Anil Mukim, IAS, is a very Senior IAS Officer of Government of Gujarat. He has done Graduation in Commerce and Law. He has held various distinguished positions in Government of Gujarat and Government of India. He has worked as Collector, Principal Secretary to Hon'ble Chief Minister, Principal Secretary, Revenue Department, Additional Chief Secretary, Health & Family Welfare Department, Municipal Commissioner, Ahmedabad, Joint Secretary, Ministry of Commerce & Industry, Government of India, CVO, Housing & Urban Development Corporation, etc. He has rich experience in the field of Finance, Management and Administration. Presently, he is Additional Chief Secretary of Finance Department, Government of Gujarat.

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting their 55th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2017.

1. Financial highlights of the Company

(Rs. in Crores)

Sr. No.	Particulars	Standalone		Consolidated	
		2016-17	2015-16	2016-17	2015-16
1	Gross Sales	5476.88	6326.47	5476.88	6326.47
2	Other Income	56.64	65.75	56.30	65.13
3	Total Revenue	5533.52	6392.22	5533.18	6391.60
4	Less : Operating Expenses	4987.36	5668.02	4987.83	5669.31
5	Operating Profit	546.17	724.21	545.35	722.29
6	Less: Finance Cost	64.93	31.31	64.92	31.31
7	Gross Profit	481.24	692.9	480.43	690.98
6	Less : Depreciation	106.36	100.37	103.62	97.46
9	Exceptional Item	0	0	0	0
10	Profit Before Taxes	374.88	592.53	376.81	593.52
11	Taxation				
	- Current Tax	57.35	188.06	57.76	188.43
	- Deferred Tax (net)	13.84	-4.88	15.55	-3.29
	- MAT Credit recognised	(24.30)	0	(24.30)	0
	- Current tax relating to prior years	(91.51)	0	(91.51)	0
12	Profit After Taxes	419.50	409.35	424.46	415.97
13	Other Coprehensive Income arising from remeasurement of defined benefit plan	(55.32)	(129.53)	(55.32)	(129.53)
14	Balance brought forward from last year	285.29	380.98	324.11	413.18
15	Amount available for appropriations	649.47	660.80	693.25	699.62
16	Out of which, your Directors have proposed appropriation and transfer as under:				
	a) Proposed Dividend on Equity shares	87.66	87.66	87.66	87.66
	b) Tax on Proposed bividend	17.85	17.85	17.85	17.85
	c) General Reserve	300.00	270.00	300.00	270.00
17	Leaving a balance in the Profit & Loss Account	243.96	285.29	287.74	324.11

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 - 110%, i.e. Rs. 2.20 per share on 39,84,77,530 Equity Shares of Rs.2/- each) for the financial year ended 31st March, 2017. 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 02/09/2017.

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 turnover of Rs. 5476.88 Crores for the year ended March 31, 2017 as against Rs. 6326.47 Crores (FY 15-16) on standalone basis, which is lower by 13% (Rs.849 Crores) when compared to the previous financial year.

Similarly, for the year under review (FY 2016-17), Profit before Tax (PBT) was Rs. 374.88 Crores and Net Profit (Profit after Tax) was Rs. 419.50 Crores as against PBT of Rs. 592.53 Crores and PAT of Rs. 409.35 Crores for the previous financial year.

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 were 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

Your Company has an internal Control System which commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function lies with the Audit Committee of Directors. 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 the Subsidiary Company or Associate Companies:

- Subsidiary Company - GSFC Agrotech Limited.
- Associate Companies - Vadodara Enviro Channel Limited
  Gujarat Green Revolution Company Limited
- Subsidiary of Subsidiary - Gujarat Arogya Seva Private 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 SEBI (Listing Obligation & Disclosure Requirement) Regulations.

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., Kolkatta, was made, however, the approval for delisting is still awaited. The listing fee for the FY 17-18 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, 96.94% of shares are held in electronic/dematerialized form. All shares held by promoters are in 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. A separate report on Corporate Governance together with the Certificate of Samdani Kabra & Associates, Company Secretaries, Vadodara forms part of this Annual Report. The Management Discussion & Analysis report also forms part of this Annual Report.

10. Business Responsibility Reporting

Business Responsibility Report is annxed as Annexure 'F' to this Annual Report as required under Regulation 34(2) (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. Fixed Deposits

During the year 2016-17, your Company has not accepted/ renewed any Fixed Deposit. Your Directors wish to report that there are **11** Fixed Deposits aggregating Rs. 0.87 Lacs which have remained unclaimed by Depositors, as on 31st March, 2017. Letters reminding them to seek repayment have been sent. Upto and including the date of this report there are no deposits which were claimed and not repaid during the year.

During the year, the Company has transferred a sum of Rs. 4.13 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.

12. 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.

13. Expansion & Diversification

Your Directors are happy to inform you that 40,000 MTPA Melamine Plant project based on technology supplied by M/s Casale, Switzerland is making good progress. Your Company has awarded the contract for the Melamine Project on EPC basis to L & T Hydrocarbon Engineering Ltd. on 30/03/2016. The new plant will be operational in the third quarter of the year 2018-19.

Your Directors are happy to inform that installation of 2 Nos. 10000 capacity Phosphoric Acid Tanks at Sikka Shore Terminal, Jamnagar on lump sum turnkey basis (LSTK) are duly commissioned and lined up in February 2017 as per planned schedule.

Your Company has set up Associated Additional Facility related to DAP-NPK Plant at Sikka, Dist Jamnagar (SU) for which TKIS (ThyssenKrupp-Germany) is hired to provide engineering services. Your Company has successfully commissioned Bagging 'B' facility along with new bulk silo and 2 Nos. sub stations on 27/03/2017. Rest of the facilities of Bagging 'C' and Bagging 'A' will be completed by September 2017.

Your Directors are happy to inform that the project for enhancing the production capacity of Nylon-6 by 15000 MTPA at Vadodara Unit based on technology supplied by M/s Lurgi, Germany (Now Technip Zimmer) and detailed engineering by M/s TATA Consultancy Engineers Ltd; India was commissioned in July 2016.

After addressing initial teething problems, the plant is now in the process of stabilization for quality and quantity. In order to enhance market of value added Nylon-6 chips, the Company has taken up installation of Dry Blending Unit (DBU) concurrently in Nylon-6 project to produce superior quality Nylon-6 chips for taking care of application and marketing based on the technology supplied by M/s PE Polymer Engineering Plant Construction GmbH, Germany (PEPC). DBU is under construction phase and is expected to be commissioned by end of 2nd quarter or beginning of 3rd quarter of 2017-18. The delay of the project is attributed to weak financial condition of PEPC. Your Company is taking all steps to complete this project.

Your Directors are happy to inform that the Company has also awarded contract for Caprolactam Quality improvement project to M/s Simon India Ltd. on EPC basis. The project is expected to be commissioned by third quarter of 2017-18. This project will improve the quality of Caprolactam produced at Caprolactam-I Plant.

Your Directors also would like to inform that Water Soluble Fertilizer (WSF) Project of 20000 MTPA capacity at Vadodara Unit got commissioned in September 2016 successfully with in-house efforts despite of backing out by the detailed engineering consultant M/s Hindustan Dorr-Oliver Ltd.

- **Projects under development**

➢ **Revamping of Urea Plants For Energy Reduction:**

Your Directors are pleased to inform you that your Company is contemplating to revamp its Urea plants for reducing the energy consumption so as to achieve the revised energy norms of 6.2 Gcal / MT as per new Urea policy and improving the plant reliability. As per the technical feasibility study carried out by process licensors, estimated reduction in natural gas consumption will be to the tune of 28 MMSCM per year.

Your Directors also would like to inform that your Company is in advance stage of discussions with Process Licensors for implementation of the Project on EPC basis. Based on financial viability, further decision for implementation of the Project will be taken by September 2017. Estimated Project completion time is 28 months after signing of Contract.

- **1 MW and 10 MW Solar Power Plants:**

  In line with Government of India's initiatives for use of renewable energy, Company is in process of setting up 1 MW roof top Solar Power Project at its existing Vadodara complex and 10 MW Solar Power Plant at Gujarat Solar park, Charanka for which land has been allotted. Estimated Power generated will be 45 MWH per day based on Capacity utilisation factor of 17 %.

  Bid evaluation process for 1MW and 10 MW Solar Power plants is under progress. Based on financial viability of the Project, final decision for 1 MW and 10MW Solar Power Plants is underway. Estimated Project completion time is 6 months after signing of the Contract.

- **1000 MTPD Phosphoric Acid and 3000 MTPD Sulphuric Acid Plant at Sikka Unit:**

  As a part of backward integration, your Company is contemplating to install 1000 MTPD Phosphoric Acid and 3000 MTPD Sulphuric Acid Plant on EPC basis at its Sikka Unit. This will reduce the import dependency for sustaining the plant operation on continuous basis for production of Phosphatic Fertilizers at Sikka Unit.

  Your Directors also would like to inform that your Company is in the process of discussions with Phosphoric Acid Process Licensors for supply of Plant on EPC basis. Memorandum of Understanding (MoU) will be executed with rock phosphate suppliers soon to ensure availability of rock phosphate on long term basis. Consultant for obtaining Environmental clearance will be selected shortly. For Sulphuric acid, possibilities are being explored for production of Sulphuric acid from molten sulphur or direct purchase of Sulphuric acid produced from smelter. Company is in process of discussions with respective suppliers and final decision will be taken based on long term availability and financial viability.

- **Changeover of drive from steam turbine to electric motor for Main air Blower (CR-0501) in Sulphuric Acid Plant :**

  Your Directors are pleased to inform that in Sulphuric Acid-IV plant, the main air blower (CR-0501) is presently steam turbine driven. Based on steam and power economics, it is contemplated to change the drive from steam to electric motor. The estimated saving after implementation of proposal will be approximately Rs. 10 Crores per year.

  Considering major modifications required in electrical system, Company has engaged a renowned consultant for carrying out feasibility study which will be completed by August 2017. Based on feasibility study report further decision for implementation of the proposal will be taken.

- **Ammonia –Urea Complex in Republic of Congo (RoC) :**

  To avail benefits of availability of Natural gas at reasonable price and active interest shown by Government of RoC, Company is contemplating to install 800 MTPD Ammonia and 1100 MTPD Urea plants in RoC wherein Government of RoC will also have equity participation.

  PDIL has completed Techno Economic Feasibility (TEFR) for the Project and based on initial assessment Project seems to be feasible. Company has executed a Non binding term sheet with G-RoC to form a basis of discussions for the Project. Company is process of discussions with bankers, technology suppliers and EPC contractors for their equity participation.

  For further assessment, Detail Project Report (DPR) will be carried out and further decision to move ahead with the Project will be taken by December 2017 based on DPR and other factors.

- **Methyl Methacrylate (MMA) Plant at Dahej:**

  Your Directors also would like to inform that your Company is contemplating to install 50,000 MTPS MMA plant at Dahej for which land acquisition has been completed. Company is in the process of technology selection and discussion with OPaL for supply of major raw material C4 Raffinate.

  Based on raw material availability and financial viability further decision for the Project will be taken.

- **Conversion of Methanol Plant for Production of Synthesis Gas / Ammonia**.

  Your Directors are pleased to further inform that to meet the future Ammonia requirements of the complex & to maintain present Ammonia sales after commissioning of Melamine-III plant, your Company is contemplating to convert its Methanol plant for production of Synthesis Gas / Ammonia by utilising existing equipment of Methanol plant. M/s Haldor Topsoe the technology supplier for Methanol will carry out the feasibility study for conversion of Methanol plant for production of Synthesis Gas / Ammonia. Feasibility study will be completed in November 2017 & based on feasibility study report further decision for implementation of proposal will be taken.

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 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 is placed on the Company’s website www.gsfclimited.com.

16. Directors

A) Changes in Directors and Key Managerial Personnel

Dr. J. N. Singh, IAS Chief Secretary to Govt. of Gujarat has been appointed w.e.f. 31.08.2016 as the Government of Gujarat Nominee Director & Chairman of the Company vice Shri G. R. Aloria, consequent upon his retirement from the services of the Govt. of Gujarat.

Dr. J. N. Singh, IAS was the Additional Chief Secretary to the Government of Gujarat and was also Director of the Company for the period from 25.11.2014 to 31.08.2016.

Shri Sujit Gulati, IAS has been appointed w.e.f. 25.07.2016 as a rotational Director in place of Shri L Chuaungo, IAS, Director of the Company (till 25.07.2016) & Shri Anil Mukim, IAS has been appointed w.e.f. 24.10.2016 vice Dr. J N Singh (who was then nominated as Addl. Chief Secretary, Finance Dept. to Govt. of Gujarat). Shri Anil Mukim, IAS shall be liable to retire by rotation at the ensuing Annual General Meeting, has offered himself for re-appointment.

The brief resume of Directors with regard to appointment/ re-appointment at 55th Annual General Meeting is annexed to the Notice convening the 55th Annual General Meeting, which forms the integral part of this Annual Report.

B) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation & Disclosure Requirement) Regulations, 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 out is explained in the Corporate Governance Report which forms the part of this Annual Report.

C) Appointment and Remuneration Policy

The Board on the recommendation of the Nomination and Remuneration Committee, has 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.

D) Meetings

During the year, Five 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 7, 8, 9 and 10 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 2016-17 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

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.

23. Auditors:

(a) Statutory Auditors

M/s Deloitte Haskins & Sells, Chartered Accountants, Vadodara shall retire at the conclusion of 55th annual general meeting of the company. Pursuant to the provisions of Companies Act, 2013 and the Companies

(Audit and Auditors) Rules, 2014. The board put on record its appreciation for the valuable services provided by the retiring auditors to the shareholders during their association with the Company.

The Board of Directors has, on recommendation of the Audit Committee, recommended for the appointment of M/s. T R Chadha & Co., LLP, Ahmedabad, Chartered Accountants (Firm Registration No. 006711N/N500028) as the statutory auditors for the period of two years, i.e. to hold the office from the conclusion of this annual general meeting till the conclusion of 57th Annual General Meeting of the Company to be held in the year 2019.

(b) Cost Auditors:

In terms of the Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and get them audited every year.

The Board of Directors of your Company, on the recommendations made by the Audit Committee has approved appointment of M/s A G Dalwadi & Company, Cost Accountants, Ahmedabad (Firm Registration Number 100071) as the Cost Auditors of your Company to conduct the audit of cost records for the Financial Year 2017-18. The remuneration proposed to be paid to the Cost Auditor is placed for your ratification at the ensuing 55th Annual General Meeting. The Cost Audit Report for the F.Y. 2015-16 was filed within stipulated time.

(c) Internal Auditors:

Your Company has appointed M/s Talati & Talati, Chartered Accountants, Vadodara, as Internal Auditors of Baroda & Sikka Unit for Financial Year i.e. 2017-18. 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 Fiber 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 Niraj Trivedi, Practicing Company Secretary to undertake the secretarial audit of the Company. The Secretarial Audit Report for FY 2016-17 is enclosed as annexure B.

24. AUDITORS' REPORT

There are no comments/ observations, reservations or adverse remarks in the Auditors Report and Secretarial Audit Report 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 the well positioned human resource of the Company have been key drivers in implementing ideas, polices, cultural and behavioral aspects of the organization and ultimately with their outstanding performance has helped the Company to realize its objectives. Your Directors are happy to place on record their appreciation for highly potential, consistent and ethical employees for their remarkable contribution to 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

Sd/-
DR. J. N. Singh, IAS
Chairman

Place: Fertilizernagar
Date : 25.07.2017

ANNEXURE "A" TO DIRECTORS' REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the Company's CSR policy, 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 amended and 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.

   The GSFC's CSR Policy clearly states that "GSFC is committed to integrate its business values, ethics and professional skills to meet the expectations of all our stakeholders by developing, encouraging and supporting various social and economic initiatives, without any duplication of government policies, though our industrial expertise for Sustainable Development."

   Web link: www.gsfclimited.com

2. **The present Composition of the CSR Committee:**

Sr.	Name	Category
1	Shri J N Singh	Chairman
2	Shri A M Tiwari	Member
3	Shri D C Anjaria	Member
4	Smt. Geeta Goradia	Member
5	Shri L Chuaungo	Member

3. **Average net profit of the company for last three Financial Years :**

   Rs. 549.90 Crores

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**
   Rs. 10,99,81,000/- (i.e. 2% of Rs. 549.90 Crores).

5. **Details of CSR spent during the Financial Year :**

   (a) Total amount to be spent for the Financial Year: Rs. 10.99 Crore.

   (b) 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 below: (Amount in ₹)

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 the reporting period (Since FY 2014-15)
1	Education	Education	6,32,74,400	6,32,74,400	20,87,53,400
2	Rejuvenation of Ajwa Garden	Maintaining ecological balance	67,25,153	67,25,153	2,92,61,278
3	Livelihood and Vocational Training	Promoting Education	30,00,000	30,00,000	30,00,000
4	Sikka Unit	Sanitation	1,36,93,138	1,36,93,138	2,73,22,672
5	Safe Drinking Water	Safe Drinking Water	97,00,000	97,00,000	4,72,00,000
6	Health and Sanitation	Sanitation, Nutrition, Education etc.	73,24,000	73,24,000	3,96,54,000
7	Contribution and Donations	Education, Health, Women Empowerment	62,77,780	62,77,780	2,13,78,196
		Total	**10,99,94,471**	**10,99,94,471**	**37,65,69,546**

Note:

1. *Sr. No. 1(GSFC University) and 3 (Fertilizernagar School) of CSR Report of 2015-16 are merged together as education.*
2. *Sr. No. 5 (Construction of HSL) of CSR Report of 2015-16 is merged as Health and Sanitation.*
3. *Sr. No. 4 (Contribution to MDM) of CSR Report of 2015-16 project has been discontinued.*
4. *The cost of drinking water to GSFC is Rs. 1.04 Crore, however this is an approximate calculation hence only Rs. 97.00 Lakh is shown in above table, the same was ordered by High Court to provide for 4 villages.*

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/- Managing Director and Chairman CSR Committee

ANNEXURE "B" TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 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, 2017** 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, 2017 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, 2015;
- **(c)** The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not applicable for the Audit Period**
- **(d)** The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - **Not applicable for the Audit Period**
- **(e)** The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable for 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 for the Audit Period** and
- **(h)** The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not applicable for the Audit Period**
- **(i)** The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Other applicable laws: We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company as given below:

i. The Apprentices Act, 1961
ii. The Contract Labour (R & A) Act, 1970
iii. The Child Labour (P & R) Act, 1986
iv. The Industrial Employment (Standing Orders) Act, 1946
v. The Industrial Disputes Act, 1947
vi. The Minimum Wages Act, 1948
vii. The Payment of Gratuity Act, 1972
viii. The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
ix. The Equal Remuneration Act, 1976
x. The Employees State Insurance Act, 1948
xi. The Payment of Bonus Act, 1965
xii. The Payment of Wages Act, 1936
xiii. The Factories Act, 1948
xiv. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
xv. The Employees Compensation Act, 1923
xvi. The Maternity Benefit Act, 1961
xvii. The Sexual Harassment of Women at Workplace (PD & R) Act, 2013
xviii. The Collection of Statistics Act, 2008

xix. Gujarat Physically Handicapped Persons (Employment in Factories) Act 1982.
xx. The Water Cess Act, 1972
xxi. The Dangerous Machines (Regulation) Act, 1936
xxii. The Environment Protection Act, 1986
xxiii. The Personal Injuries (Compensation Insurance) Act, 1963
xxiv. The Professional Tax Act, 1976
xxv. The Public Liability Insurance Act, 1991
xxvi. The Air (Prevention & Control of Pollution) Act, 1981
xxvii. The Water (Prevention & Control of Pollution) Act, 1974
xxviii. The Hazardous Waste Act, 1989
xxix. The Trade Union Act, 1926
xxx. The Weekly Holidays Act, 1942
xxxi. The Building and Other Construction Workers Act, 1996

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; National Stock Exchange of India 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 the 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.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

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 has taken any actions or entered into any events having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Place: Vadodara
Date : 25/07/ 2017

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 as Annexure A and forms an integral part of this report.

'ANNEXURE A' 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: 25/07/ 2017

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 31.03.2017
[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 Fertilizernager – 391 750, Dist: Vadodara, Tel. 0265 2242451, Fax. 0265 2240966 website: www.gsfclimited.com
vi	Whether listed company:	Yes
	Details of the Stock Exchanges where shares are listed	Stock Exchange Name — Name Code BSE Limited (BSE) — 500690 The National Stock Exchange of India Limited (NSE) — GSFC
vii	Name, Address and Contact details of Registrar and Transfer Agent:	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

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	71.07%
2	Chemicals	2011	28.93%

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, 1st 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	U29308GJ1985PLC008058	Associate	23.00%	2 (6)
5	Gujarat Arogya Seva Private Limited 1st Floor, Administrative Building P. O. Fertilizernagar Vadodara Vadodara GJ 391750 IN	U74999GJ2017PTC096542	Subsidiary of Subsidiary	51%	2 (6)

The Company is Dormant and 100% provision for diminution in value of investment has been accounted in the books of GSFC Limited.

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 (As on 31-March-2016)*				*No of Shares held at the end of the year (As on 31-March-2017)*				*% change during the year*
	Demat	Physical	total	% of total shares	Demat	Physical	total	% of total shares	
A. Promoters									
(1) **Indian**									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt.	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	150787405	12500	150799905	37.84	150787405	12500	150799905	37.84	0
e) Banks/ Financial Institutions	0	0	0	0	0	0	0	0	0
f) Any other (specify)	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):-	**150787405**	**12500**	**150799905**	**37.84**	**150787405**	**12500**	**150799905**	**37.84**	**0**
(2) **Foreign**									
a) NRI - Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Any other	0	0	0	0	0	0	0	0	0
Sub-total(A)(2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	**150787405**	**12500**	**150799905**	**37.84**	**150787405**	**12500**	**150799905**	**37.84**	**0**
B. **Public Shareholding**									
1. **Institutions**									
a) Mutual Funds	16760149	5115	16765264	4.21	17560216	5115	17565331	4.41	0.20
b) Banks/ FI	40619458	164370	40783828	10.23	38876408	164370	39040778	9.80	-0.44
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	81176045	0	81176045	20.37	69546286	0	69546286	17.45	-2.92
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total(B)(1):-	**138555652**	**169485**	**138725137**	**34.81**	**125982910**	**169485**	**126152395**	**31.66**	**-3.16**
2. **Non- Institutions**									
a) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
i) Indian	33328287	74345	33402632	8.38	43080183	70180	43150363	10.83	2.45
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	43747157	9548662	53295819	13.37	43098568	9273597	52372165	13.14	-0.23
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	13368760	0	13368760	3.35	14899334	0	14899334	3.74	0.38
c) others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
i. Trusts	54115	0	54115	0.01	64080	0	64080	0.02	0.00
ii. Other directors	1450	0	1450	0.00	1450	0	1450	0.00	0.00
iii. Non-resident Indians (Repat)	1554822	169440	1724262	0.43	2459671	169440	2629111	0.66	0.23
IV. Non-resident Indians (Non-repat)	494160	0	494160	0.12	1004022	0	1004022	0.25	0.13
v. Societies	26295	2489880	2516175	0.63	13395	2489880	2503275	0.63	0.00
vi. Hindu Undivided Families	3035267	2610	3037877	0.76	3211957	2610	3214567	0.81	0.04
vii. Clearing Membes	1057238	0	1057238	0.27	1686863	0	1686863	0.42	0.16
Sub-total(B)(2):-	**96667551**	**12284937**	**108952488**	**27.34**	**109519523**	**12005707**	**121525230**	**30.50**	**3.16**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**235223203**	**12454422**	**247677625**	**62.16**	**235502433**	**12175192**	**247677625**	**62.16**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total (A+B+C)	**386010608**	**12466922**	**398477530**	**100.00**	**386289838**	**12187692**	**398477530**	**100.00**	**0.00**

(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	150799905	37.84	150799905	37.84
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	150799905	37.84	150799905	37.84

(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	Life Insurance Corporation of India	3,17,78,658	7.98	3,17,78,658	7.98
2	Fidelity Puritan Trust-Fidelity Low-Priced Stock Fund	3,15,00,000	7.91	3,15,00,000	7.91
3	Reliance Capital Trustee Company Limited A/C Reliance G.F	1,48,35,347	3.72	1,22,72,560	3.08
4	Gujarat Alkalies And Chemicals Limited	75,00,000	1.88	75,00,000	1.88
5	Gujarat Narmada Valley Fertilizers Company Limited	75,00,000	1.88	75,00,000	1.88
6	SBI Life Insurance Company	NIL	NIL	78,12,155	1.96
7	Ghi LTP Ltd	61,14,648	1.53	61,14,648	1.53
8	Government Pension Fund Global	66,64,883	1.67	58,40,001	1.47
9	Gujarat Mineral Development Corporation Ltd.	50,00,000	1.25	50,00,000	1.25
10	Vanderbilt University A/C Vanderbilt University- Atyant Capital Management Limited	31,83,000	0.80	31,83,000	0.80

(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.

V. INDEBTEDNESS

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

Particulars	Secured Loans Excluding deposits			Unsecured Loans						Deposits	Total
	ECB	Cash Credit	Total	Buyer's Credit	ICD Loan	sales bills discounting	Comm Paper	Purchase Bill Disc.	Total		Indebtedness
Indebtedness at the beginning of the financial year											
i) Principal Amount	20342.09	22167.34	42509.43	42314.82	40000.00	3940.02	0.00	0.00	86254.85	4.72	128769.00
ii) Interest due but not paid	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.45	4.45
iii) Interest accrued but not due	36.64	385.08	421.72	9.68	0.00	0.00	0.00	0.00	9.68	0	431.40
Total (i+ii+iii)	20378.73	22552.42	42931.15	42324.50	40000.00	3940.02	0.00	0.00	86264.53	9.17	129204.85
Change in Indebtedness during the financial year											
Addition	0.00	0.00^	0.00	77612.43	0.00	28120.26	150000.00	3222.61	255732.69	0.00	255732.69
Reduction (incl Ex. Variation Differnece)	9967.91	0.00	9967.91	95941.40	0.00	25472.13	130000.00	0.00	251413.53	4.78	261386.22
Net Change Indebtedness at the end of the financial year											
i) Principal Amount	10374.18	14349.45	24723.63	23985.85	0.00	6588.15	20000.00	3222.61	50574.00	2.52	75300.15
ii) Interest due but not paid	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.87	1.87
iii) Interest accrued but not due	20.57	0.51	21.08	20.86	0.00	0.00	0.00	6.95	27.81	0	48.89
Total (i+ii+iii)	10394.75	14349.96	24744.71	24006.71	0.00	6588.15	20000.00	3229.56	50601.81	4.39	75350.91

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **(₹ in Lakhs)**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager
	Name	ANAND MOHAN TIWARI
	Designation	MANAGING DIRECTOR
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.79
	(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	0.03
2	Stock Option	0.00
3	Sweat Equity	0.00
4	Commission	0.00
	- as % of profit	0.00
	- others, specify	0.00
5	Others, please specify	0.00
	Total (A)	24.82
	Ceiling as per the Act	not applicable

* Deposited in Government Treasury

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

B. Remuneration to other directors: ***(Amount in ₹)***

SN.	Particulars of Remuneration	Name of Directors					Total Amount (Rs.)
		Shri D C Anjaria	**Prof. Vasant Gandhi**	**Shri Ajay Shah**	**Shri Vijai Kapoor**	**Smt. Geeta Goradia**	
1	Independent Directors	1,40,000	1,10,000	20,000	60,000	1,30,000	4,60,000
	Fee for attending board committee meetings						-
	Commission						-
	Others, please specify						-
	Total (1)	1,40,000	1,10,000	20,000	60,000	1,30,000	4,60,000
		Dr. J N Singh	**Shri Sujit Gulati**	**Shri Anil Mukim**	**Shri L Chuaungo**	**Shri G R Aloria**	
2	Other Non-Executive Directors						-
	Fee for attending board committee meetings	60,000	1,00,000	80,000	20,000	20,000	2,80,000
	Commission						-
	Others, please specify						-
	Total (2)	60,000	1,00,000	80,000	20,000	20,000	2,80,000
	Total (B)=(1+2)						7,40,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD **(₹ in Lakhs)**

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
	Name			
	Designation	CFO	CS	
1	Gross salary	Rs.43.42 Lakhs	Rs. 38.71 Lakhs	Rs. 82.13 Lakhs
	(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	-	-	
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
	Commission	-	-	
4	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	Rs.43.42 Lakhs	Rs. 38.71 Lakhs	Rs. 82.13 Lakhs

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/ punishments/ compounding of offences for the Financial Year ending 31/03/2017.

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. Details of contracts or arrangements or transactions not at arm's length basis. - There were no contracts or arrangements or transactions not at arm's length basis.
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	Duration of contract	Salient terms	Amount (Rs. in Lakhs)
GSFC Agrotech Limited	Subsidiary	Purchase of goods	Not applicable	Not applicable	1,905.69
		Sale of materials			1.76
		Commission income			47.15
		Rent receipt			12.27
		Reimbursement of expenses			141.15
		Equity contribution			-
		Outstanding balance-Receivable			304.48
Vadodara Enviro Channel Ltd. (Erstwhile Effluent Channel Project Ltd.)	Associate	Usage of effluent channel	Not applicable	Not applicable	275.40
		Outstanding balance-Payable			1.19
Karnalyte Resources Inc.	Associate	Reimbursement of expenses	Not applicable	Not applicable	43.32
Gujarat Green Revolution Company	Associate	Reimbursement of expenses	Not applicable	Not applicable	157.25
		Dividend received			6.25
		Outstanding balance-Receivable			135.73
Tunisian Indian Fertilizer Company	Other related party	Purchase of Material	Not applicable	Not applicable	12,493.61
		Outstanding balance-Payable			5,255.15
Bhavnagar Energy Company Limited	Government related Entity	Investment in Equity	Not applicable	Not applicable	816.00
Gujarat Alkalies & Chemicals Ltd.	Government related Entity	Purchase of Materials	Not applicable	Not applicable	1,414.54
		Sale of Product			735.83
		Recovery of (shared) expenses			16.61
		Outstanding balance-payable			83.06
Gujarat Narmada Valley Fertilizers Company Limited	Government related Entity	Purchase of Materials	Not applicable	Not applicable	-
		Sale of Material			1,009.47
		Outstanding balance-Payables			0.01
		Outstanding balance-Receivables			99.57
GAIL India Limited	Government related Entity	Purchase of GAS	Not applicable	Not applicable	79,140.77
		Sale of Product			896.43
		Outstanding balance-Receivables			53.48
		Outstanding balance-Payables			2,763.51
Gujarat Industries Power Company Limited.	Government related Entity	Purchase of power	Not applicable	Not applicable	12,495.68
		Sale of power			107.05
		Outstanding balance-Receivables			30.81
GSFC Education Society	Other related party	Donation Granted	Not applicable	Not applicable	500.00
Gujarat Agro Industries Corporation	Government related Entity	Sale of Product	Not applicable	Not applicable	18,350.41
		Outstanding balance-receivable			187.61
Rajasthan State Mines & Minerals Limited	Government related Entity	Sale of Product	Not applicable	Not applicable	508.99
		Purchase of RM			10,939.44
		Outstanding balance-payables			0
		Outstanding balance-Receivables			-37.18
Gujarat State Petroleum Corporation Ltd.	Government related Entity	Purchase of GAS	Not applicable	Not applicable	1,514.79
		Gas Swap			488.97
		Outstanding balance			15.16
Gujarat Chemical Port Terminal Company Limited	Government related Entity	Storage & Wharfage charges	Not applicable	Not applicable	494.97

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

For and on behalf of the Board

Sd/-
DR. J. N. Singh, IAS
Chairman

Place: Fertilizernagar
Date : 25.07.2017

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 LPS in place of MPS at reboiler in Benzene distillation column LC plant, Capro-I.

Excess LPS (3K steam), which was vented, is utilized in place of MPS (14K) at reboiler of Benzene distillation column. This resulted into a reduction of steam generation load on Steam generation boilers. The resultant annual NG saving is 28.8 Lacs SM3 (Rs. 691.2 Lacs).

2) Energy conservation by isolation of Hot Water Cooler-II at LC-P&B plant, Capro-II.

Reduction in power and steam consumption was achieved in Hot Water Pump II and Steam Jet Heater respectively as a result of reduction in pressure drop in hot water loop due to isolation of Hot Water Cooler-II. It resulted into annual power saving of 0.294 Lacs unit (Rs. 2.13 Lacs) and annual NG saving of 1.344 Lacs SM3 (Rs. 32.25 Lacs).

3) Use of LP Steam at various Heat Exchangers at Nylon-6 Plant.

Excess LPS (3K steam), which was vented, is utilized as heat source to preheat various process streams in total four nos. of heat exchangers. It resulted into reduction in load on steam generation boilers. The resultant annual NG saving is 0.8 Lacs SM3 (Rs. 19.2 Lacs).

4) Stoppage of one Cooling Water (CW) pump at AST.

CW pumps operation optimized and during favorable weather condition, only one CW pump is kept in line in place of operating two nos. of CW pumps, when only one no. of Screw compressor is in line. It resulted into annual power saving of 2.25 Lacs unit (Rs. 16.31 Lacs).

5) Stoppage of CW pump at Nylon-6 Plant.

One cooling water pump at Nylon-6 plant is stopped for ~18 hours/ day by optimization of plant operating conditions. It resulted into annual power saving of 2.09 Lacs unit (Rs. 15.13 Lacs).

6) Installation of Energy Efficient Ammonia transfer pumps at AST.

New energy efficient pumps were installed to fill liquid ammonia at -33°C to reduce operating cost of liquid ammonia filling and supply liquid ammonia for filling road / rail tankers as well as to the consumer grid of GSFC. Due to improvement in efficiency, it resulted into annual saving of 1.58 Lacs unit (Rs. 11.43 Lacs).

7) Installation of new dual speed motor for Cooling Tower (CT) fans at both SA-III & SA-IV Plants.

New dual speed motors were installed for each one of Cooling Tower fans at SA III & SA IV plant. Existing Motor rating of SA III and SA IV CT Fan is 30 kW and 55 kW respectively. New dual Motor rating for SA III Plant is 30 kW & 7.5 kW and for SA IV Plant is 55 kW & 15 kW. Running of fans at lower speed during favorable weather condition resulted into annual power saving of 1.06 Lacs unit (Rs. 7.68 Lacs).

8) Switching off Auxiliary Transformers of Co-Gen-I &II Plant.

Supply of New IR compressor from 3.3 KV panel of Co-Gen-I & II plant was switched to 3.3 KV panel of Co-Gen III Plant. Due to this, four numbers of 11/3.3 KV auxiliary transformers could be switched-off on permanent basis. It resulted into annual power saving of 1.05 Lacs unit (Rs. 7.62 Lacs).

9) Impeller trimming of CW pump at SA-III Plant.

Trimming impeller size from 492 mm to 480 mm of one of the CW Pump resulted into annual power saving of 0.8 Lacs unit (Rs. 5.8 Lacs).

10) Energy saving by using hollow epoxy FRP fans at Cooling Tower of HAS plant, Capro-II.

Cooling Tower fans of solid blades (conventional type) were replaced with hollow epoxy FDP blades fan at Cooling Tower of HAS plant, Capro-II. It resulted into annual Power saving of 0.74 Lacs unit (Rs. 5.36 Lacs).

11) Energy Efficient lights at Capro-II Plant.

Conventional lighting system was replaced by energy efficient system at various locations in Capro-II Plant. It resulted into annual power saving of 0.51 Lacs unit (Rs. 3.69 Lacs).

12) Steam saving by stoppage of Ejector at Nylon-6 plant.

Stoppage of third stage ejector carried out during cooling sequence of batch tumble dryer for steam saving. It resulted into annual NG saving of 0.11 Lacs SM^3 (Rs. 2.56 Lacs).

13) Installation of energy efficient motor at HAS plant, Capro-II.

Driver Motor for Vent gas compressor in HAS plant was replaced and corresponding improvement in its efficiency from ~86% to ~91.4% was achieved. It resulted into annual power saving of 0.24 Lacs unit (Rs. 1.74 Lacs).

14) Stoppage of Raw water pump at Nylon-6 plant.

Based on the adequate Raw water supply pressure from Utility plants, Raw water booster pump supplying water to safety showers, situated at higher elevation, was stopped. It resulted into annual power saving of 0.06 Lacs unit (Rs. 0.44 Lacs).

Above mentioned measures resulted into aggregate annual saving at a rate of 10.67 Lacs units Power (Rs. 77.33 Lacs) and 31.05 Lacs SM^3 NG (Rs. 745.21 Lacs).

Measures taken at Sikka Unit:

1) In order to achieve energy saving, following Major Steps were carried out during the F.Y. 2016-17.

<u>By Energy Efficient Motors</u>

1. Replacement of 02 No. 90 KW conventional motor by Energy efficient motor in Ammonia Transfer Pump-1 & Screen Feed Elevator Train-B (%n 90 to 93).
2. Replacement of 01 No. 55 KW conventional motor by Energy efficient motor Secondary Elevator Train-B (%n 90 to 93).
3. Replacement of 04 No. 45 KW conventional motor by Energy efficient motor for Oversize Pulverizer-D1, D2, F2 & Quench Air Fan-B (%n 89 to 92).
4. Replacement of 01 No. 37 KW conventional motor by Energy efficient motor in Scrubber Effluent pump-D (%n 89 to 92).
5. Replacement of 05 No. 30 KW conventional motor by Energy efficient motor in Cooling Water pumps at SST & MK site & Boiler blower (%n 89 to 92).
6. Replacement of 01 No. 22 KW conventional motor by Energy efficient motor in M2002 Conveyor (%n 89 to 92).

Replacement of 01 No. 18.5 KW conventional motor by Energy efficient motor in Lump Crusher-Train B (%n 89 to 92).

By Energy Efficient Lighting

1. Replacement of 74 Nos. 150 Watt HPSV Lamps by 70 Watt LED Lamps in Street Lights.
2. Replacement of 55 Nos. 125 Watt HPMV Lamps by 35 Watt CFL Lamps in General Plant area Lighting.
3. Replacement of 121 Nos. 32 W LONON Lamps by 12 W LED in ADM Building.
4. Replacement of 10 Nos. 250 W HPSV Lamps by 150 W MH Lamps in Various Plant area Lighting.
5. Replacement of 85 Nos. 50 watt Ordinary TL with 28 watt T5 Tube light in Various Plant area Lighting.
6. Replacement of 33 Nos. 50 watt Copper ballast with 28 watt Electronic ballast in Various Plant area Lighting.
7. Replacement of 05 Nos. 80 watt HPMV DOM fitting with 35 watt LED Post top lantern in Colony area Lighting.

Thus by adopting Energy efficient motors & lighting system annual power saving of 1.76 Lacs units achieved. This resulted in to aggregate annual saving of Rs. 10.59 Lacs at a unit cost of Rs.6.00.

Above mentioned measures resulted into aggregate annual saving at a rate of 1.76 Lacs units Power (Rs. 10.59 Lacs).

Measures taken at Fibre Unit:

1) New Higher Capacity Chilled Water Pump.

By installing 500 m^3/Hr. capacity chilled water pump, we saved 6.85 KWH energy. The annual saving of power is 59191 KWH/Year (Rs.3.15 lacs).

2) Reducing Air Pressure in FDY Plant.

By reducing air pressure from 9.0 to 7.2 Kg/Cm^2 in our new FDY Plant we save 20.55 KWH energy. The annual saving of power is 177573 KWH/Year (Rs.9.46 lacs).

3) Installation of LED Light.

By installing of LED light in place of ordinary light. The annual saving of power is 271976.10 KWH/Year (Rs.14.25 lacs. Approx.)

Above mentioned measures resulted into aggregate annual saving at a rate of 5.09 Lacs units Power (Rs. 26.86 Lacs).

Measures taken at Polymers Unit:

1) Suction line of Cooling Tower Pumps is modified. As a result operation of centrifugal pump of 15 KWH has become free, resulting approximate saving of Rs 8.5 Lakhs per annum.

2) From wind power swapping, saving of Rs. 26 Lakhs is achieved.

Above mentioned measures resulted into aggregate annual saving of Rs. 34.50 Lacs.

Measures under consideration at Fertilizernagar, Vadodara Unit:

1) 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 ~106p 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 SM^3 (Rs. 691.2 Lacs).

2) Generation of Flash steam at CVL Boiler.

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 CVL Boiler and to utilize low pressure steam which is in excess and being vented, in place of 0.5K steam. Generated 14K steam will reduce NG consumption at Steam generation boilers. Anticipated annual NG saving is 0.77 Lacs SM^3 (Rs. 18.43 Lacs).

3) Installation of an additional Dehydrogenation Feed preheater for 37K steam saving, at Anone Plant, Capro-I.

Process Feed is preheated from ~50 °C to ~99 °C existing Feed preheater, resulting into steam (37K) saving. It is proposed to further pre-heat stream from ~99 °C to ~130 °C using excess LPS (3K steam), which is in excess and being vented. It will result in reduction of steam generation load on Steam generation boilers. Anticipated annual NG saving is 0.70 Lacs SM^3 (Rs. 16.9 Lacs).

Measures under consideration at Sikka Unit:

1) By Energy Efficient Motors

1. Replacement of 08 No. 45 KW conventional motor by Energy efficient motor in Over size Pulverizers in Train A/B.
2. Replacement of 04 No. 55 KW conventional motor by Energy efficient motor in Over size Pulverizers of Train-C.
3. Replacement of 02 No. 37KW conventional motor by Energy efficient motor for Scrubber Effluent pumps of A/B Train.

2) By Energy Efficient Lighting

1. Replacement of 75 Nos. 150 Watt HPSV Lamps by 70 Watt LED Lamps in Street Lights.
2. Replacement of 100 Nos. 80 watt HPMV DOM fitting with 35 watt LED Post top lantern in Colony area Lighting.
3. Replacement of 30 Nos. 250 W HPSV Lamps by 60 W LED Lamps in Various Plant area Lighting.

Measures under consideration at Fibre Unit:

1) Replacement of existing old reciprocating Air Compressor by energy efficient screw Air Compressor.

Replacement of existing old reciprocating Air Compressor by energy efficient screw Air Compressor. Annual power saving will be estimated as 10.75 lacs KWH/Year (Rs.57.30 Lacs).

2) Replacement of low capacity chilled water pump by higher capacity energy efficient pump.

Replacement of low capacity chilled water pump by higher capacity energy efficient pump. Annual power saving will be estimated is 59190 KWH/Year (Rs.3.15 Lacs).

Measures under consideration at Polymers Unit:

1) Installation of GET based KVX system at RLNG feed line of boiler is under consideration. By this installation fuel saving will be 2900 MMBTU per annum. Total saving will be approximately Rs. 22.00 Lakhs.

B CONSERVATION OF RAW MATERIAL AND CHEMICALS

Measures under consideration at Polymers Unit:

1) One ACH pump (seal type) in MMA plant (3115P) to be replaced with non-seal pump which will lead to saving of raw material & avoiding minimum one shutdown per year (Rs. 2 Lakhs per year). Moreover it will also reduce effluent load due to seal leakages & its flushing.

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 : 2016-17

(A) POWER AND FUEL CONSUMPTION

	PARTICULARS	2016-17	2015-16
1.	ELECTRICITY		
A.	PURCHASE		
	UNIT: MWH	369104	387972
	AMOUNT Rs. in Lacs	21702	26039
	Rate Rs./KWH	5.88	6.71
B.	Own Generation		
	Unit: MWH	11845	14760
	KWH Per Ltr. of Fuel/Gas	6.95	6.69
	Cost Rs./KWH	16.08	14.19
2.	LSHS , FO , LDO		
	QUANTITY - MTs	158	13
	Amount Rs. in Lacs	78	8
	Average Rate Rs./MT	49686	58837
3.	NATURAL GAS		
	Quantity in '000 SM3	120811	123769
	Amount Rs. in Lacs	21201	23014
	Average Rate 1000/SM3	17549	18594

C TECHNOLOGY ABSORPTION

EFFORTS MADE IN TECHNOLOGY ABSORPTION

As per enclosed FORM – B

D FOREIGN EXCHANGE USED AND EARNED : 2016-17

Foreign Exchange Outgo :

		Rs. Lakhs
(i)	C.I.F. VALUE OF IMPORTS	
	(a) Raw Materials	120563.52
	(b) Stores & Spares	1691.06
	(c) Capital Goods	851.42
	TOTAL (i)	123106.00
(ii)	EXPENDITURE IN FOREIGN CURRENCY	
	(a) Interest	797.83
	(b) Technical Asstt./Know How	538.10
	(c) Others	146.16
	TOTAL (ii)	1482.09
	TOTAL (i) + (ii)	124588.09

Foreign Exchange Earned :

	Rs. Lakhs
FOB VALUE OF EXPORT OF	
MEK Oxime	3379.29
TOTAL	3379.29

(B) CONSUMPTION PER UNIT OF PRODUCTION

Sr. No.	Product	Power		Steam		Natural Gas	
		2016-17 KWH	2015-16 KWH	2016-17 MTs	2015-16 MTs	2016-17 SM³	2015-16 SM³
1	Ammonia	372	367	-1.332*	-1.213*	884	898
2	Sulphuric Acid	35	34	-0.843*	-0.815*	0.066	0.048
3	Phosphoric Acid	285	255	1.460	1.443	1.875	2.572
4	Urea	164	167	1.486	1.480	0	0
5	ASP	38	34	0.031	0.025	7.842	7.833
6	Melamine	1713	1671	7.088	6.603	375	334
7	Caprolactam (Old)	2071	2081	7.163	6.762	88.204	87.641
8	Caprolactam (Exp.)	1400	1387	5.294	5.076	34.041	30.479
9	Nylon - 6	813	910	1.973	1.293	0	0
10	ACH	0	911	0.000	1.332	0	32
11	Monomer	1317	1213	2.690	2.624	-	-
12	MAA	405	700	3.698	3.583	-	-
13	AS	38	38	0.254	0.327	-	-
14	Sheets	0	2092	0.000	8.440	-	-
15	Pellets	578	726	0.941	0.835	-	-
16	DAP (SU)	71	67	0.016	0.014	7.723	7.337
17	NPK(10:26:26) (SU)	66	62	0.015	0.020	9.624	9.157
18	NPK (12:32:16) (SU)	67	62	0.016	0.013	9.928	9.129
19	NPK (20:20:0:13) (APS) (SU)	79	70	0.019	0.020	16.815	14.202
20	Nylon Chips	920	716	-	-	-	-
21	Nylon Filament Yarn	4432	5220	-	-	-	-

* -ve indicate Export from Plants.

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

FORM-B

Form for disclosure of particulars with respect to Technology Absorption: 2016-17

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/New Processes:

1. Micronized elemental sulphur: FCO grade sulphur bentonite tablet is a unique product with 92% micronized sulphur. This is prepared in-house. The tablets have 3 times more dispersibility than commercially available variants and none of which use sulphur in micronized form.
2. Adipic Acid: This is a high value, 100% Import Substitute Food grade product isolated from K131 stream of CEP, along with Water and Lubricant. Market seeding revealed that the product produced in our pilot plant has takers from Polyurethane resin, Plasticizer, Leather, speciality chemical and food industries.
3. Lubricant: This Polyol Ester Lubricant is a high value product, obtained from above K131 stream and finds use in hydraulic and refrigerant systems. Inline with Market feedback, its Flash Point has been successfully increased to acceptable market value. The product is obtained during production of Adipic acid as by-product.
4. Ammonium Sulfate from P-832 stream: is established that Ammonium Sulfate, water and Organic Fuel can be recovered from P-832 waste stream of CEP. The stream has very high COD and low pH. It is the major contributor of COD and Colour of the final effluent discharged to VECL channel.
5. Biogas: Pilot scale trial for treating the composite effluent of GSFC by anaerobic bacteria to produce biogas is in progress with encouraging results. The gas can be used as fuel with significant reduction in energy consumption. The process is environmentally friendly and the sludge produced shall be marketed as organic fertilizer which will additionally generate subsidy claims.
6. Gypsum: Disposal of phosphogypsum (PG) is a worldwide problem in phosphoric acid plants. R & D has taken up an initiative to convert PG into cement clinker. A pilot plant for producing and testing the grade of cement clinker is setup and is in commissioning stage.

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

1. Failure Analysis of 16 components from various plants was carried out which has helped in selection of better MOC and optimization of process parameters to avoid future failures and reducing down time of plants.
2. In-situ metallography at 72 locations in critical equipments was done for assessment of damage has helped in assessment of damage as well as monitoring degradation of material operating at high temperatures.
3. Corrosion and microbial monitoring of cooling tower water at various plants resulted in efficient running of plants and cooling towers.
4. Ferrography of lube oil samples for assessment of condition of rotating machinery, oil contamination and oil-replacement frequency.
5. Metallurgical input is rendered for material related problems like heat treatment, welding, import substitution etc.
6. Surface modification of material for improvement in Corrosion and Abrasion resistance is taken up. Currently Cd4MCu impellers of PA plant and Blade elements of Nylon-6 plant are taken up for coating for enhancing service life. Laboratory test results on trial samples are encouraging. Coated components will be installed in plant for performance evaluation.

(3) FUTURE PLAN OF ACTION :

1. Zincated Sulfur Bentonite: FCO grade fertilizer with Micronized Sulphur and ZnO, which will provide Zn and S nutrients to plant and add value to already developed Sulphur Bentonite Tablets.
2. Potassium Sulphate (SOP) and Muriate of Potash (MOP): For indigenization of ingredients and further lowering production cost of our WSF Product.
3. Bio based Adipic Acid: This product can be prepared by Anaerobic fermentation of Molasses and Glucose. The process is very cost effective.
4. Algal based Plant growth Promoter: High protein algae like Chlorella and Spirulina can be hydrolized to yield Amino Acids which act as plant growth promoters and can be used as an additive for existing Sardar Amin Granules and Liquid.
5. Polyhydroxy Butyrate: Biodegradable plastic This 100 % biodegradable product can be produced from the effluent which is generated during production of Biomethane from the Composite plant effluent streams which is already in the stage of pilot studies.
6. Non-Halogenic Flame Retardant Nylon-6: Melamine polyphosphate and pyrophosphate can be prepared from raw materials Melamine and Phosphoric Acid and can be used as a additive for making Flame Retardant Nylon-6 variety.
7. Hexamethoxy Methyl Melamine (HMMM) Resin: It is import substitute Adhesive for rubber, tyre cord and conveyor belt industries. Raw materials: Melamine, methanol and formaldehyde.

(4) EXPENDITURE ON RESEARCH & DEVELOPMENT :

		₹ in Lakhs
(a)	Capital	9.09
(b)	Recurring	1161.65
(c)	Total	1170.74
(d)	Total R & D Expenditure as a percentage of Net Sales	0.21%

Technology Absorption, Adoption and Innovation :

In-house Technology:

- 300 kg FCO grade WSF is produced for market seeding using R&D make MAP and modified formulation with significant cost reduction.
- After successful field trials on Groundnut and market feed-back, 1.2 MTPD plant of sulfur bentonite is to be setup by GATL.
- Successful field trials for Potash Solubilizing Bacteria (KSB) at AD& AS are conducted for cabbage.
- PAN India field trials of Polymer Coated Urea (PCU) on paddy, at Hyderabad, Punjab, BHU and Cuttack show 25% reduced consumption compared to normal urea for achieving equal yields on Rabi crops.

Imported Technology:

- For Lubricated and / or Nucleated Film Grade Nylon-6 Chips Project - technology is imported and the Project is under process of implementation.
- For Melamine Project - technology is imported and detail engineering and execution work is under progress.

ANNEXURE "F" TO DIRECTORS' REPORT

BUSINESS RESPONSIBILITY REPORT (BRR)

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	**Corporate Identity Number (CIN) of the Company**	:	L99999GJ1962PLC001121
2.	**Name of the Company**	:	Gujarat State Fertilizers & Chemicals Limited
3.	**Registered Address**	:	P. O. Fertilizernagar, Dist: Vadodara, Gujarat, India
4.	**Website**	:	www.gsfclimited.com
5.	**E-mail ID**	:	vishvesh@gsfcltd.com
6.	**Financial Year Reported**	:	2016-17

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Fertilizers & Industrial Production

Industrial Group	Description
201	Manufacture of basic chemicals, fertilizer and nitrogen compounds, plastics and synthetic rubber in primary forms
202	Manufacture of other chemical products
203	Manufacture of man-made fibres

As per National Industrial Classification – The Ministry of Statistics and Programme Implementation

8. List three key products that the Company manufactures (as in balance sheet):

i. Caprolactam

ii. DAP

iii. Urea

9. Total number of locations where business activities are undertaken by the Company:

i) Company does not have any International Location where business activity is undertaken by Company.

ii) There are four National locations where Company's Units are located. The details are as follows:

Baroda Unit	Fertilizernagar – 391 750, Dist. Vadodara.
Polymers Unit	Nandesari GIDC, Dist. Vadodara.
Fibre Unit	Kuwarda, Dist. Surat.
Sikka Unit	Moti Khawdi, Dist. Jamnagar

10. Markets served by the Company – local/ state/ national/ international:

In addition to serving Indian markets at Local, State and National level, GSFC exported its products to countries worldwide during the year ended on 31st March, 2017.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid-up capital (INR):** 79.70 Crores
2. **Total turnover (INR):** 6378 Crores
3. **Total profit after taxes (INR):** 379 Crores
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 2.38% of PAT
5. **List of activities in which the Corporate Social Responsibility (CSR) expenditures have been incurred:**

   The major areas in which the CSR expenditure has been incurred include

   1. Rural transformation
   2. Environment
   3. Health
   4. Education
   5. Disaster response

SECTION C: OTHER DETAILS

1. Does the Company have any subsidiary company/ companies?

   Yes, Company has one direct subsidiary and one indirect subsidiary as on 31st March, 2017.

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

   Your Company would like to encourage its subsidiaries to adopt its policies and practices.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company?

   No. Your Company would like to deal with the parties/ entities who have willingness to be the part of BRR initiatives.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/ Directors responsible for BR

a. Details of the Director/ Directors responsible for implementation of the BR policy/ policies:

   DIN Number: 02986260

   Name: AnandMohan Tiwari

   Designation: Managing Director

b. Details of the BR head;

Sl. No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	V. V. Vachhrajani
3	Designation	Company Secretary & Vice President (Legal)
4	Telephone Number	+91 265 3093582
5	E-mail ID	vishvesh@gsfcltd.com

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

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine principles of Business Responsibility.

Following are the brief summary of Principles as per NVGs;

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 Businesses should promote the well-being of all employees

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5 Businesses should respect and promote human rights

P6 Business should respect, protect, and make efforts to restore the environment

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 Businesses should support inclusive growth and equitable development

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y This forms part of the Code of Conduct of your Company which is applicable to all employees.	Y This policy is part of your Company's Environment, Health and Safety (EHS) Policy.	Y Certain policies form part of the Code of Conduct for employees. There are various policies for the benefit of the employees which are issued by the Human Resources function of the Company from time to time. The policies includes Maternity Leave Policy, Employee Safety Policy, Group Mediclaim Policy, etc.	Y certain aspects of this principle forms part of the CSR Policy.	Y This is the part of the Code of Conduct of your Company which is applicable to all Employees.	Y This forms part of your Company's EHS policy.	Y certain aspects of this principle forms part of the Marketing Policy.	Y Your Company has a CSR Policy.	Y* certain aspects of this principle forms part of the Marketing Policy.

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

2	Has the Policy being formulated in consultation with the relevant stakeholders? Refer Note1	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The spirit and contents of the Code of Conduct and all the applicable laws and standards are captured in the policies articulated by your Company. The policies are based on and are in compliance with the applicable regulatory requirements and International Standards.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/CEO/ appropriate Board Director?	Y (It is signed by the Managing Director)	Y (It is signed by the Managing Director)	Y (It is signed by the Managing Director)	Y (It is signed by the Managing Director)	Y (It is signed by the Managing Director)	Y (It is signed by the Managing Director)	Y	Y (It is signed by the Managing Director)	Y
		As per Good Corporate Governance practice, all the policies are noted by the Board. The Board authorizes Senior Officials of the Company to authenticate such policies and make necessary changes whenever required.								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The implementation and adherence to the Code of Conduct for Employees is overseen by the Human Resource and Internal Audit Function respectively. The Corporate Social Responsibility Policy is administered by the CSR Committee in line with the requirements of the Companies Act, 2013. The EHS Policy is overseen by the Supply Chain, Manufacturing and the Research & Technology Function.								
6	Indicate the link for the policy to be viewed online?	Please refer corporate governance report for link.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? Refer Note 2:	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note 1: While there may not be formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned Stakeholders.

Note 2: The Company has not carried out independent audit of the policies, the Internal Audit Functions periodically looks at the implementation of the policies.

Note 3: In respect of Principle 7 & 9, the Company follows the contents enshrined therein. However, the Policy in this regard is presently not documented.

2a. **If answer to Sr. No. 1 against any principle is 'No', please explain why: (Tick upto 2 options)**

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

3. Governance related to BR

- The Board of Directors of your Company, either directly or through its Committees, assesses various initiatives forming part of the BR performance of the Company annually. The CSR Committee meets periodically to review implementation of the projects/programmes/activities to be undertaken in the field of CSR. Other supporting heads of Department meet on a periodic basis to assess the BR performance.
- Your Company publishes the information on BR which forms part of the Annual Report of the Company. The Annual Report is uploaded on the website of the Company – www.gsfclimited.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

Business should conduct and govern themselves with Ethics, Transparency and Accountability

- The GSFC Code of Conduct for Employees ("the Code") contains the essence of various regulatory requirements and internal policies which primarily deal with or are framed around the principles of ethical behaviour and a sense of accountability. The Company expects its employees including the employees of its subsidiaries to know the Code and act accordingly. Therefore, its employees are acquainted with the Code at the time of their joining and are required to read and affirm to the Code on annual basis.
- Ethics, transparency and accountability are the three basic/essential pillars on which the compliance eco-system of your Company is built. The web based compliance management system not only helps adhere to the regulatory requirements but also develops a culture of self-regulation and accountability at the grass root level within the organization. In the present times when governance is looked upon as a critical aspect of sustainability, we believe, our compliance management systems play a significant role in ensuring good corporate governance.
- A policy on vigil mechanism has been framed and is placed on website of the Company to enable the employees to report any instances of fraud, abuse, misconduct or malpractices at workplace.

  In order to further strengthen its internal controls for prevention of insider trading, the Company has developed its Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in such a manner that it not only satisfies the regulatory requirements but also instils a sense of responsibility among the designated persons for making timely and adequate disclosures. In order to facilitate implementation of the Code and its compliance, your Company has automated the entire process by leveraging technology and putting in place the GSFC Insider Trading Management System. The system acts as a repository of relevant information and provides an electronic platform for seeking trading approvals and send out timely compliance reminders.

  The Company has in place different mechanisms for receiving and dealing with complaints from different Stakeholders viz. Shareholders, Customers, Employees, Vendors etc. There are dedicated resources to respond to the complaints within a time bound manner. During the year, your Company received 18 (eighteen) complaints from shareholders, out of which 14 (fourteen) have been resolved and 4 (four) are still pending.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- The original objective for setting up your company was to contribute towards the food security to the nation. Subsequently, beyond fertilizers, your company diversified into the arena of Chemicals which has been touching all walks of human life, directly or indirectly. All the products conform to their quality standards and the plants of GSFC are proactively maintained so as to meet with environmental standards.
- Your Company is committed to offer the products that meet nationally accepted green product standards. This commitment comes from the team of dedicated professionals working at Company's state-of-the-art Research & Development Centre at Vadodara where technology and innovation are the corner stones.
- Your Company strives to launch various schemes for improvement in the architecture of its plants with a clear focus on improvising the overall performance in terms of production quality, rationalization in the consumption of basic raw materials, utilities like water, power etc. The introduction of such schemes has been quite a regular exercise in the Company and this is the only reason that despite the plants of GSFC are more than four decades old, still they are performing above its rated capacity and without the risks associated to the obsolescence.
- Your Company has initiated proactive steps, as far as possible, to control, reduce and eliminate use of avoidable hazardous materials. Appropriate safeguard mechanism has been in place with a view to control or prevent entry of pollutants. Also there is a proper system in place in categorizing the hazardous inputs in the active raw material list and continuous efforts are always there in the direction towards achieving reduction in pollution levels. In cases where alternates are not available easily for replacement, a detailed analysis for rational mitigation of exposure risk is being undertaken and same is followed at plant level.
- Your Company intends to educate its customers and employees about the safe use of its products. Product Information Sheets for all the major products are available. Company has laid down vendor evaluation and registration procedures for procurement of goods and availing services. The procedure entitles company to have sustainable sourcing and large amount of inputs are sourced sustainably as most of the raw materials are sourced directly from large scale manufacturers in India and outside India. This ensures quality supplies on consistent basis at the most competitive prices.
- On-line Registration of Suppliers & Service providers are undertaken to have more transparency in procurement. Many new vendors and service providers are registered during the year to enhance competition.
- Company promotes and encourages local and small vendors including MSMEs from the nearby/ surrounding area to procure goods and services. The nearby communities are given adequate opportunities for associating with company on competitive terms and conditions. Feasible preference is also given to MSMEs and small scale industries as per guidelines prevailing from time to time. Local and small scale vendors are educated and encouraged to participate in online tender process as well as reverse auction process. Technical support is also extended to these communities when sought for.
- The Company has well developed process for recycle of products, wastes etc. emanating from the production cycle. Any discharge of waste water, finally outside the factory premises is scientifically processed so as to become eligible for discharge in the effluent channel for further disposal thereof. To ensure this objective, the Company has become the promoter of one of the Common Conveying Channel Company viz. Vadodara Enviro Channel Ltd. The objective of this Company is to maintain the effluent channel, which is connected to the Gulf of Cambay through which its participating members discharge their treated effluents as per pollution control norms. Needless to mention here that before final discharge of effluents into the said channel, they are appropriately treated. The hazardous waste generated by the Company is also scientifically handled and the Company has proper system in place for safe disposal of these hazardous wastes like organic waste from Caprolactam Plants which are sent for incineration at registered TSDF site, spent catalysts are given to registered recyclers, spent oil is given to registered refiners etc.

➢ **Installation of Online Monitoring System (OMS) for emissions from stacks of GSFC Complex:** As a part of installation of Continuous Stack Emission Monitoring System (CSEMS), Online Monitoring System (OMS) is installed in phase wise manner for 29 stacks in GSFC complex. The OMS enables regular monitoring of the stack emission for different parameters such as Particulate Matter (PM), SO_2, NOx, Ammonia (NH_3), Fluoride, etc. pollutants and thereby helps in maintaining precise control so that the emissions are well within the statutory limits. This helps in controlling as well as maintaining the ambient air quality to prevent any environmental concern.

➢ **Stoppage of one Cooling Water (CW) pump at AST:** Optimization is carried out for number of CW pumps to be kept in operation based upon variation in ambient temperature conditions as per weather. During favourable weather condition, only one CW pump is kept in line in place of earlier operating two nos. of CW pumps, when only one no. of Screw compressor is in line. This resulted into annual power saving of 2.25 Lacs unit equivalent to Rs. 16.31 Lacs and instantaneous payback period as there was no cost of modification. The reduction in power consumption reduces equivalent power generation at source plants.

➢ **Use of LP Steam in place of MP Steam at reboiler in Benzene distillation column of Lactam plant, Capro-I:** Excess LP Steam (3K steam) which was vented at Ammonia-IV plant, is utilized in place of MP Steam (14K) at reboiler of Benzene distillation column. This resulted into a reduction of steam generation load on Steam generation boiler thereby reducing the quantity of fuel - Natural Gas (NG) used for combustion in the boilers. The resultant annual NG saving is 28.8 Lacs SM^3 equivalent to Rs. 691.2 Lacs and payback period is 0.47 months. As quantity of NG used for combustion is reduced, corresponding flue gas emissions containing green house gases gets reduced.

Principle 3

Businesses should promote the well-being of all employees

- During the time length under discussion, Process Safety Management was strengthened and HAZOP studies have been carried out by inviting two different external agencies. Facelift is given to the Contractors Safety and fresh training modules have been added. Concentrated efforts have been applied on trainings related to personal protective equipments and basic fire prevention as well as usage of fire extinguishers. Safety and Fire trainings have attracted more than 6000 employees, Contractors and visitors. The figure in percentage terms may be expressed as follows:

- 36.34 % permanent employees have been imparted Safety related training during the period.
- 10% Women employees have been covered under various safety related trainings during the same period and 11.11% persons with special ability participated in safety and allied program during the period under discussion.
- More than 85% Contract employees have been imparted safety related trainings during the time length.

- Basic Fire safety awareness sessions have been conducted in school for students in nearby pockets as a matter of fact students of Alembic, Vidyut board and FNC Schools have been trained the figure of such exceeds Three thousand.
- Plant shutdown and start up activities pose hazards that are different as compared to normal working plant hazards and therefore, intensified safety cover have been provided in a structured manner, ensured right kind of hand tools, power tools, lifting tools - tackles as well as material handling and shifting devices only are utilized during plant shut down and start ups.
- Nylon 6 new and WSF project have been completed with cent percent safety, Project work is currently going on for Melamine expansion and CQP etc. which again has its own set of safety challenges. Adequate measures have been taken to ensure safety during Construction, Mechanical and Electromechanical work by putting additional layers of safety and employing safety mechanisms utilized for project related works. ASF project Sikka has been provided with surplus safety surveillance so as to ensure that the entire project work be concluded safely.
- Measures have been initiated to impart mechanical turnaround to fire fighting vehicles and as such Fire tenders are responding quickly to emergency calls and mechanically elevated working platform popularly called as snorkel is ready to offer service on the spur of the moment; it can scale an elevation of nearly 38 Meters. Inculcation of discipline and by way of Drills and training the fitness part of emergency responders has been ensured.
- These are the internal unions of its staff cadre employees which are recognized by the Management. These unions do not have any affiliation political and otherwise and follow the process of collective bargaining for resolving staff related matters.
- All the staff cadre permanent employees are the members of this recognized employees association. The employees also have an autonomy to opt out of the membership any of these unions, if they so desire.

1. Total number of employees: 3992(269 – Sikka, 217 – Polymers, 3116- Baroda, 390 – Fibre)
2. Total number of employees hired on temporary/contractual/casual basis: 192 (Sikka – 10, Polymers – 5, Baroda – 176, Fibre – 1)
3. Number of permanent women employees: 150 (Sikka – 1, Polymers – 1, Baroda – 144, Fibre – 4)
4. Number of permanent employees with disabilities: 49 (Sikka – 5, Polymers – 3, Baroda – 34, Fibre – 7)

State the Employee association that is recognized by management

- The company has its union of staff employees under the name and style :
  - i. Baroda Unit : “GSF Employees’ Union”.
  - ii. Polymers Unit : GSFC Limited – Polymers Unit Employees Union
  - iii. Fibre Unit : Gujarat Nylon Employees Union
  - iv. Sikka Unit : GSFC (Sikka Unit) Employees Union

Percentage of your permanent employees is members of recognized employee association:

All the staff cadre permanent employees are the members of these recognized employees association. The employees also have an autonomy to opt out of the membership any of these unions, if they so desire

1. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year for all units.

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour / forced labour / involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

2. Percentage of safety & skill up-gradation training in the last year

Units	Permanent Employees	Permanent Women Employees	Casual/ Temporary/ Contractual Employees	Employees with Disabilities
Sikka	Safety Trg.: 96%, Skill Trg.: 94%	Nil	Safety Trg.: 100%, Skill Trg.: 10%	Safety Trg.: 80%, Skill Trg. : 80%
Polymers	67%	100%	53%	33%
Baroda	59.5%	84.7%	100%	17.1%
Fibre	94%	100 %	17 %	28%

Principle – 4

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

Identifying the Stakeholders and engaging with them through multiple channels in order to hear what they have to say about our products and services are essential parts of our sustainability plan. The health and wellbeing of the communities has always been an important facet of your Company's operations. Your Company extends its social responsibility beyond the statute book and by engaging in strategic and trust based community development interventions.

While our CSR approach focuses on the development of communities around the vicinity of our plants, we have also developed innovative programmes that leverage our capabilities as a fertilizer and chemical company to ensure equitable distribution of its fertilizers as per Govt. supply plan, thus adding value to the food security of the Nation. While on chemical business plan, the Company strives to touch all walks of life to make a comfortable living.

The CIPET, SVADES & Atul Institute of Vocational Excellence is an initiative towards providing vocational training to unskilled youth on basic and specialised techniques to enable them to earn a decent living. Your Company has partnered with National Skills Development Programme (NSDP) to strengthen the delivery of this programme to both unskilled and semi-skilled individuals. Company has also tie up with TENVIC Sports Pvt. Ltd., a reputed agency for improving the sports talent amongst the schools run by GSFC at its Vadodara and Fibre Unit alongwith Akshar Trust, a school for deaf and mute children. The agreement with the said TENVIC is for three years, so as to achieve the end objective.

GSFC does give special attention to disadvantaged stakeholders as evident from support provided to Special Children School at Chhani, Training to tribal youth at Vapi district etc.

The details of initiatives taken by your Company in the area of community, Society development have been provided in the Corporate Social Responsibility which forms part of the Annual Report.

In nutshell it fulfils the vision of your company's CSR Policy, which is to commit and to integrate its business values, ethics and professional skills to meet the expectations of all our stakeholders by developing, encouraging and supporting various social and economic initiatives, without any duplication of government policies, through our industrial expertise for Sustainable Development.

Principle – 5 Business should respect and promote human rights

- The concept of equality of human beings irrespective of the cast, creed, religion, gender etc. has been the basic principle on which the business of GSFC is based on. Human rights are very well weaved with Code of Conduct for Employees, Human Resource Policies and the settlements reached with the Trade Unions at our plants. Some of the points like prohibition of child labour and forced labour and workers' right to information are of special importance.
- The term 'Human Rights' covers a host of aspects including freedom of association, collective bargaining, non-discrimination, gender equality, avoidance of child and forced labour among others. Your Company is compliant to national regulations pertaining to human rights. The Code of Conduct of your Company also applies to the employees of its subsidiary company.

There are Grievance Redressal Mechanisms in place at all the plants with proportion of workers and management as per the statutory norms. These initiatives provide a sound platform for continued dialog and thus help maintain cordial relation with the workers. During the last financial year, there were no serious complaints received from the stakeholders, which is pending resolution.

Principle – 6

Business should respect, protect, and make efforts to restore the environment

The policy related to environment covers all agencies connected to business with GSFC and extends to the Joint Ventures/Suppliers/ Contractors etc. GSFC practices QEHS policy to ensure safe working environment for the employees & affiliated people.

Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc. GSFC is deeply committed to satisfy its social obligations and has made consistent and effective endeavours for creating better environmental conditions through abatement of pollution and adopting sustainable development practices. With the objective of combating climate change, GSFC aligns its business objectives with practices of resource conservation and environment protection. Regular technological initiatives are pressed into service with great vigour to improve and retain the purity of air, water and soil. GSFC has always remained in forefront to make the company green & clean by Landscaping, development of large & beautiful gardens within the complex & in colony and massive Green belt in 105 Ha areas (33% of the total land area).

Company has identified and assessed potential environmental risks. Your Company has consistently managed and improved the environmental performance. We are sensitive to our role both as user of natural resources and as a responsible producer of Fertilizers & Chemicals based products for society. Over the last two decades, our efforts to manage water, energy and material resources have yielded positive results. The manufacturing facilities have established ISO 14001 based Environment Management System. Any deviations from laid down policies and procedures are tracked and reviewed by effective procedures of Corrective Action and Preventive Action (CAPA). GSFC has installed online round the clock monitoring of Treated effluent discharge parameters, ambient air and stack air emissions for efficient and better control of pollution. SO2 and Ammonia gas detectors are also installed in various process plants for monitoring of gaseous emissions at source and subsequently better control and implementation of proactive corrections.

GSFC's Clean Development Mechanism (CDM) initiatives bear testimony to the drive to reduce greenhouse emissions. The first CDM project envisages use of waste gas from company's plants to manufacture Ammonia, thereby obviating the need for natural gas fuel for its production. It is a matter of pride that the technology for replacing the fossil fuel has been developed through in-house R&D efforts. Meanwhile, the second CDM initiative is for generating 152.8 MW green energy through a cluster of windmills.

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

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

Our Company considers compliance to statutory EHS requirements as the minimum performance standard and is committed to go beyond and adopt stricter standards wherever appropriate.

The emissions/waste generated by our Company is within the permissible limits given by Central or State Pollution Control Bodies (CPCB/SPCB) for the financial year being reported. There are no show cause/legal notices from CPCB/SPCB which are pending at the end of financial year. These are appropriately complied or replied by immediately undertaking required actions.

In FY 2016-17, various energy conservation schemes have been implemented for utilization of Low Pressure Steam of ~2.5 kg/cm2g, which otherwise being vented to the atmosphere, in place of high pressure steam, in reboiler of different plants. This resulted in reduction of load on Steam generation boilers and thereby saving of Natural Gas (NG) fuel. In addition to this, other undertaken measures for improvement in energy efficiency are installation of energy efficient pumps, energy efficient motors, installation of new dual speed motors for Cooling Tower fans to operate fans at lower speed as per weather condition, optimization of pump operation, judicious use of nos. of stages of ejector for steam saving, stoppage of auxiliary transformers, reduction in power consumption by replacing solid blades with hollow epoxy FRP blades for fans of Cooling Tower, impeller trimming of pumps, replacement of conventional lighting system by energy efficient lighting, bypassing of idle heat exchangers etc.

On implementation of above mentioned energy efficiency improvement tactics, it resulted into annual reduction in consumption of NG by 31.05 Lacs Sm3/year and power by 10.67 Lacs kWh/year. Equivalent monetary saving achieved is Rs. 822.56 Lacs/year. Total cost incurred on account of implementation of above modifications is Rs. 106.79 Lacs and corresponding payback period works out to be 2 months. As some schemes were implemented with minimum or no cost of modification, it resulted into instantaneous payback period with lucrative savings.

Principle – 7

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

Your Company has maintained a fair degree of transparency through timely and adequate disclosure of information to the public and regulatory bodies. Your Company articulates the larger interest of industry and the community at industrial forums. As on 31st March, 2017 your Company is a member of following prominent trade associations viz. Confederation of Indian Industries (CII), Federation of Indian Chambers of Commerce and Industry (FICCI), Federation of Gujarat Industries (FGI), The Fertilizer Association of India (FAI). All India Plastic Manuf. Association, Baroda Productivity Council, British Safety Council, UK P 470, Employees Federation of India, EXIM Club, Indian Chemical Council, Indian Council of Arbitration, National Safety Council

Principle – 8

Businesses should support inclusive growth and equitable development

Company has specified programme as CSR Activities which has been the part of core business philosophy at GSFC ever since its inception. Today, company has developed CSR as a very special concept to promote the overall development, progress and betterment of people belonging to the weaker sections of society with a view to improve 'Human Development Index' (HDI) with core focus in the areas like education, environment, health and sanitation, improvement in nutrition level, support to NGOs, rural development (social & infrastructural), industry-academic interface, support during natural calamities and various other in-house projects.

The CSR projects at GSFC are undertaken through the ideal blend of in-house as well as through the support of specialized implementing agencies/NGOs. Your company also has carried out the impact assessment of its CSR initiative.

The contribution towards CSR for the F.Y. 2016-17 was to the tune of Rs 10.99 Crores. The said amount has been spent to achieve its CSR objectives by the company and are more detailed out in the CSR report forming part of Director's Report.

Your company believes in hand holding once with a view to develop the beneficiary in such a way that thereafter they do not require any hand holding and start sustaining on its own and one such example is Contribution to Mid-Day-Meal Scheme through The Akshaya Patra Foundation, where GSFC has supported for capital expenditure plus running expenditure for five years and then the said project has started showing its fruitful results on its own.

Principle – 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

- Your Company places its customers at the center of all its business conducts rather than at the receiving end.
- Your Company believes in implementing the customer feedback into product development and enhancing user experience. In order to facilitate our customers and to communicate their views, feedback, suggestions, complaints etc. your Company has dedicated Product Manager, who is the contact point for the respective products from the stand point of customer feedback and the responsibility is cast upon the Product Manager to resolve the complaint/query of its customers in a time bound manner. Many times, the Product Manager is required to visit the premises of the customers to have the complete grasp of the consumer grievance/complaint for its effective resolution.
- On your company's website, an interactive platform has been created which allows any potential customer to raise queries pertaining to our products and services. All our channels ensure that a potential customer with access to phone/internet is able to engage, receive or share the desired information about our products and services.
- While there are 04 consumer related legal cases pending as at the end of the financial year, there are no customer complaints pending for redressal.
- The products of your Company display all information which are mandated by law including the directions for use. Product information is available in the Product Information Sheet that is available with the dealers of the Company and on the website of the Company.

There are no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years.

The Marketing team of your Company both of Fertilizers as well as Chemicals are in continuous interaction with the end users of its products and any suggestions from the customers are appropriately conveyed at the production level and wherever feasible is being done.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. MACRO- ECONOMIC REVIEW : 2016-17

Against the backdrop of macro-economic stability, the year 2016-17 was marked by two major domestic policy developments in India, the constitutional amendment, paving the way for implementing the transformational Goods and Services Tax (GST), and the action of demonetize the two highest denomination currency notes. Both the actions are expected to be proved game changer for India economy. GST will create a common Indian Market, improve tax compliance and governance, and boost investment & growth. Demonetization has had short-term costs but holds the potential for long term benefits. The aim of demonetization was manifold: to curb corruption, counterfeiting, check on terrorism activities and accumulation of black money. It has signaled a regime shift to punitively raise the cost of illicit activities.

Besides, above two major policy developments, various bold steps taken by the present Government, including, tightening bankruptcy laws, solidified the legal basis for Aadhar, further FDI reforms and codified the institutional arrangements on monetary policy with the RBI. These measures cemented India's reputation as one of the few bright spots in otherwise grim global economies. India is not only amongst worlds fastest growing major economies, underpinned by a stable macro-economy with declining inflation and improving fiscal & external balances and broadly stable exchange rate.

In the advance estimates of GDP that the Central Statistics Office (CSO) released recently, the growth rate of GDP at constant market prices for the year 2016-17 is placed at 7.1 per cent, as against projections made for 7% to 7.75 % and lower than 7.6 per cent achieved in 2015-16. In fact the economy was doing well in the beginning of current FY and clocked 7.2 per cent growth in the first half of current FY. However, the radical measures initiated in the form of demonetization has little bit slowed down the growth rate during the second half. Even the declined growth of about 7.1 per cent still makes India's growth and its potential noteworthy given the weak and unsettled global economy, with a growth of little over 3 per cent.

At the sectoral level, growth of agriculture & allied sectors improved significantly in 2016-17, following the relatively better monsoon in 2016-17 as compared to sub-par monsoon witnessed during preceding two years. Cropping area got increased by about 4% during FY 2016-17 vis-à-vis FY 2015-16. Overall seasonal prospects remained sober in the country and this has helped in lifting the positive sentiments of the Farmers'. Delayed sowing in Rabi season and relatively warmer winter faced this time may have adverse impact on farm productivity of Rabi crops. However, with improved area coverage, good winter rains in many Northern states, country is expected to witness record food grain production and farm sector is estimated to grow by robust 4.1% in 2016-17, close to record growth of 4.2% achieved in 2013-14 and much higher as compared to 1.2% growth achieved in 2015-16 and even little above the targeted growth of 4 per cent for agriculture and allied sectors envisaged by government for the 12th five year plan (2012-17). However, growth rate of industrial sector is estimated to remain moderate to 5.2 per cent in 2016-17 from 7.4 per cent in 2015-16. Service sector is estimated to grow at 8.8 per cent, close to what it was in 2015-16 (8.9 per cent).

- **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 in commodities like cotton, rice, meat, oil meals, pepper and sugar. However, growth in agriculture largely depends on performance of south west monsoon in India as even today the 60 per cent of agriculture in the country is rainfall dependent.

Performance of the South-West monsoon has remained quite good in 2016, in terms of both intensity & its distribution in the country. After little delayed start by about weeks' time on southern coast by 8th of June 2016, monsoon has advanced well northward and covered the entire country by 13th July'16. Overall, the rainfall received during monsoon season 2016 in the country stands to 97% of its long period average (LPA), deficit marginally by 3%, which is considered as absolutely normal. In our Marketing zones, except, part of Maharashtra & Karnataka all states have received satisfactory rains.

Initial delay in the onset of monsoon has delayed the sowing of Kharif crops in June'16 and sowing could take place hardly in 20% of the normal sown area up to 30.6.16. However, subsequently, country received wide spread rains in early July 2016, which has given momentum to the sowing of Kharif crops all across. In fact, at the end of the season, overall area covered under Kharif crops has exceeded the average sown area of 1060 Lac Ha. in the country and remained 4% higher as compared to area covered under last Kharif season of 2015. However, qualitatively, area under cash crops like Cotton and Sugar cane has registered a decline of 12% & 8% respectively, which has been mainly substituted by pulses & coarse cereals. The lower output prices of such cash crops realized by the farmers over past two-three years and its procurement issues has largely affected its sowing in Kharif 2016 season. This time country has witnessed record kharif crop production of 135 MMT, which is higher by 11 MMT over Kharif 2015 (9% up) & about 8 MMT than last 5 year's average food grain production of 127 MMT recorded in Kharif season. Similarly, production of Pulses (9 MMT), Oilseeds (23 MMT) & Cotton (32 M bales) has increased remarkably by 57%, 41% & 7% respectively over 2015-16.

Overall good rains & better late rains received in Sept'16 have improved the prospects for Rabi season also. Water level in 91 key reservoirs has been reported at 98.32 billion cubic meters, 27% higher than the previous year. Prolonged rains up to Sept'16 and delayed harvest of Kharif crops has delayed sowing of Rabi crops to considerable extent. Normally, sowing operations of Rabi crops start by mid of October & gets over by mid of November in major areas, however, this time, it has continued till late December'16 in most parts of the country.

The situation has aggravated on announcement of demonetization for want of adequate cash with the farmers to purchase inputs, including fertilizers. Among all sectors of economy, the impact of demonetization on agriculture will be relatively higher as entire trade of both input & output is largely performed in cash. Further, the act of demonetisation was announced at such a time when harvest of kharif crops was about to be over and output has started coming in the market & on the other hand buying time for agro inputs towards Rabi season were to start. This has largely impacted the economy of the farmer in general and demand for inputs like fertilizers severely. Farmers were to sell their produce at significant discounted rates and therefore, the increased farm production and higher growth expected in agriculture is unlikely to translate into virtual improvement in farmers' incomes.

Situation has improved little bit after mid of December'16 and Sowing has taken momentum thereafter. At the end of sowing season, with availability of better moisture, it has improved substantially by 6% over last Rabi season (645 Lac hac V/s 610 Lac hac) Area under Wheat, Pulses & Oil seeds have increased considerably in the country by 7%, 11% & 6% respectively, whereas, that of Rice & coarse cereals has declined by 12% & 6% over last Rabi season.

Delayed sowing in Rabi season and relatively warmer winter this time may have adverse impact on farm productivity of individual Rabi crops, especially that on wheat. However, with improved area coverage, good winter rains received in many Northern states, food production in Rabi season is also expected to remain bumper (about 138 MMT), as achieved in Kharif season, which may lead the country to witness record food production in the year 2016-17. As per the advance estimates on food production released recently, country is going to achieve all time high food grain production of about 273 MMT, 19 MMT higher than 2015-16 and 8 MMT over last record food production achieved in 2013-14.

The uncertainties recognizing the importance of Agriculture sector as integral part of Indian economy and also to strengthen the economic health of the farmer, the present Union Government took number of steps in the recent years for sustainable development in agriculture. These steps include enhanced institutional credit to farmers, access to banking services under Jan Dhan Yojna, promotion of scientific warehousing infrastructure, including cold storages for increasing shelf life of agriculture produce, expanding irrigation base through Pradhan Mantri Krishi Sinchayee yojna with special emphasis on micro irrigation system (MIS), market access to farmers through e-market platform, soil health cards, Fasal Bima Yojna to secure the farmers against natural calamities and other non-farm activities to support the income of farmers. The present government aims to double farmers' income by 2022.

Overall, seasonal prospects in Agriculture season 2016-17 have prevailed relatively well in the country and sentiments at farmers' level have improved with bumper production as compared to past two years.

Farm sector is estimated to grow by robust 4.1% in 2016-17, close to the record growth of 4.2% achieved in 2013-14 and much higher as compared to 1.2% growth achieved in 2015-16.

- **Performance of Fertilizer Industry in India:**

As far as fertilizer demand is concerned, improved agriculture prospects have not lead to higher fertilizer sales at companies' end. Initially during kharif season, market remained saddled with huge carry forward inventories, lying non-consumed with channels on account of previous consecutive two drought years, besides improved production as well as continued pouring of imports with declining world prices of fertilizers & raw materials experienced during major part of FY 2016-17. With little delayed and inadequate rains, during early part of Kharif season in June 2016, the fresh demand of fertilizers practically came to a grinding halt and it got picked up only after July 2016 onwards.

Although, benefits of the declined world prices of DAP & raw materials, with almost stable exchange rate have been largely mopped up by GoI in the subsidy policy 2016-17 by appropriately adjusting the NBS rates downward, on utter surprise of industry, GoI has mandated companies to reduce the prices of Phosphatic fertilizers twice in 2016-17, 1st time in July'16 (Rs.1000-2200 per MT) followed by again in Dec'16 (Rs.1000-1300 per MT) so as to pass on the benefit of the declining prices of raw materials & finished fertilizers to the farmers. This has further disturbed the sentiments of the market and impacted the margins of the industry adversely. Lacklustre demand and piling up of inventories have continuously put pressure on selling prices in the market. During April-December 2016, with consistently declining import prices, at every point of time, channels were hopping further reduction in the retail prices and were reluctant to hold more stocks. With profound availability and subdued demand, retailers were dictating the market. Very good late rains and prolonged monsoon upto September/early October has brightened the prospects for Rabi season. However, unfortunately the announcement of demonetisation has impacted the retail trade of agro products, including that of fertilizers to significant extent for want of adequate cash on hand with the farmers to buy inputs. Cash flow cycle in the market has severely disturbed during initial time of 30-40 days in post-demonetisation period, which has in turn, impacted the fertilizer demand for Rabi sowing. Overall, during 2016-17, sales of DAP & NP/NPK products have experienced negative growth of 10% (close to 1 MMT) and 5% respectively over last year. Even sales of Urea have declined with a huge margin of 7% (close to 2.5 MMT) in 2016-17. However, sales of MOP have improved significantly by 16% during the year, largely on account of considerable drop in its selling prices followed during 2016-17.

On account of overall drop in the DAP demand in the major consuming countries, including India, availability of Phosphoric Acid in the global market has been eased considerably & its prices have dropped substantially during the period of April-December 2016. This has accelerated DAP production in the country considerably in 2016-17. Lately, for want of sufficient demand & uncertainty prevailing on subsidy/drop in prices by GoI, pace of DAP production has relatively slowed down in H2-16/17. However, overall DAP production has reported an increase of 13% in 2016-17 over last year. Production of other complexes (NPKs) has declined marginally (6%), unlike growth of 6% to 7% exhibited during post NBS time. In case of Urea, production, during the year under review, it has remained lower by 1% at 24.2 MMT.

For want of adequate demand support, although international prices of DAP have declined considerably during peak demand time up to Dec'16, overall imports of DAP in India have substantially dropped by 27% and remained at 4.4 MMT in 2016-17 v/s 6.0 MMT quantities of DAP imported in 2015-16. Looking to the sluggish movement of material in the market and huge back-log of unsold stocks with the channels, imports of NPKs have also decreased considerably by 17% in 2016-17. As regards to Urea, because of higher stocks in the pipe-line, followed by lower demand, this time GoI has reduced the overall imports of Urea heavily by 35% (3 MMT) as compared to 2015-16.

All India Production, Imports & Sales of Urea, DAP & NPK (Lac MT) (Lakh MT)

State	Urea			DAP			NPK		
	2016-17	2015-16	% Variation	2016-17	2015-16	% Variation	2016-17	2015-16	% Variation
Production	242.00	244.61	-1	43.33	38.22	13	79.22	83.79	-5
Imports	54.81	84.74	-35	43.85	60.08	-27	5.21	6.29	-17
Sales	296.07	319.74	-7	88.20	97.65	-10	84.41	88.79	-5
Closing Stock	13.37	9.32	43	5.66	3.04	86	6.42	5.30	21

Source: FAI, New Delhi.

With weak demand prevailing in India and also in other developed countries, global prices of fertilizers and raw materials have lowered substantially up to Dec'16 during the financial year under review. However, thereafter, from January'17 onwards again prices of fertilizers & raw materials have started moving upward, largely on account of very good domestic demand opened up in USA and Europe for spring season, besides declining stocks with most global suppliers.

➢ **GSFC's performance FY 2016-17:**

In spite of having sluggish demand and competitive market environment prevailed for fertilizer sector during 2016-17, GSFC could sustain the performance and achieved fertilizer sales (including trading) of 15.63 Lakh MT from that of 15.61 Lakh MT achieved in 2015-16. This has been made possible due to improved availability through Sikka unit, supplemented with need based imports of DAP & Ammonium Sulphate made at various ports during 2016-17. Contribution of home state of Gujarat (primary market) in aggregate fertilizer sales of the company has been improved to 48%, marginally higher by 1% over last year. Various promotional initiatives taken by Government of Gujarat, including Krishi-Mahotsav, special projects runs for tribal farmers, and increased coverage of area under micro irrigation system (MIS) through Gujarat Green Revolution Co. Ltd. (GGRC) etc. has helped state to sustain the agricultural productivity to considerable extent during past few years. In case of secondary market, comprising of Maharashtra, MP and Rajasthan, it's contribution in company's total sales has declined marginally by 1% and stands to 23% as compared to 24% in previous year, largely on account of unfavourable seasonal conditions prevailed in Maharashtra state during the year under review. Percentage share of territory market, representing Northern, Southern and North-eastern states has remained stagnant at 29% in total fertilizer sales made during 2016-17. In order to serve the North Eastern & Southern states economically, imports are partly supplemented through Vizag port.

With improved availability of Phosphoric acid and thereby better production achieved at Sikka, overall Phosphatic sales of Sikka products have improved by considerable margin of 13% over 2015-16. In order to supplement the market demand, company has imported DAP & Ammonium Sulphate fertilizers at Kandla & Vizag port on need basis, which helped in achieving sales of traded fertilizers to the tune of 1.51 Lakh MT V/s 1.26 Lakh MT quantities sold in 2015-16, thus higher by 20%.

➢ **Special initiatives taken by the company:**

In order to sustain competition against imported DAP, your company has successfully commenced production of coloured DAP at our Sikka unit. Issue of Setting-up of the material in the bags and dust formation of APS fertilizer, while in transit were gradually inhibiting its preference for our brand in the market. We have introduced "double liner" in APS bags to ensure the improved product quality to the expectation of the market. Developed attractive design of fertilizer bags and improved packing quality, which helped in accelerating acceptance of our brand further in the market. With a view to increase the outreach of our fertilizers in North Eastern states economically, started imports of DAP and Ammonium Sulphate on East coast. With an endeavor to sustain input supplies to the farmers, immediately during demonetization time, GSFC was the first company to accept payments through cheques from the farmers against their input purchase made through our retail channel. We have also extended higher credit to the other channels so as to enable our distributors to offer fertilizers to farmers on credit under the situation of non-availability of adequate cash in the market. Started simultaneous production of two to three products at a time at Sikka unit, so as to supply product mix in small consignments in various market segments and expand our overall share.

With a view to expand agro product business and also retail sales, GSFC Agrotech Ltd. (GATL) has been strengthened and developed as agri-retail Company. Penetrating further in Gujarat market through expanding our retail business in the state, GATL is opening new outlets, revamping existing outlets and launching various farmer friendly schemes. At Baroda, besides, supplies of bulk fertilizers, stepped up production of full range of WSF products, SAG, City compost, TCB plants etc. to tap the market demand for such high value inputs through GATL. GATL is also focusing on trading business of high value inputs like seeds and pesticides. The Water Soluble Fertilizers plant with annual capacity of 20,000 MT has been commissioned.

Recently, your company has entered into new markets like Tamilnadu & Jharkhand and consolidating its presence into existing markets so as to expand overall volumes. Concerted efforts are initiated to economize the cost, especially logistic & inventory management of our products. With a view to remain more market centric, our access to the market has been accelerated during the year under review. Special promotional efforts are initiated for enhancing our brand preference in the market. Stringent monitoring of outstandings in the market and also that of subsidy bills with GoI on daily basis has helped us to recover major amount and sustain cash flow.

➢ **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, unfortunately, releasing payment of subsidy by Government gets inordinately delayed primarily because of under provisioning in the union budget besides cumbersome procedures. Inordinate delays in subsidy payments entails to liquidity crisis and higher borrowing cost at industry level.

Continuing Urea out of the NBS policy and keeping its MRP at quite low level v/s that of P&K fertilizers has distorted the NPK usage ratio and affecting the soil productivity adversely.

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

On account of India's over reliance on imports for both, raw materials & finished fertilizers and global suppliers are by far common for both the category of imports; as far as competitiveness is concerned, domestic industry is always at disadvantage vis-à-vis imported finished fertilizers.

As per the NBS policy in place, industry is 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 and has to ensure reasonability of the MRP charged in the market.

Development of El Nino even at later stage of monsoon, as predicted currently may have adverse impact on Rabi planting and in turn the fertilizers demand in the second half of 2017-18.

Frequent changes in weather conditions, particularly temperature levels witnessed in Rabi season has impacted the crop productivity adversely. Temperature levels in Southern India have reached to historically higher level in current summer.

Unseasonal rains occurred in some of the Northern states during late March/April'17 caused damage to Rabi harvest, which has impacted overall economy of the farmers in such regions.

2. RECENT DEVELOPMENTS AND OUTLOOK FOR 2017-18:

Incidence of taxes on fertilizers is kept very low in the order of about 5% and admissible subsidy is kept out of the tax net for the reasons that farmers can get inputs at an affordable price. Therefore, GST rate higher than 5-6% and if the subsidy is not kept out of GST levy, it will increase the incidence of tax substantially, resulting in either higher subsidy or retail prices. Further, GST may impact the working capital cycle of the companies relying on domestic gas due to negative rate difference in GST on input & output.

Direct benefit transfer (DBT) scheme will allow 100% subsidy to be released only after sales made to farmers through Point of Sale (PoS) machines. This would delay subsidy receipt, creating pressure on working capital. Moreover, the procedure of generating bills through PoS machines is time consuming; there is no incentive for the retailers though it entails additional cost on them, frequent power cut and connectivity issues in rural areas pose/shall pose lots of issues for DBT implementation.

Subsidy rates for P&K fertilizers for 2017-18 are fixed with a reduction in per kg subsidy on P & K elements @ 9% and 20% respectively, whereas, that of N & S element has been raised by 20% and 10% respectively. Overall subsidy rates of fertilizers with higher P&K content like that of DAP, MOP etc. has declined ,whereas, that of complexes with higher content of Nitrogen, Sulphur has increased proportionately.

Keeping in view its commitment to double farmers' income by 2022, present government continued to maintain its emphasis on agriculture and rural sector in the Union Budget 2017-18. The budget allocation made for agriculture & rural sector is nearly Rs. 1,87,000 Crore with focused agenda largely on expansion in credit flow to farmers, optimal utilization of water resources, creating infrastructure for agriculture, promoting soil test based balanced use of inputs, crop insurance and providing value addition & connectivity from farm to market through e-market platform. Such special initiatives will give boost to agriculture and in turn to the input markets like fertilizers.

However, as far as fertilizer sector is concerned, the budget has remained disappointing. The budgetary provisions made for fertilizer subsidy at Rs.70, 000 Crores is grossly inadequate and would continue to put pressure on cash flow of the industry. After payments of previous year's backlog of about Rs. 30,000 Crore, the amount left for 2017-18 will be hardly about Rs.40,000 Crore, which may get exhausted by first half of 2017-18. Besides relatively lower landed cost of finished fertilizers, domestic production of P&K fertilizers has been suffering due to levy of duty at same rate on both raw materials & finished products. Industry's request to reduce/eliminate duty on raw material import so as to provide level playing field to the domestic industry has not been addressed in the budget.

Indian Meteorological Department (IMD) has predicted "Normal" Monsoon for current Kharif season, expecting about 96% rainfall of long period average, which is quite encouraging and promises for better seasonal prospects to prevail in 2017-18. Further, worries of an El-Nino occurring during peak time of south west monsoon are little diffused now and there can be "weak" El Nino conditions, that too developing at a later part of the monsoon season. The prediction will brighten the prospects for agriculture and lead to healthy consumption of agri inputs like fertilizers in 2017-18.

With ongoing economic reforms in India, IMF in its recent review has retained its GDP forecast at 7.2% for 2017-18. With forecast of normal monsoon now, Ministry of Agriculture has set a food grain production target of 273 MMT & that of pulses at 23 MMT in 2017-18. The situation may help to retain the growth in agriculture above 4% in 2017-18.

With lower imports of fertilizers made in 2016-17, the pipe-line stocks with the channels have declined substantially as on 1.4.17. Moreover, relatively higher import prices prevailing in the global market since January 2017 has discouraged excessive imports of fertilizers and therefore, it appears that demand-supply equilibrium of fertilizers is better placed now as compared to yester years and good fresh demand in the market is expected. With overall decline in subsidy rates and having moderate availability, the intensity of competition in the market is expected to get reduced as season progresses further.

Therefore demand outlook in general for the fertilizer industry looks positive for 2017-18 as far as "real" consumption at farmers' level is concerned.

3. RAW MATERIAL PRICES:

The international prices of raw materials were lower during FY 2016– 17 as compared to 2015–16. The average CFR prices of Phosphoric Acid (PA) which was USD 785 per ton during 2015 – 16 went down to USD 617 (21%) per ton during 2016 – 17.

The average prices of Ammonia decreased during 2016 – 17 as compared to 2015 – 16. The average CFR prices of Ammonia during 2015 – 16 was USD 414 per ton went down to USD 350 (15%) per ton during 2016 - 17. On an average, there was a 15% decrease in prices of Ammonia as compared to 2015 – 16.

The average CFR price of Rock Phosphate decreased during 2016 –17 as compared to 2015 – 16. The average CFR price of Rock Phosphate during 2015 – 16 was USD 107 per ton went down to USD 68 (36%) per ton during FY 2016 – 17. On an average there was 36% decrease in price of Rock Phosphate compared to FY 2015 – 16.

The price of Sulphur decreased during FY 2016–17 as compared to FY 2015–16. The average CFR price of Sulphur during FY 2015–16 was USD 150 per ton went down to USD 95 (37%) per ton during FY 2016–17. On average, there was 37% decrease in price of Sulphur as compared to FY 2015–16.

Average price of Raw Material products ($ / MT)

Product	2015-16	**2016-17**	% Increase/Decrease
Phos. Acid (C & F)	785	617	-21%
Ammonia (C & F)	414	350	-15%
Rock Phosphate (C & F)	107	68	-36%
Sulphur (C & F)	150	95	-37%

4. INDUSTRIAL PRODUCT SCENARIO:

During last FY, India's GDP grew further to 7.6 per cent during June, retaining the fastest growing economy title. In the following months even as India's GDP dipped to 7.1 per cent, it still managed to stay ahead of China's 6.7 per cent growth.

FY 2016-17 has observed series of events like better GDP, control over inflation, demonetization, passing of GST Bill, calibration of monetary policies and good luck of lower energy prices.

Demonetization has also impacted the consumer demand, as demonstrated by falling sales in the auto industry post demonetization. Both passenger car as well as two wheeler segment sales reported the highest year-over-year decline since the SIAM started recording the data in 1997. House sales and new home launches took a substantial hit in the October – December quarter. Other the other side of coin, falling demand has resulted in declining prices across the board, indicating that the consumer price index may fall short of RBI inflation target by year end.

On 24th November 2016, the Indian rupee fell to a fresh life-time low of 68.86 against the dollar over sustained foreign capital outflows. One of the reasons of investors to withdraw from emerging markets like India towards the US dollar.

On the global front, there was a major event that pushed the global economy and affected the geopolitics of the globe to much extent, push in oil price, G20 Summit, removal of sanctions against Iran. For the first time since December 2008, the OPEC cut its production in November '16. The cut, soon followed by non-opec countries such as Russia, helped push oil prices sharply higher.

Removal of the sanctions against Iran has wide ramifications of global economy, due to this Iran can increase revenue from oil exports as well down stream petrochemical products trade matrix between Asia and Iran.

There were multiple factors affected the price dynamics of industrial chemicals in terms of rupee depreciation, slow down of Chinese production, temporary spike in oil prices and demonetization.

Demand of industrial products was affected to certain extent by demonetization for the limited period. Rupee has also depreciated to large extend by the 3rd quarter of last FY which has resulted into higher landed price of the products considering the IPP.

Demand of Caprolactam was stable at par with last year in India. Some of the quantity of Caprolactam was also exported to China during last FY. China has commissioned several mega scale Caprolactam plants and still continues to build to reduce its dependency from European suppliers. China shall be on the verge of self sufficient by the end of 2017. This has resulted into geographical shift of trade matrix between Asian countries v/s European suppliers.

Despite of major head winds, like stiff competition, demonetization, Company could achieve ever highest sales of Nylon-6 Chips during second half of last FY.

Melamine finds its major applications in Laminates and infrastructure sector. In spite of slowdown in real estate sector due to demonetization, Melamine business was not affected to that extent on an account of favourable international factors. China being major exporter of Melamine, the price elevation is the direct function of global prices amid limited production in European countries.

There was ever highest export of MEK Oxime during last FY mainly because of depreciation of Rupee. Major quantity of MEK Oxime is exported into European countries. There is a limited demand of MEK Oxime in India.

5. FINANCIAL PERFORMANCE OF THE COMPANY DURING FY 2016-17:

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

Particulars	Standalone		Consolidated	
	₹ in Crores	Increase / Decrease over previous year	₹ in Crores	Increase / Decrease over previous year
Sales turnover	5477	-13%	5477	-13%
EBIDTA	546	-24%	545	-24%
Profit Before Tax (PBT)	375	-37%	377	-37%
Profit After Tax (PAT)	420	+2%	419	+2%

GSFC's Sales Turnover for the Year ended March 31, 2017 was Rs. 5477 Crores which is lower by 13% as against Rs. 6326 Crores as on March 31, 2016. The Fertilizer Sales was Rs.3686 Crores as against Rs.4367 Crores in the previous year while for the Industrial Product Segment, your Company registered a net sales of Rs.1790 Crores as against Rs.1959 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	**2016-17**		2015-16	
	₹ Crores	**%**	₹ Crores	%
Fertilizer Segment	3686.42	67.31	4366.99	69.03
Industrial Product Segment	1790.46	32.69	1959.48	30.97
Total	**5476.88**	**100.00**	**6326.47**	**100.00**

The EBIDTA is Rs.546 Crores. The Profit before Tax is Rs.375 Crores and Profit after Tax is Rs.420 Crores. At the end of the Financial Year 2016-17, the Company has total short term borrowings of Rs.701 Crores as against Rs.1084 Crores as on March 31, 2017. The Earning Per Share (EPS) was Rs.10.53 as compared to Rs.10.27 during the Financial Year 2015-16.

6. 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 seek 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 roles, responsibilities and authorities are well defined and no deviation is allowed without proper management approval.

7. TEN YEARS PRODUCT PERFORMANCE RECORD:

The last 10 years' Product-wise performance years is given below:

PARTICULARS	Unit	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
PRODUCTION											
FERTILIZERS	MT	1507991	1491741	1385857	1423059	1436535	1470350	1556172	1812570	1469470	1594703
AMMONIUM SULPHATE	MT	337370	334030	318680	306671	315145	298000	278470	271580	265710	292935
AMMONIUM SULPHATE PHOSPHATE	MT	313860	328430	337930	336340	294600	302800	280500	293600	207500	120120
DI-AMMONIUM PHOSPHATE	MT	411850	370200	314600	390300	424520	534100	706170	921090	674280	860000
N P K	MT	38340	47650	15460	19520	10280	0	0	0	41480	44640
UREA	MT	406571	411431	399187	370228	391990	335450	291032	326300	280500	277008
CAPROLACTAM	MT	86191	86297	89918	84856	83180	80503	79577	81151	70913	79716
NYLON-6	MT	9805	9885	9400	9751	9659	8914	9464	8715	8783	8683
MELAMINE	MT	14886	15697	14284	14916	14001	15279	13938	13735	13655	14741
ARGON	'000NM3	3549	3581	3611	3334	3458	3270	3327	3464	3183	3129
MONOMER	MT	540	2281	3435	3227	3116	4287	4547	4597	3469	4156
ACRYLIC SHEETS	MT	0	122	79	780	566	876	721	687	552	642
ACRYLIC PELLETS	MT	285	1346	969	1701	1974	2046	1710	1937	1887	2023
NYLON FILAMENT YARN	MT	4044	4219	3427	3643	3080	3910	4361	4433	4498	4705
NYLON CHIPS	MT	6559	8397	9114	9219	6563	5103	5399	4652	5097	5950
SALES											
FERTILIZERS*	MT	1412044	1434684	1320471	1383154	1395376	1441232	1571500	1797894	1382463	1602782
AMMONIUM SULPHATE	MT	308214	329778	315926	309843	320007	302915	336988	278211	229472	268681
AMMONIUM SULPHATE PHOSPHATE	MT	290107	334072	334193	335865	296470	304940	277285	293115	199853	142597
DI-AMMONIUM PHOSPHATE	MT	417820	368874	302666	386585	431238	543699	707529	948171	676957	900978
N P K	MT	35024	46558	14628	25811	3925	0	0	21	42071	61543
UREA	MT	360879	355402	353058	325051	343736	289678	249699	278375	234110	228983
CAPROLACTAM*	MT	63101	66483	68901	65725	64728	63082	61770	62650	53859	59710
NYLON-6	MT	13697	9999	9701	9915	9732	8756	9623	9189	8496	9138
MELAMINE	MT	15341	15096	14283	15378	14166	15283	13319	13695	14115	14804
ARGON	'000NM3	3546	3599	3622	3313	3453	3272	3327	3464	3184	3138
MONOMER*	MT	480	1947	2934	1316	2108	2036	2292	2282	1374	1706
ACRYLIC SHEETS	MT	91	112	122	707	678	726	728	696	584	598
ACRYLIC PELLETS	MT	344	1365	984	1705	1978	1993	1855	1883	1916	2038
NYLONE FILAMENT YARN	MT	1727	2706	3233	3378	2924	3319	4033	4081	4740	4391
NYLON CHIPS	MT	4296	6262	6514	6455	6331	5121	5251	4596	5500	5737

*excluding captive consumption

8. 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 substantially during the subsequent years (74 Lakh MT during 2013-14, 76 Lac MT in 2014-15 & 98 Lac MT in 2015-16). 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.

9. RESEARCH AND PROMOTIONAL ACTIVITIES:

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 & use of information technology, computer support and human resources for instant response to farmers' queries in local language. Subject Matter Specialists (SMS) interact with farmers, understand their problems and answer the queries. It has backup the farmers of Gujarat with valuable knowledge base on new technologies on various crops for improving cultivation and productivity.

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 has one of the highest circulations i.e. 50000 copies per issue. 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 and sales plants and Agro Inputs from "KRISHI SEVA SAMAGRI KENDRA".

GSFC Agrotech Limited

GSFC Agrotech Limited (GATL) is 100% subsidiary company of Gujarat State Fertilizers & Chemicals Ltd. (GSFC) which was established with an objective to cater better services to the farming community, and establish its foot prints in Agri Business Sector and is registered under Companies Act 1956 during April 2012. GATL's main focus is on developing solutions for sustainable Agriculture by manufacturing/ supplying quality and affordable Agricultural inputs like fertilisers, Water Soluble Fertilizers, Seeds, Plant growth promoters, Liquid Biofertilizers & Tissue Culture Plants. To achieve effective implementation of programmes for all round development, besides farming activities, GATL has set up Agro Development & Agro Services department staffed with agricultural scientists, experts in different fields and technically trained staff for the effective transfer of technology from lab to land.

GATL has excellent marketing network in terms of more than 210 plus Farm Information Centres cum depots (Kisan Suvidha Kendra) backed by strong rural and Agricultural programs designed with the sole concept of propagating modern and hi-tech farming by providing technical knowhow in rural areas. Kisan Suvidha Kendra, one per talukas was set up to provide agro inputs & appraising farmers about latest innovation in agriculture through single window system. These centres are venues for field demonstrations, crop seminars, and effective transfer of improved agricultural technology, storehouse of quality seeds & agro chemicals and service centres providing technical guidance for modern agricultural practices.

GATL has state-of-the-art Soil & Water Testing Laboratory to guide the farmers for judicious & balance use of fertilizers with integrated nutrient management concept. A Mobile Soil Testing cum Audio-visual Van is also operated to provide soil & water testing services at the doorstep of the farmers. We have also mapped the soils of entire Gujarat & have published Soil Atlas of Gujarat for farmer's convenience. GATL is currently contributing to the mission of Gujarat government to provide Soil Health Card to the farmers by analyzing soil samples

GATL is also providing farm advisory services through "Sardar Agrinet Call Centre" through which experts assist farmers online as well as through Toll free telephone services.

Farm Youth Training programs are also organized regularly in collaboration with State Agricultural Universities to educate young farmers for latest agro-techniques and scientific farming. These youths are being motivated to form SUKH clubs for undertaking overall development of their villages.

GATL is publishing agricultural monthly magazine of 'Krishi Jivan' in Gujarati & Hindi with a circulation of **50000** copies which is one of the highest in Industry. 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'.

Company is also encouraging urban population to contribute towards maintaining the ecological balance through our own Urban Outlets we are providing plants & customised Agro inputs to our urban customers. We have also sponsored Fruit, Flower & Vegetable shows in association with Baroda Agri Horti Committee and have participated in various competitions and won accolades and appreciation.

10. SAFETY, HEALTH AND ENVIRONMENT:

During the year under review, Process Safety Management was strengthened and HAZOP studies have been carried out by inviting two different external agencies. Facelift is provided to the Contractors Safety training modules. Concentrated Efforts have been applied on trainings related to personal protective equipments and basic fire prevention & usage of fire extinguishers. Safety and Fire Trainings have covered more than 3000 employees, Contractors and visitors. Basic Fire safety awareness sessions have been imparted to school going students in nearby pockets like Alembic, Vidyut Board and FNC Schools.

Plant shutdown and start up activities pose hazards that are different than normal working plant hazards and therefore intensified safety covers are provided in a structured manner, ensured right kind of hand tools, power tools, lifting tools tackles as well as material handling and shifting devices were utilized to ascertain safety during plant shut down and start ups. Personal protection as the last line of defence has always been ensured.

Project work is going on for Melamine expansion, CQP, ASF Sikka etc which again has their own set of safety challenges. Adequate measures have been taken to ensure safety during Construction, Mechanical and Electro-mechanical work by elevating the safety measures and employing safety mechanisms utilized for project related works.

GSFC BU has clocked more than 18 Million Safe Man hours as on 28th April 2017.

Measures have been initiated to impart mechanical turnaround to fire fighting vehicles and as such Fire tenders are quick response vehicles and mechanically elevated working platform popularly called as snorkel is ready to offer service on the spur of the moment and can scale an elevation of about 40 Meters.

11. HUMAN RESOURCES:

Shareholders are requested to refer to point 26 of the Directors Report on page no. 15 which forms part of the Annual Report.

For and on behalf of the Board

Sd/-

Place: Fertilizernagar

DR. J. N. Singh, IAS

Date : 25.07.2017

Chairman

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- 2016-17, (6) Fertilizer Market Bulletins and (7)RBI Bulletin. (7) Union Budget 2017-2018 (8) India Meteorological Department (IMD)

CORPORATE GOVERNANCE REPORT

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 Non-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 Managing Director (MD), 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 SBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 way back at its Meeting held on 28-01-2005, which has 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.

1 BOARD OF DIRECTORS

COMPOSITION AND CATEGORY OF DIRECTORS :

The strength of the Board of Directors as on 31st March, 2017 was Nine; its composition is tabulated below:

	Name of Directors	Category
1	Dr. J. N. Singh, IAS (w.e.f 31.08.2016), Chairman	Promoter, Non- ExecutiveNon Independent Non Rotational Director
2	Shri G. R. Aloria, IAS (till 30.07.2016), Chairman	
3	Shri A. M. Tiwari, IAS, Managing Director	Promoter, ExecutiveNon Independent Non Rotational Director
4	Shri D.C. Anjaria	Non ExecutiveIndependent Non Rotational Director
5	Prof. Vasant P. Gandhi	
6	Shri Ajay N. Shah	
7	Shri Vijai Kapoor	
8	Smt. Geeta Goradia	
9	Shri Sujit Gulati, IAS (w.e.f.28.07.2016)	Non Executive, Non Independent Rotational Director
10	Shri Anil Mukim, IAS (w.e.f.24.10.2016)	
11	Shri L. Chuaungo, IAS (till 25.07.2016)	

CORPORATE GOVERNANCE REPORT (Contd.)

In all, five meetings of the Board of Directors of the Company were held during the Financial Year 2016-17 as detailed below:

Sr. No.	Dates of Board meeting	Board strength	No. of Directors present
1.	24/05/2016	9	7
2.	28/07/2016	8	5
3.	24/10/2016	8	5
4.	23/01/2017	9	7
5.	31/03/2017	9	8

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 2016-17 at the Board Meetings and the 54th 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. J. N. Singh, IAS Chairman (w.e.f. 31.08.2016)	Promoter's i.e. GOG NomineeNon-Executive Director	-	5	No	9	_	_
2	Shri A. M. Tiwari, IAS Managing Director	Promoter's i.e. GOG NomineeExecutive Director	-	5	Yes	5	-	1
3	Shri D. C. Anjaria	Non-Executive/ Independent Director	@3950	3	Yes	6	2	1
4	Prof. Vasant P. Gandhi	Non- Executive/ Independent Director	@2500	3	Yes	2	1	2
5	Shri Ajay N. Shah	Non- Executive/ Independent Director	@2500	1	No	5	1	-
6	Shri Vijai Kapoor	Non- Executive/ Independent Director	@2500	4	No	2	-	-
7	Smt. Geeta Goradia	Non- Executive/ Independent Director	-	4	Yes	7	-	3
8	Shri Sujit Gulati, IAS (w.e.f. 28.07.2016)	Non- Executive/ Non-Independent Director	-	2	Yes	11	-	1
9	Shri Anil Mukim, IAS (w.e.f. 24.10.2016)	Non- Executive/ Non-Independent Director	-	3	N.A	10	5	1
10	Shri Shri L. Chuaungo, IAS (till 25.07.2016)	Non- Executive/ Non-Independent Director	-	1	N.A	N.A	N.A	N.A
11	Shri G. R. Aloria, IAS Chairman (till 30.07.2016)	Promoter's i.e. GOG Nominee Executive Director	-	2	N.A	N.A	N.A	N.A

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

(*) *In accordance with Clause 26 of SEBI (LODR) Regulations, 2015, Membership/ Chairmanship of only the Audit Committee and Stakeholders Relationship Committee of all Public Limited Companies including GSFC have been considered.*

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*:**

Chairman– Non-Executive Director

Dr. J. N. Singh, IAS Chief Secretary to Govt. of Gujarat has been appointed w.e.f. 31.08.2016 as the Government of Gujarat Nominee Director & Chairman of the Company vice Shri G. R. Aloria, consequent upon his retirement from the services of the Govt. of Gujarat.

Dr. J. N. Singh, IAS was the Additional Chief Secretary to the Government of Gujarat and was also director of the Company for the period from 25.11.2014 to 31.08.2016.

Shri Sujit Gulati, IAS has been appointed w.e.f. 28.07.2016 as a rotational director in place of Shri L Chuaungo, IAS, Director of the Company (till 25.07.2014) & Shri Anil Mukim, IAS has been appointed w.e.f. 24.10.2016 vice Dr. J N Singh, Director of the Company. Shri Anil Mukim shall be liable to retire by rotation at the ensuing Annual General Meeting, has offered himself for re-appointment.

The declaration of independency has been received from Shri D C Anjaria, Prof. Vasant Gandhi, Shri Ajay Shah, Shri Vijai Kapoor and Smt. Geeta Goradia in terms of provisions of Companies Act, 2013 read with relevant Schedule & regulations of SEBI (LODR) Regulations, 2015, which have been noted by the board.

The brief resume of Directors with regard to appointment/ re-appointment at 55th Annual General Meeting is annexed to the Notice convening the 55th 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 2016-17 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are 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.
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 non-payment 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:

(Amount in Rupees)

Name	Sitting Fees
Dr. J. N. Singh, IAS	60,000/-*
Shri D.C. Anjaria	1,40,000/-
Prof. Vasant P. Gandhi	1,10,000/-
Shri Ajay N. Shah	20,000/-
Shri Vijai Kapoor	60,000/-
Smt. Geeta Goradia	1,30,000/-
Shri Sujit Gulati, IAS	1,00,000/-*
Shri Anil Mukim, IAS	80,000/-*
Shri L. Chuaungo, IAS	20,000/-*
Shri G. R. Aloria, IAS	20,000/-*

(*) Deposited in the Govt. Treasury.

The Company pays sitting fee @ Rs.10,000/- per meeting to the Directors. No sitting fee however is being paid to Managing Director

Remuneration to the Executive Director:
(Managing Director)

The 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 2016-17 are as under:

Name of MD	Salary & Perquisites
Shri A. M. Tiwari, IAS	Rs. 34.45 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 18 of SEBI (Listing Obligation & Disclosure Requirements), Regulations, 2015.

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.

CORPORATE GOVERNANCE REPORT (Contd.)

The terms of reference of this Committee include matters specified in the Companies Act, 2013, Rules and Listing regulations 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;
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 Vigil/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 2016-17, five meetings of Finance-cum-Audit Committee were held i.e. on 21-05-2016, 27-07-2016, 24-10-2016, 23-01-2017 and 30-03-2017. 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	3
2	Prof. Vasant P. Gandhi	Independent Non-Executive	5	3
3	Shri Ajay N. Shah	Independent Non-Executive	5	1
4	Smt. Geeta Goradia	Independent Non-Executive	5	5
5	Dr J N Singh (Member of the Committee, till 31.08.2016)	Non-Independent Non-Executive	2	0
6	Shri Anil Mukim (w.e.f. 24.10.2016)	Non-Independent Non-Executive	3	1

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. 54th Annual General Meeting held on 17-09-2016.

3 STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to provisions of Section 178(5) of the Companies Act, 2013 and Listing Regulations, Stakeholders Relationship Committee of the Board comprises of Prof. Vasant Gandhi, Chairman of the Committee, Shri Sujit Gulati and Shri A. M. Tiwari on 31.03.2017. Shri V V Vachhrajani, Company Secretary & Vice President (Legal) is the Compliance Officer for complying with requirements of Securities Laws and Listing Regulations with Stock Exchanges.

During the FY 2016-17, five meetings of the Committee were held i.e. on 24-05-2016, 17-09-2016, 24-10-2016, 23-01-2017 and 31-03-2017. The details of Committee members and their attendance at the Committee meetings during the Financial Year 2016-17 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	3
2	Shri L. Chuaungo, IAS(till 25.07.2016)	1	1
3	Shri Sujit Gulati, IAS (w.e.f. 25.07.2016)	4	2
4	Shri A. M. Tiwari, IAS	5	5

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 from Company's side. 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 Listing Regulations.

The following table highlights the details of the complaints received during the F.Y. 2016-17 and their status as on date. It is further reported that as on 31-03-2017, there are no outstanding complaints pertaining to and received during the F.Y. 2016-17:

(a)	No. of complaints received from Shareholders/ Investors during the financial year 2016-17.	34
(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 2016-17.	567
(d)	No. of pending requests for share transfers, transmissions and transposition of shares as on 31-03-2017.	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, 2017 total 38,62,89,838 Equity Shares of Rs. 2/- each representing 96.94% 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 consists of following members as on 31.03.2017:

1. Shri Anil Mukim - Chairman of the Committee, Non-Independent, Non-executive Director
2. Shri D C Anjaria - Member- Independent & Non-executive Director
3. Smt. Geeta Goradia – Member - Independent & Non-executive Director
4. Shri Sujit Gulati – Member – Non- Independent & Non-executive Director
5. Shri A. M. Tiwari – Member - Non-Independent & Executive Director

During the year 2016-17, one meeting was held on 31.03.2017.

The details of Committee members and their attendance at the Committee meetings during the Financial Year 2016-17 are furnished below:

Sr. No.	Name of the Members	No. of meetings held during the tenure of Directors	No. of Meetings Attended
1	Shri Anil Mukim, IAS	1	1
2	Smt. Geeta Goradia	1	0
3	Shri D C Anjaria	1	1
4	Shri Sujit Gulati, IAS	1	1
5	Shri A. M. Tiwari, IAS	1	1

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 consists of following members as on 31.03.2017:

(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) Shri Anil Mukim, Member - Non-Independent & Non-executive Director,

(5) Shri Sujit Gulati - Non-Independent & Non-executive Director,

(6) Shri A. M. Tiwari, Special Invitee - Non-Independent & Executive Director.

During the financial year 2016-17, two meetings of Nomination and Remuneration Committee were on 21/05/2016 and 24/10/2016.

Sr. No.	Name of the Members	No. of meetings held during the tenure of Directors	No. of Meetings Attended
1	Shri D C Anjaria (Chairman of the Committee)	2	2
2	Prof. Vasant Gandhi	2	0
3	Smt. Geeta Goradia	2	2
4	Shri Anil Mukim, IAS (w.e.f. 24.10.2016)	1	1
5	Shri Sujit Gulati, IAS (w.e.f.28.07.2016)	1	1
6	Dr. J. N. Singh, IAS (Member of the Committee till 31.08.2016)	1	0
7	Shri L. Chuaungo, IAS (till 25.07.2016)	1	0

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.
  - 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.

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: 5% for Grade II, 6% for Grade IC & ID and 7% for Grade IB and above Rise in Basic Pay of all Officers in the Company in the financial year.

c) The percentage increase in the median remuneration of employees in the financial year-

Submission: 5% for Grade II, 6% for Grade IC & ID and 7% for Grade IB and above 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-

Submission: 3116 permanent employees are on the rolls of the company. (i.e. Vadodara Unit as on 31/03/2017)

e) The explanation on the relationship between average increase in remuneration and company performance-

Submission: Not applicable

f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company-

Submission: Not applicable

Note: Salary of Chief Financial Officer Rs 43.42/- Lakhs

Salary of Company Secretary Rs 38.71/- Lakhs

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-

Submission: 5% for Grade II, 6% for Grade IC & ID and 7% for Grade IB and above Rise in Basic pay of Key Managerial Personnel. No Exceptional Circumstances for increase in the managerial remuneration.

h) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company-

Submission: Not applicable

Note: Salary of Chief Financial Officer Rs 43.42/- Lakhs

Salary of Company Secretary Rs 38.71/- Lakhs

i) The key parameters for any variable component of remuneration availed by the directors-

Submission: Not Applicable, as the Directors are not paid any salary

j) 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-

Submission: Not Applicable, as the Directors are not paid any salary

In addition the information required to disclose the board's report, a statement showing the name of every employee of the company are mentioned below –

The names of the top ten employees in terms of remuneration drawn are as below:

1	Darshak Dhirajlal Shah	2	Vishvesh Dineshchandra Nanavaty
3	Farhat Mohd.Hanif Dayamakumar	4	Himmatlal Devshibhai Dalasania
5	Surendra Prasad Yadav	6	Anup Niranjan Hora
7	Vishvesh Vyomesh Vachhrajani	8	Ajay Santosh Sikdar
9	Mukeshkumar Dahyalal Patel	10	Hardipkumar Kantilal Joshi

The details as required under Section 197 read with Rule 5(3) of Companies (Payment and Remuneration of Managerial Personnel) Rules, 2014 is available for inspection / copy at the Registered office of the Company on any working day during business hours.

i) If employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One crore and two lakh rupees.

Submission: Nil

ii) If employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh fifty thousand rupees per month.

Submission: Nil

iii) If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

Submission: Number of employees received remuneration in excess of that drawn by the managing director, in the aggregate -Nil

- **Performance evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and 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.

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

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

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

7 GENERAL BODY MEETINGS

- Date & Venue of the last three Annual General Meetings :

Meetings / Particular	54th AGM	53rd AGM	52nd AGM
Date	September 17, 2016	September 16, 2015	August 08, 2014
Start Timing	03.00 PM	03.00 PM	12.30 PM
Venue	Cultural Center Auditorium situated atP. 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 with requisite majority.
- Four Special Resolutions pertaining to appointment of Shri D C Anjaria, Prof. Vasant Gandhi, Shri Ajay Shah and Shri Vijai Kapoor, Independent Directors of the Company, for second term of five consecutive years were passed at 53rd Annual General Meeting with requite majority.
- At the forthcoming ‘Annual General Meeting’ there is no item on the agenda requiring postal ballot.

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 the Regulation 17 to 27 & Clause (b) to (i) of Sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Managing Director (CEO) of the Company has certified the compliance of Code of Conduct in respect of the Financial Year 2016-17 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 said policy is placed on the website of the company at web link: http://www.gsfclimited.com/statu_comp.asp?mnuid=12.

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 2016-17 and hence no complaints is outstanding as on 31.03.2017 for redressal. No personnel were denied access to the Audit Committee of the Company.

☞ **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, 2013 as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 21.05.2016, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was arranged for the Independent Directors on 21.05.2016 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 Listing Regulations. The following web-link can be clicked/used to access those policies/details; http://www.gsfclimited.com/statu_comp.asp?mnuid=12.

1. Vigil Mechanism/Whistle Blower Policy
2. Terms of Appointment of Independent Director
3. Policy for Evaluation of Board Performance
4. Nomination & Remuneration -cum–Board Diversity Policy
5. Code of Conduct
6. Corporate Social Responsibilities (CSR) Policy
7. Policy on materiality of Related Party Transactions and dealing with Related Party Transactions
8. Code of conduct – SEBI (PIT) Regulations, 2015

9. Familiarization programme of Independent Directors
10. 55th AGM e-voting process & Book Closure Notice
11. Notice of 55th Annual General Meeting
12. Authority to KMP to determine materiality of event
13. List of GSFC committees
14. Policy on determining materiality of event or information
15. Policy on preservation of documents
16. Stock Exchange Submission File
17. Press Clipings
18. Dividend Distribution Policy

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 in leading English newspaper and vernacular language newspaper viz. Business Standard all Editions and Vadodara Edition of Sandesh/ Divaya Bhaskar/ Gujarat Samachar.

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 Listing Regulations 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)
30-06-2016	12-07-2016
30-09-2016	12-10-2016
31-12-2016	11-01-2017
31-03-2017	12-04-2017

As required by the Listing Regulations, 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@gsfcltd.com***.

10 GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

As is indicated in the Notice convening the 55th Annual General Meeting of the Company will be held on 16th day of September, 2017 at 3.30 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, 2017	Latest by 14th August, 2017
Unaudited Results for Quarter ending September 30, 2017	Latest by 14th November, 2017
Unaudited Results for Quarter ending December 31, 2017	Latest by 14th February, 2018
Audited Results for Quarter/ Year ending March 31, 2018.	Latest by 30th May, 2018

c) Book closure date

The Register of Members of the Company shall remain closed from 2nd September, 2017 to 16th September, 2017. (Both days inclusive).

d) Dividend payment date

Dividend shall be paid on and from 22nd September, 2017.

e) (i) Listing of Equity Shares

The Equity Shares of the Company are listed on 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. 2017-18 has been paid by the Company.

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

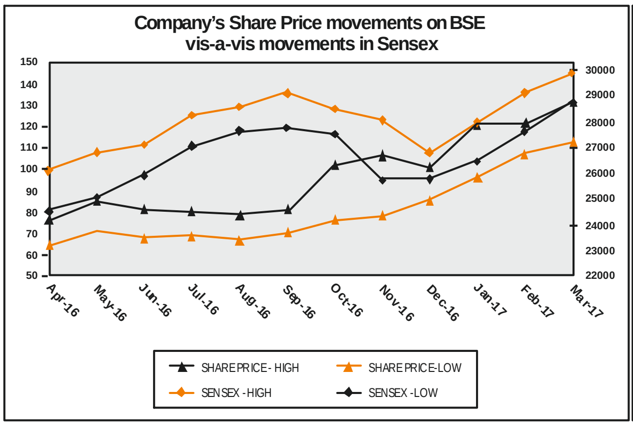
(iii) Corporate Identity Number (CIN) : L99999GJ1962PLC001121

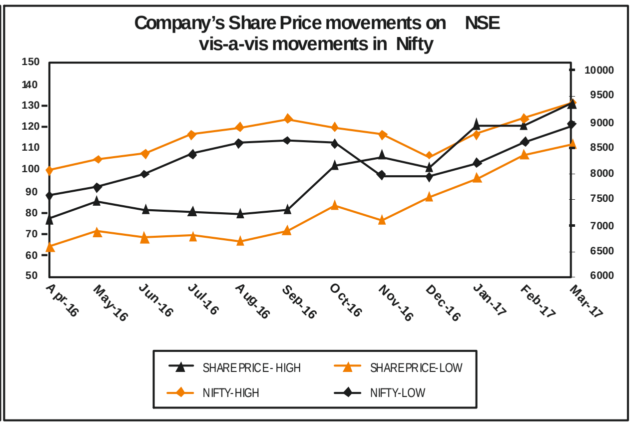
(iv) Stock Market Data

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-16	26100.54	24523.2	76.9	64.55	7992	7516.85	76.9	64.1
May-16	26837.2	25057.93	85.45	71.55	8213.6	7678.35	85.35	71.2
Jun-16	27105.41	25911.33	81.75	68.25	8308.15	7927.05	81.9	68.1
Jul-16	28240.2	27034.14	80.5	69.2	8674.7	8287.55	80.25	69.15
Aug-16	28532.25	27627.97	79.2	67	8819.2	8518.15	79.3	66.85
Sep-16	29077.28	27716.78	81.8	70.75	8968.7	8555.2	81.9	71.1
Oct-16	28477.65	27488.3	102.5	76.65	8806.95	8506.15	102.4	83.55
Nov-16	28029.8	25717.93	106.5	78.5	8669.6	7916.4	106.7	76.75
Dec-16	26803.76	25753.74	100.75	86.1	8274.95	7893.8	100.75	87.25
Jan-17	27980.39	26447.06	121.50	96.30	8672.7	8133.8	121.5	96.3
Feb-17	29065.31	27590.1	121.30	107.20	8982.15	8537.5	121.3	107.2
Mar-17	29824.62	28716.21	131.75	112.60	9218.4	8860.1	131.75	112.6

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 2016 to March 2017.





(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.,** ***situated at 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 10 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, 2017

➢ **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 Fund	5,59,68,574	14.05
Companies & Banks	11,29,82,384	28.35
Individuals, Co-operative Societies & Co-operative Banks	7,87,26,667	19.76
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	86286	80.09	12439760	3.12
501 - 1000	9123	8.47	7251673	1.82
1001 - 2000	6342	5.88	9367974	2.35
2001 - 3000	2250	2.09	5671029	1.42
3001 - 4000	880	0.82	3141421	0.79
4001 - 5000	805	0.75	3817223	0.96
5001 - 10000	1074	0.99	7993370	2.01
10001 and above	981	0.91	348795080	87.53
Total	107741	100.00	398477530	100.00

(h) Unclaimed Shares

SEBI vide Circular No. CIR/CFD/DIL/10/2010 dated December 16, 2010 has amended erstwhile 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, 2017 - 1185 shares of Rs. 2/- each in respect of 8 shareholders were credited to their demat account and 33,975 shares of Rs. 2/- each are lying in the suspense account as on 31st March, 2017.

- No pledge has been created over the Equity Shares held by the Promoters as on March 31, 2017.
- 96.94% of the Equity Shares have been dematerialized till 31/03/2017. 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 2017-18.
- 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, 2017 upon its approval by the Shareholders in the ensuing 55th Annual General Meeting.
- **Unit-wise Plant locations :**

The Company's Units are located as follows:

Baroda Unit	Fertilizernagar – 391 750, Dist. Vadodara.	Polymers Unit	Nandesari GIDC, Dist. Vadodara.
Fibre Unit	Kuwarda, Dist. Surat.	Sikka Unit	Moti Khawdi, Dist. Jamnagar

j) Address for Correspondence

The shareholders may send their communications at the registered office of the Company at the following address:

Company Secretary & Vice President (Legal)
Gujarat State Fertilizers & Chemicals Limited, Fertilizernagar - 391750, Dist. Vadodara
Tel Nos. 0265-2242451/2242651/2242751, Fax Nos.0265-2240966/2240119
Email: vishvesh@gsfcltd.com. Website: www.gsfclimited.com

Or

Registrars & Transfer Agents for Equity Shares of the Company:
R&T Name & Address: **Link Intime India Pvt Limited,** B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020.
Tel No: +91 265 2356573/2356794 E-mail id: vadodara@linkintime.co.in
Website: www.linkintime.co.in
The new address of HO is provided as under.
R&T Address: Link Intime India Pvt Limited,
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083, Tel No : +91 22 49186270

CORPORATE GOVERNANCE REPORT (Contd.)

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 pursuant to Regulation 26(3) of the SEBI (LODR) Regulations, 2015 as approved by the Board of Directors of the Company.

Sd/-
Shri A. M. Tiwari, IAS
Managing Director

Date : 25/07/2017
Place : Fertilizernagar

CERTIFICATE

To the Members of Gujarat State Fertilizers & Chemicals Limited

We have examined the compliance of the conditions of Corporate Governance by Gujarat State Fertilizers & Chemicals Limited for the year ended March 31, 2017 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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

We state that in respect of investor grievances received during the year ended March 31, 2017, no investor grievance is pending against the Company, as per the records maintained by the Company and presented to the Stakeholders Relationship Committee.

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

Sd/-
Suresh Kabra
Partner
Samdani Kabra & Asso.
Company Secretaries
ACS No.: 9711; CP No.: 9927

Vadodara
25th July, 2017

FINANCIAL HIGHLIGHTS OF TEN YEARS

PARTICULARS	2016-17	2015-16#	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
OPERATING RESULTS										(₹ in Crores)
GROSS INCOME	**5534**	6392	5427	5537	6391	5464	4856	4132	5952	3649
GROSS PROFIT	**478**	689	675	640	900	1276	1259	530	883	500
DEPRECIATION	**103**	97	101	145	132	129	147	141	143	142
EXCEPTIONAL ITEMS	-	-	-	-	-	-34	-	-	-	-
PROFIT/(LOSS) BEFORE TAX	**375**	592	574	495	768	1113	1112	389	740	358
TAX	**-45**	188	173	153	250	356	363	135	241	120
PROFIT/(LOSS) AFTER TAX	**420**	409	401	342	518	758	749	254	499	238
DIVIDEND	**88**	88	88	80	80	60	56	36	36	36
DIVIDEND TAX	**18**	18	18	13	13	10	9	6	6	6
RETAINED EARNINGS	**314**	303	295	249	425	688	684	213	457	196
AMOUNT PER SHARE (RUPEES)*										
SALES	**137**	159	134	136	157	665	597	504	738	448
EARNING	**11**	10	10	9	13	95	94	32	63	30
CASH EARNING	**11**	13	13	12	16	117	119	47	69	44
EQUITY DIVIDEND	**2.2**	2.2	2.2	2	2	7.5	7	4.5	4.5	4.5
BOOK VALUE	**165**	138	112	107	99	441	355	269	242	185
MARKET PRICE:										
HIGH	**132**	91	125	63	91	504	413	255	216	370
LOW	**64**	58	53	44	55	322	215	87	61	141

* Per share figures for F.Y. 2012-13 to 2016-17 are based on face value of Rs. 2/- for remaining years figures are based on face value of Rs. 10/-

Figures of 2015-16 are restated as per IND AS.

Independent Auditors' Report

TO THE MEMBERS OF GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the 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, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following matter in the Notes to the standalone Ind AS financial statements:

Note 45 which describes the Company's past subsidy claims matter and the eligibility of claims for the period from 18th

March, 2013 to 5th March, 2017 amounting to Rs. 66,287 lakhs pending examination by Fertilizer Industry Coordination Committee. The Company is reasonably certain that its subsidy claims for the aforesaid period, which are in line with the claims recently agreed for period from 01st April 2010 to 17th March 2013, will be agreed by the Department of Fertilizers.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

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

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

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. Refer Note 39 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.

      iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

Place : Gandhinagar
Date : 29th May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Gujarat State Fertilizers and Chemicals Limited** ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : Gandhinagar
Date : 29th May, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

(b) The 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 explanations given to us, the management is in process of reconciling fixed assets physically verified during the year with the fixed assets as per register maintained and does not expect any material discrepancy.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / Letter of Award provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as Property, Plant and Equipment (fixed asset) in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement, except as stated in table below.

Particulars of the land	Amount ₹ lacs *(Carrying amount as at the balance sheet date)*	Remarks
Leasehold land at Nandesari admeasuring to 82,383 square meters	29.39	The title deeds are in the name of Polymer Corporation of Gujarat Limited, erstwhile company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court(s) of judicature.

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

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT *(Contd...)*

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

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

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

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, 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, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on 31st March, 2017 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period / between various periods to which the amount relates	Amount involved (excluding interest and penalty ₹ in lacs)	Amount unpaid (excluding interest and penalty ₹ in lacs)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	FY 1991-92; FY 2006-07; & FY 2009-10	2,796.96	122.52
	Income Tax	Assessing Officer	FY 1998-99	107.17	Nil
	Income Tax	Commissioner (Appeals)	FY 2003-04 & FY 2011-12	1,531.24	455.38
Central Excise Act, 1944	Excise Duty	High Court - Ahmedabad	FY 1997-98 & FY 2008-09	3,486.77	1,768.47
		CESTAT	Mar 2007 to Mar 2012	397.27	381.27
		Asst. Commissioner / Dy. Commissioner	FY 1991-92; FY 1993-94; FY 1994-95 & Feb 2000 to Feb 2001	146.98	146.98
		Superintend-ent	Oct 2015 to Sep 2016	9.76	9.76
Finance Act, 1994	Service Tax	Supreme Court	Jul 2010 to Mar 2013	11.51	10.36
		CESTAT	Jun 2005 to Dec 2014	338.22	254.83
		Commissioner (Appeals)	Apr 2013 to Mar 2016	20.45	18.92
		Commissioner (Service Tax)	Apr 1998 to Dec 2014	54.03	50.38
		Asst. Commissioner / Deputy Commissioner	Apr 2005 to Feb 2016	29.74	29.74
		Superintend-ent	Oct 2015 to Aug 2016	2.37	2.37

Customs Act, 1962	Custom Duty	Assistant Commissioner of Customs	FY 2013-14	3.19	3.19
Gujarat Value added tax Act, 2003	Gujarat Value Added Tax	Joint / Dy. Commissioner of Commercial Tax	FY 2006-07 to FY 2011-12	2,216.14	2,216.14
Central Sales Tax Act, 1956	Central Sales Tax	Additional Commissioner of Sales Tax, Delhi	FY 1998-99	0.14	0.14
	Central Sales Tax	Gujarat Commercial Tax Tribunal	FY 2006-07 to FY 2010-11	2,754.92	2,754.92
	Central Sales Tax	Asst./ Addl. Commissioner of Sales Tax, Kolkata	FY 1998-99	2.21	2.21

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

(ix) In our opinion and according to the information and explanations given to us, the money raised by way of term loan have been applied by the Company during the year for the purposes for which it was raised. During the year, the Company has not raised moneys by way of public offer.

(x) 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 by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

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

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

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

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Place : Gandhinagar
Date : 29th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in lakhs)

	Note	As at 31st March 2017	As at 31st March 2016	As at 1st April, 2015
A. ASSETS				
1. Non-current assets				
(a) Property, Plant and Equipments	5	2,01,236.28	1,64,342.50	1,64,008.94
(b) Capital work-in-progress		27,167.68	40,344.52	25,988.66
(c) Other Intangible assets	6	660.24	937.29	943.17
(d) Financial Assets				
(i) Investments	7			
(a) Investment in subsidiary		300.00	300.00	100.00
(b) Investment in associates		3,251.69	125.00	125.00
(c) Other Investments		2,44,316.60	1,68,982.13	1,80,425.60
(ii) Loans	8	13,188.36	10,974.06	9,975.23
(iii) Others financial assets	9	4,230.73	3,897.17	3,780.13
(e) Income tax assets (Net)	23	8,618.39	4,095.25	3,802.61
(f) Other non current assets	10	38,303.17	36,282.06	37,156.25
		5,41,273.14	**4,30,279.98**	**4,26,305.59**
2. Current assets				
(a) Inventories	11	70,321.12	58,494.04	59,001.48
(b) Financial Assets				
(i) Trade receivable	12	2,72,580.75	3,28,960.51	1,92,411.33
(ii) Cash and cash equivalents	13	4,357.87	3,086.41	3,269.87
(iii) Bank balances other than (ii) above	14	1,009.01	946.21	32,229.03
(iv) Loans	15	1,865.58	1,671.33	3,063.46
(v) Others financial assets	16	2,411.69	4,695.78	6,554.51
(c) Other current assets	17	8,722.93	5,261.66	8,351.98
		3,61,268.95	**4,03,115.94**	**3,04,881.66**
3. Asset classified as held for sale	18	**308.45**	**308.45**	**308.45**
TOTAL		**9,02,850.54**	**8,33,704.37**	**7,31,495.70**

BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in lakhs)

	Note	As at 31st March 2017	As at 31st March 2016	As at 1st April, 2015
B. EQUITY AND LIABILITIES				
EQUITY				
(a) Equity capital	19	7,969.55	7,969.55	7,969.55
(b) Other Equity	20	6,49,546.28	5,42,622.85	5,33,243.88
		6,57,515.83	**5,50,592.40**	**5,41,213.43**
LIABILITIES				
1. Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	5,187.09	10,613.26	19,194.51
(b) Long term provisions	22	49,437.62	39,991.34	21,126.40
(c) Deferred tax liabilities (Net)	23	7,650.89	15,126.09	26,009.71
		62,275.60	**65,730.69**	**66,330.62**
2. Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	24	70,149.76	1,08,422.19	51,068.40
(ii) Trade payables	25	59,992.55	56,113.02	34,735.40
(iii) Other financial Liabilities	26	29,818.64	25,712.24	16,109.22
(b) Other current liabilities	27	5,269.45	4,562.78	4,276.64
(c) Short term provisions	28	9,248.45	8,501.19	6,013.13
(d) Current tax liabilities (Net)	23	8,580.26	14,069.86	11,748.86
		1,83,059.11	**2,17,381.28**	**1,23,951.65**
TOTAL		**9,02,850.54**	**8,33,704.37**	**7,31,495.70**
See accompanying notes forming part of financial statements	1 to 48			

In terms of our report attached

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

Gaurav J. Shah
Partner
Membership No. 35701

Gandhinagar
29th May, 2017

D. C. Anjaria
Director

Vasant Gandhi
Director

A M Tiwari
Managing Director

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

V. V. Vachhrajani
Company Secretary

Gandhinagar
29th May, 2017

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2017

(₹ in lakhs)

	Note	Year Ended 31st March	
		2017	2016
I Income			
Revenue from operations	29	5,47,688.30	6,32,647.40
Other income	30	5,664.34	6,575.34
Total income		**5,53,352.64**	**6,39,222.74**
II Expenses			
Cost of materials consumed	31	2,72,483.49	3,13,171.51
Purchase of stock in trade	32	48,003.74	70,930.15
Changes in inventories of finished goods, work in process and stock in trade	33	(5,942.98)	(3,559.31)
Power and Fuel		44,288.81	50,688.16
Excise duty		21,234.86	21,812.74
Employee benefit expenses	34	51,021.62	47,687.69
Finance cost	35	6,492.56	3,131.24
Depreciation and amortization expense		10,343.12	9,744.16
Other expenses	36	67,939.33	66,363.78
Total Expenses		**5,15,864.55**	**5,79,970.12**
III Profit before exceptional items and tax (I-II)		**37,488.09**	**59,252.62**
IV Exceptional items		-	-
V Profit before tax (III-IV)		37,488.09	59,252.62
VI Tax expense			
Current tax		5,734.98	18,805.53
Deferred tax	23	1,384.19	(487.58)
MAT credit recognised		(2,429.95)	-
Current tax relating to prior years		(9,151.37)	-
VII Profit for the year		**41,950.24**	**40,934.67**
VIII Other Comprehensive Income			
(A) Items that will be reclassified to profit or loss		**-**	**-**
(B) Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		(8,459.74)	(19,808.55)
Income tax effect on above		2,927.74	6,855.34
Net (loss)/gain on equity instruments through Other Comprehensive Income		77,554.68	(11,592.04)
Income tax effect on above		3,501.67	3,540.71
Net other comprehensive income that will not be reclassified to profit or loss		75,524.35	(21,004.54)
IX Total Comprehensive Income (VII+VIII)		**1,17,474.59**	**19,930.13**
Basic and Diluted Earnings per equity share:	37	**10.53**	**10.27**
Nominal value per share ₹		**2.00**	**2.00**
See accompanying notes forming part of the financial statements	1 to 48		

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lakhs)

		As at 31st March	
		2017	2016
A	**Cash Flow From Operating Activities :**		
	Profit Before Tax	**37,488.09**	**59,252.62**
	Adjustments for :		
	Depreciation and amortisation expense	10,343.12	9,744.16
	Amortisation of operating lease hold land	367.39	367.39
	Finance cost	6,492.56	3,131.24
	Interest income	(165.33)	(1,939.76)
	Loss on fixed assets sold/discarded	3.51	26.38
	Profit on sale of fixed assets	(0.09)	(0.13)
	Dividend income	(1,738.59)	(1,313.91)
	Allowance for doubtful debts	3,640.66	1,774.58
	Operating Profit before Working Capital Changes	**56,431.32**	**71,042.57**
	Changes in working capital:		
	Inventories	(11,827.08)	507.44
	Trade receivables and other assets	48,765.93	(1,03,433.24)
	Trade and other payables	3,907.39	24,503.02
	Cash Generated from/ (used in) Operations	**97,277.56**	**(7,380.21)**
	Taxes paid (net)	(6,596.35)	(16,777.17)
	Net Cash Flow from/ (used in) Operating Activities	**90,681.21**	**(24,157.38)**
B	**Cash Flow From Investing Activities :**		
	Purchase of fixed assets	(24,880.18)	(21,657.60)
	Proceeds from sale of fixed assets	0.32	0.34
	Purchase of investments	(816.00)	(200.00)
	Interest received	166.89	3,548.21
	Dividend received	1,738.59	1,313.91
	Net Cash Flow used in Investing Activities	**(23,790.38)**	**(16,995.14)**
C	**Cash Flow From Financing Activities**		
	Gross repayment of long term borrowings	(9,967.92)	(3,025.14)
	(Repayment of)/proceeds from short term borrowings	(38,272.43)	57,353.79
	Finance cost paid	(6,875.58)	(2,874.38)
	Dividend paid	(8,718.79)	(8,700.56)
	Tax on dividend paid	(1,784.65)	(1,784.65)
Net Cash Flow from/ (used in) Financing Activities		**(65,619.37)**	**40,969.06**
Net Increase/ (Decrease) in Cash & Cash Equivalents (Refer Note-13)		**1,271.46**	**(183.46)**
Cash and Cash Equivalents as at the beginning of the year		**3,086.41**	**3,269.87**
Cash and Cash Equivalents as at end of the year		**4,357.87**	**3,086.41**
See accompanying notes forming part of the financial statements			

In terms of our report attached

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Gandhinagar
29th May, 2017

Statement of Changes in Equity (SOCIE)

Note (a) : Equity share capital (₹ in lakhs)

Particulars	As at		
	31-Mar-17	31-Mar-16	1-Apr-15
Balance at the beginning of the reporting period	7,969.55	7,969.55	7,969.55
Changes in equity share capital during the year	-	-	-
Balance at the end of the reporting period	7,969.55	7,969.55	7,969.55

Note (b) : Other equity (₹ in lakhs)

Particulars	Reserves & Surplus					Items of OCI	
	Capital reserve	Equity security premium	Capital redemption reserve	General reserve	Retained earnings	Equity Instruments through OCI	Total Equity
Balance at April 1, 2015	**1,256.33**	**30,524.02**	**3,335.00**	**3,71,153.31**	**38,098.38**	**88,876.84**	**5,33,243.88**
Profit for the year	-	-	-	-	40,934.67	-	40,934.67
Other comprehensive income for the year net of income tax	-	-	-	-	-	(8,051.33)	(8,051.33)
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax					(12,953.21)	-	(12,953.21)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**27,981.46**	**(8,051.33)**	**19,930.13**
Cash dividends [Note 20]	-	-	-	-	(8,766.51)	-	(8,766.51)
Dividend Distribution Tax (DDT) [Note 20]	-	-	-	-	(1,784.65)	-	(1,784.65)
Transfer to General reserve	-	-	-	27,000.00	(27,000.00)	-	-
Balance at March 31, 2016	**1,256.33**	**30,524.02**	**3,335.00**	**3,98,153.31**	**28,528.68**	**80,825.51**	**5,42,622.85**
Balance at the beginning of the reporting period (as at March 31, 2016)	**1,256.33**	**30,524.02**	**3,335.00**	**3,98,153.31**	**28,528.68**	**80,825.51**	**5,42,622.85**
Profit for the year	-	-	-	-	41,950.24	-	41,950.24
Other comprehensive income for the year net of income tax	-	-	-	-	-	81,056.35	81,056.35
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax					(5,532.00)	-	(5,532.00)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**36,418.24**	**81,056.35**	**1,17,474.59**
Cash dividends [Note 20]	-	-	-	-	(8,766.51)	-	(8,766.51)
Dividend Distribution Tax (DDT) [Note 20]	-	-	-	-	(1,784.65)	-	(1,784.65)
Transfer to General reserve	-	-	-	30,000.00	(30,000.00)	-	-
Balance at March 31, 2017	**1,256.33**	**30,524.02**	**3,335.00**	**4,28,153.31**	**24,395.76**	**1,61,881.86**	**6,49,546.28**

In terms of our report attached

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

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Membership No. 35701

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Sr. VP (Finance) & CFO

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Company Secretary

Notes to the Financial Statements

Note 1- Company Overview

Gujarat State Fertilizers and Chemicals Limited "the Company" is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is principally engaged in production of fertilizers and chemicals. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Fertilizernagar - 391 750, Dist. Vadodara.

The financial statements were approved for issue by the Board of Directors on May 29, 2017.

Note 2-Basis of preparation of financial statements

2.1 Basis of preparation and compliance with Ind AS

The financial statements of the Company as at and for the year ended March 31, 2017 have been prepared in accordance with Indian Accounting standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ('Act') and the Companies (Indian Accounting Standards) Rules issued from time to time and relevant provisions of the Companies Act, 2013 (collectively called as Ind AS).

The Company has transitioned from Indian GAAP to Ind AS with effect from April 1, 2015 being the transition date as on which the opening Balance Sheet has been prepared. The Company has followed the provisions of Ind AS 101, 'First Time Adoption of Indian Accounting Standards', in preparing its opening Ind AS Balance Sheet as of the date of transition.

Refer Note 48 for the effect of transition to Ind AS on the reported financial position, financial performance and cash flows of the Company.

2.2 Basis of measurement

The financial statements have been prepared on a going concern basis, using historical cost convention and on an accrual method of accounting, except for the following assets and liabilities which have been measured at fair value, as required by relevant Ind AS.

1. Derivative financial instruments
2. Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
3. Defined benefit plans

2.3 Functional and presentation currency

The financial statements are prepared in Indian Rupees, which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimals.

2.4 Current and non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is classified as current if it satisfies any of the following criteria:

a) It is expected to be realised or intended to sold or consumed in the Company's normal operating cycle,

b) It is held primarily for the purpose of trading,

c) It is expected to be realised within twelve months after the reporting period, or

d) It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period,

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Current liabilities include current portion of non-current financial liabilities.

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

Note 3

The Company has applied the following accounting policies to all periods presented in the financial statements.

3.1 - Revenue recognition

Sale of goods

Revenue from the sale of fertilizers is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Sales of industrial products are accounted on the dispatch basis except export sales, which are recognised on the basis of bill of lading. It includes excise duty and subsidy and excludes value added tax/ sales tax. Subsidy and equated freight on fertilizers are accounted on accrual basis.

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.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

Dividends

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

3.2- Government grants

Government grants in the from of subsidy and equated freight on fertilizers are recognized when there is reasonable assurance that the Company will comply with the conditions relating to them and that the subsidy will be received.

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss in the period in which they become receivable.

3.3 – Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in India where the entity operates and generates taxable income.

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.4 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset ,
- An active programme to locate a buyer and complete the plan has been initiated ,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

3.5 - Property, plant and equipment and intangible assets

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. 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 Property, plant and equipment are treated as other non-current assets.

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.

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Research and Development

Capital expenditure on Research & Development activities is included in Property, plant and equipment 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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation on Property, plant and equipment is provided on Straight Line Method at the rates prescribed in Schedule II to the Company's Act, 2013. Depreciation on additions to Property, plant and equipment 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.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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.

The useful lives of the property, plant and equipment are as follows:

Assets	Estimated Useful life
Freehold Land	—
Leasehold Land	20 years
Buildings	30-60 years
Bridge, culverts,bunders,etc.	30 years
Roads	5-10 years
Plant and machinery	15-25 years
Furniture and fittings	10 years
Motor Vehicles	5-10 years
Railway sidings	15 years
Office equipment	5 years
Computers and Data Processing units	3-6 years
Laboratory equipment	10 years
Electrical Installation and Equipment	10 years
Library books	15 years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

3.6 - Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companys of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is determined:

(i) In case of individual asset, at higher of the fair value less cost to sell and value in use; and

(ii) In case of cash-generating unit (a Company of assets that generates identified, independent cash flows), at the higher of the cash-generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

3.7 - Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.8 - Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.9 - 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.

3.10 - Employee benefits

Defined benefit plans

(i) 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.

(ii) Post Employment benefits

(a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. 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 and National Pension Scheme 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.

(b) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Post employment defined benefits plans comprise of gratuity, superannuation and Post Retirement Medical Benefit for eligible employees 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 Company also contributes to a government administered Family Pension fund on behalf of its employees. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

(iii) Other long term employee benefits

Other long term employee benefits comprise of leave encashment for eligible employees of Company. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

3.11 - Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

(A) Financial Assets

The Company determines the classification of its financial assets at initial recognition. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The financial assets are classified in the following measurement categories:

a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

b) Those to be measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss as incurred.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

(i) Amortised Cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

a) The asset is held within a business model with the objective of collecting the contractual cash flows, and

b) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost include loans receivable, trade and other receivables, and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement at fair value, the financial assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the Statement of Profit or Loss in other income.

(ii) Fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(iii) Financial assets at fair value through profit or loss

The Company classifies the following financial assets at fair value through profit or loss:

a) Debt investments that do not qualify for measurement at amortised cost;

b) Debt investments that do not qualify for measurement at fair value through other comprehensive income; and

c) Debt investments that have been designated at fair value through profit or loss.

Financial assets at fair value through profit or loss include financial assets held for trading, debt securities and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the Balance Sheet at fair value with net changes in fair value presented as finance costs in profit or loss if the same is considered as an adjustment to borrowing cost. Interests, dividends and gain/loss on foreign exchange on financial assets at fair value through profit or loss are included separately in other income.

If Company elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments shall continue to be recognised in profit or loss as other income when the Company's' right to receive payments is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss shall be recognised in other gain/(losses) in the statement of profit or loss as applicable.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of Financial Assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance.

b) Trade receivables or any contractual right to receive cash or other financial asset that result from transactions that are within the scope of Ind AS 18.

An expected credit loss is the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the company expects to receive. The expected credit losses consider the amount and timing of payments and hence, a credit loss arises even if the Company expects to receive the payment in full but later than when contractually due. The expected credit loss method requires to assess credit risk, default and timing of collection since initial recognition. This requires recognising allowance for expected credit losses in profit or loss even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12 month expected credit losses or life time expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. '12 month expected credit losses' represent the expected credit losses resulting from default events that are possible within 12 months after the reporting date. 'Lifetime expected credit losses' represent the expected credit losses that result from all possible default events over the expected life of the financial asset.

Trade receivables are of a short duration, normally less than 12 months and hence the loss allowance measured as lifetime expected credit losses does not differ from that measured as 12 month expected credit losses. The Company uses the practical expedient in Ind AS 109 for measuring expected credit losses for trade receivables using a provision matrix based on ageing of receivables.

The Company uses historical loss experience and derived loss rates based on the past twelve months and adjust the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the ageing of the amounts that are past due and are generally higher for those with the higher ageing.

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recognised using the effective interest rate (EIR), which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial asset is recognised using the original EIR.

Dividends

Dividends are recognised as revenue when the right to receive payment is established.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(B) Financial Liabilities

The Company determines the classification of its financial liabilities at initial recognition.

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. Loans and borrowings, payables are subsequently measured at amortised cost where as derivatives are measured at fair value through profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities to hedge risks which are not designated as hedges. At initial recognition, the Company measures financial liabilities at its fair value. Financial liabilities at fair value through profit and loss are carried in the Balance Sheet at fair value with changes recognised in the Statement of Profit and Loss.

Financial liabilities measured at amortised cost

Financial liabilities are initially recognised at fair value, net of transaction cost incurred and are subsequently measured at amortised cost, using the EIR method. Any difference between the proceeds net of transaction costs and the amount due on settlement or redemption of borrowings is recognised over the term of the borrowing.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest charge over the relevant effective interest rate period. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(C) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counter party.

(D) Derivative financial instruments

The Company's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives consistent with the Company's risk management strategy. Changes in values of all derivatives of a financing nature are included within financing costs if the same is considered as adjustment to borrowing cost in the Statement of Profit and Loss whereas other foreign exchange fluctuation is disclosed under other expenses. The Company does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date.

(E) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

3.12 Foreign currencies

(a) Functional and presentation currency

The financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency. Each entity in the Company determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of each entity are measured using that functional currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Profit and Loss within 'Finance costs'. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss within 'Other operating expenses'.

3.13 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

3.14-Segment accounting

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services.

The accounting polices adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocated to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

The 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.

3.15 - Provisions, Contingent liabilities, Contingent assets and Commitments: General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;

A present obligation arising from the past events, when no reliable estimate is possible;

A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

3.16 - Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3.17 - Cash flow statement

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals of accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and finance activities of the Company are segregated.

3.18 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS – 7, 'Statement of Cash Flows'. These amendments are in accordance with the recent amendments made by the International Accounting Standards Board (IASB) to IAS – 7, 'Statement of Cash Flows'. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind – AS 7

The amendment to Ind AS – 7, requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and the effect on financial statements is being evaluated.

Note- 4 Critical and significant accounting judgements, estimates and assumptions

4.1 Critical estimates and judgements

The following are the critical judgements, apart from those involving estimations that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Useful lives of property, plant and equipment and intangible assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2017 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

Allowance for expected credit losses

Note 42 describes the use of practical expedient by computing the expected credit loss allowance for trade receivables other than subsidy receivables based on provision matrix. The expected credit allowance is based on the aging of the days receivables are due and the rates derived based on past history of defaults in the provision matrix. As regards subsidy receivables, the Company does not believe that there is any credit risk as dues are receivable from the Government and hence no allowance for expected credit loss is made.

Dismantling cost of property, plant and equipment

Note 22 describes assets retirement obligation on estimate basis for property, plant and equipment. The management estimates dismantling cost considering size of the asset and its useful life in line with industry practices.

Stores and spares inventories

The Company's manufacturing process is continuous and highly mechanic with wide range of different types of plant and machineries. The Company keeps stores and spares as standby to continue the operations without any disruption. Considering wide range of stores and spares and long lead time for procurement of it and based on criticality of spares, the Company believes that net realizable value would be more than cost.

Fair value of investments

The Company has invested in the equity instruments of various companies. However, the percentage of shareholding of the Company in some of such investee companies is low and hence, it has not been provided with future projections including projected profit and loss account by those investee companies. Hence, the valuation exercise carried out by the Company with the help of an independent valuer has estimated fair value at each reporting period based on available historical annual reports and other information in the public domain. In case of other companies, where there are no comparable companies' valuations available (also includes start-up companies) and no further information available for future projections, capacity utilisation, commencement of operations, etc., the method of valuation followed is cost approach. The Company evaluates the aforesaid position at each period end.

Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

4.2. Significant accounting judgements, estimates and assumptions

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

Operating lease commitments – Company as lessor

The company has entered into commercial property leases. It has determined, based on an evaluation of the terms and conditions of the arrangements that the lease term not constitute a major part of the economic life of the commercial property and the present value of the minimum lease payments does not consititute the fair value of the assets. Thus, it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based on its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow model. The cash flows are derived from the budget for the next five years and do not include activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the Cash Generating Unit being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

The cost of the defined benefit plans viz. gratuity, superannuation for the eligible employees of the Company are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rate.

Further details about gratuity obligations are given in Note 38.

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Note - 5 Property, Plant and Equipment

(₹ in lakhs)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-16	Additions	Deductions/ Adjustments	As at 31-Mar-17	As at 01-Apr-16	Charge for the year	Deductions/ Adjustments	As at 31-Mar-17	Balance As at 31-Mar-17	Balance As at 31-Mar-16
Freehold land	551.47	-	-	551.47	-	-	-	-	551.47	551.47
Leasehold land	705.30			705.30	6.34	6.43	-	12.77	692.53	698.96
Buildings	7,997.57	9463.70	-	17,461.27	440.42	436.63	-	877.05	16,584.22	7,557.15
Bridge, culverts,bunders,etc.	0.18	-	-	0.18	0.02	0.02	-	0.04	0.14	0.16
Roads	138.48	-	-	138.48	14.17	14.66	-	28.83	109.65	124.31
Plant and machinery	1,60,648.37	31691.23	8.38	1,92,331.22	8,371.71	8887.20	8.61	17,250.30	1,75,080.92	1,52,276.66
Furniture and fittings	607.20	71.88	12.73	666.35	77.47	79.52	11.89	145.10	521.25	529.73
Motor Vehicles	200.38	-	0.04	200.34	45.98	43.23	0.03	89.18	111.16	154.40
Railway sidings	288.09	1834.04	-	2,122.13	81.28	82.87	-	164.15	1,957.98	206.81
Office equipment	560.90	131.67	18.79	673.78	140.97	138.25	18.12	261.10	412.68	419.93
Computers and Data Processing units	418.84	51.71	19.79	450.76	109.12	115.04	18.34	205.82	244.94	309.72
Laboratory equipment	481.21	128.81	10.62	599.40	57.33	64.85	9.62	112.56	486.84	423.88
Electrical Installation and Equipment	1,183.18	3581.95	-	4,765.13	108.51	186.66	-	295.17	4,469.96	1,074.67
Library books	16.96	-	-	16.96	2.31	2.11	-	4.42	12.54	14.65
TOTAL	**1,73,798.13**	**46,954.99**	**70.35**	**2,20,682.77**	**9,455.63**	**10,057.47**	**66.61**	**19,446.49**	**2,01,236.28**	**1,64,342.50**

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-15	Additions	Deductions/ Adjustments	As at 31-Mar-16	As at 01-Apr-15	Charge for the year	Deductions/ Adjustments	As at 31-Mar-16	Balance As at 31-Mar-16	Balance As at 31-Mar-15
Freehold land	551.47	-	-	551.47	-	-	-	-	551.47	551.47
Leasehold land	29.39	675.91	-	705.30	-	6.34	-	6.34	698.96	29.39
Buildings	6,016.24	1987.91	6.58	7,997.57	-	440.42	-	440.42	7,557.15	6,016.24
Bridge, culverts,bunders,etc.	0.18	-	-	0.18	-	0.02	-	0.02	0.16	0.18
Roads	95.47	43.01	-	138.48	-	14.17	-	14.17	124.31	95.47
Plant and machinery	1,54,469.49	6178.88	-	1,60,648.37	-	8371.71	-	8,371.71	1,52,276.66	1,54,469.49
Furniture and fittings	518.27	88.95	0.02	607.20	-	77.47	-	77.47	529.73	518.27
Motor Vehicles	198.99	1.40	0.01	200.38	-	45.98	-	45.98	154.40	198.99
Railway sidings	288.09	0.00	-	288.09	-	81.28	-	81.28	206.81	288.09
Office equipment	496.31	71.65	7.06	560.90	-	140.97	-	140.97	419.93	496.31
Computers and Data Processing units	265.00	162.68	8.84	418.84	-	109.12	-	109.12	309.72	265.00
Laboratory equipment	464.26	21.03	4.08	481.21	-	57.33	-	57.33	423.88	464.26
Electrical Installation and Equipment	598.82	584.36	-	1,183.18	-	108.51	-	108.51	1,074.67	598.82
Library books	16.96	-	-	16.96	-	2.31	-	2.31	14.65	16.96
TOTAL	**1,64,008.94**	**9,815.78**	**26.59**	**1,73,798.13**	**-**	**9,455.63**	**-**	**9,455.63**	**1,64,342.50**	**1,64,008.94**

Notes

1 The Company has commissioned 15000 MTPA Nylon-6 II plant & 20000 MTPA WSF plant at a cost Rs 131.59 crores and Rs 36.03 crores respectively during 2016-17.

2 Asset acquisition includes R&D assets of Rs 9.09 lakhs (previous year Rs 16.80 lakhs).

3 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.

4 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.

5 Buildings include Rs.0.02 lakh being the value of shares in Co-operative Housing Societies.

6 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.

7 The company has availed the deemed cost exemption in relation to the Property, Plant & Equipment on the date of transition i.e. 1 April 2015 and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

Refer note below for the gross block value and the accumulated depreciation on April 1, 2015 under the IGAAP.

Notes to the Financial Statements

IGAAP Note for Property Plant and Equipments

(₹ in lakhs)

Particulars	1-Apr-2015		
	Gross Block	Accumulated depreciation	Net block
Freehold land	551.47	-	551.47
Leasehold land	32,466.50	818.99	31,647.51
Buildings	11,853.37	5,837.13	6,016.24
Bridge, culverts,bunders,etc.	0.30	0.12	0.18
Roads	1,403.71	1,308.24	95.47
Plant and machinery	4,15,574.00	2,61,882.16	1,53,691.84
Furniture and fittings	1,856.22	1,337.95	518.27
Motor Vehicles	451.53	252.54	198.99
Railway sidings	1,597.70	1,309.61	288.09
Office equipment	1,834.22	1,337.91	496.31
Computers and Data Processing units	2,016.35	1,751.35	265.00
Laboratory equipment	878.03	413.77	464.26
Electrical Installation and Equipment	2,666.14	2,067.32	598.82
Library books	86.31	69.35	16.96
Total	**4,73,235.85**	**2,78,386.44**	**1,94,849.41**

Note - 6 Intangible assets

(₹ in lakhs)

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 1-Apr-16	Additions	As at 31-Mar-17	As at 1-Apr-16	Charge for the year	As at 31-Mar-17	Balance as at 31-Mar-17	Balance as at 1-Apr-16
Computer software	1,225.82	8.60	1,234.42	288.53	285.65	574.18	660.24	937.29
TOTAL	**1,225.82**	**8.60**	**1,234.42**	**288.53**	**285.65**	**574.18**	**660.24**	**937.29**

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 1-Apr-15	Additions	As at 31-Mar-16	As at 1-Apr-15	Charge for the year	As at 31-Mar-16	Balance as at 31-Mar-16	Balance as at 1-Apr-15
Computer software	943.17	282.65	1,225.82	-	288.53	288.53	937.29	943.17
TOTAL	**943.17**	**282.65**	**1,225.82**	**-**	**288.53**	**288.53**	**937.29**	**943.17**

Notes

The company has availed the deemed cost exemption in relation to the Property, Plant & Equipment on the date of transition i.e. 1 April 2015 and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

Refer below for the gross block value and the accumulated depreciation on April 1, 2015 under the IGAAP.

IGAAP Note for Intangible asset (₹ in lakhs)

Particulars	1-Apr-2015		
	Gross Block	Accumulated depreciation	Net block
Computer software	1661.67	718.50	943.17
Total	**1661.67**	**718.50**	**943.17**

7. Non-current investments

(₹ in lakhs)

Praticulars		As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Investments in equity shares of Associates measured at cost				
14,302	shares of Vadodara Enviro Channel Ltd. - Rs. 10 each	-	-	-
12,50,000	shares of Gujarat Green Revolution Company Ltd. - Rs. 10 each	125.00	125.00	125.00
60,45,861	Shares of Karnalyte Resources Inc - Canadian Dollar (CAD) (5,55,555 shares subscribed during the year) (Note - 1 & 7)	3,126.69	-	-
		3,251.69	125.00	125.00
Investments in equity shares of subsidiary measured at cost				
29,99,994	shares of GSFC Agrotech Ltd. - Rs. 10 each	300.00	300.00	100.00
Unquoted equity shares measured at fair value through OCI				
11,25,000	Shares of Indian Potash Limited - Rs. 10 each	12,273.75	16,998.75	16,998.75
12,26,31,575	Shares of Gujarat Chemical Port Terminal Co. Ltd. - Re. 1 each	19,866.32	20,724.74	18,272.11
5,92,20,000	Shares of Bhavnagar Energy Company Ltd. - Rs. 10 each (81,60,000 shares subscribed during the year) (Note -2)	4,370.44	3,788.65	3,793.76
2,35,00,000	Shares of Gujarat State Petroleum Corporation Limited – Re. 1 each	8,020.55	14,151.70	19,035.00
51,00,000	Shares of GSPC Gas Company Limited – ₹ 10 each	-	-	8,470.18
15,00,00,000	Shares of GSPC Distribution Networks Limited– ₹ 10 each	-	-	50,618.60
41,79,848	Shares of Tunisian Indian Fertilizers (TIFERT s.a.) - TND 10 each (Note - 3)	4,719.01	5,392.43	14,877.31
60,000	Shares of Gujarat Venture Finance Limited – Rs. 10 each	66.60	55.80	44.40
50,000	Shares of Biotech Consortium India Limited – Rs. 10 each	17.50	17.50	16.50
1,15,000	Shares of Gujarat Data Electronics Limited - ₹ 10 each	-	-	-
		49,334.17	61,129.57	1,32,126.61
Quoted equity shares measured at fair value through OCI				
3,07,79,167	Shares of Gujarat Narmada Valley Fertilizers Co. Ltd. - Rs. 10 each	88,351.60	25,115.80	20,960.61
2,23,62,784	Shares of Gujarat Industries Power Company Ltd. - Rs. 10 each	23,044.85	17,811.96	19,209.64
16,55,040	Shares of Gujarat Alkalies & Chemicals Ltd. - Rs. 10 each	6,749.25	2,739.92	2,646.41
93,82,895	Shares of Gujarat Gas Ltd. - Rs. 10 each (Note - 1)	72,131.01	51,845.19	-
54,90,306	Shares of Karnalyte Resources Inc - Canadian Dollar (CAD) (Note - 1)	-	7,328.49	2,140.39
9,35,600	Shares of Gujarat State Financial Corporation - Rs. 10 each	-	-	-
10,00,000	Shares of GRUH Finance Limited - Rs. 2 each	3,959.00	2,392.50	2,440.00
5,49,440	Shares of Industrial Development Bank of India - Rs. 10 each	412.63	381.31	390.10
5,79,000	Shares of Mangalore Chemicals & Fertilizers Ltd. - Rs. 10 each	334.09	237.39	511.84
		1,94,982.43	1,07,852.56	48,298.99
Total FVTOCI Investments		2,44,316.60	1,68,982.13	1,80,425.60
TOTAL INVESTMENTS		2,47,868.29	1,69,407.13	1,80,650.60
Aggregate book value of Quoted Investments		1,94,982.43	1,07,852.56	48,298.99
Aggregate market value of Quoted Investments		1,94,982.43	1,07,852.56	48,298.99
Aggregate carrying value of Unquoted Investments		52,885.86	61,554.57	1,32,351.61
TOTAL INVESTMENTS		2,47,868.29	1,69,407.13	1,80,650.60

Category-wise other investments-as per Ind AS 109 classification

Particulars	31-03-2017	31-03-2016	01-04-2015
Financial assets carried at fair value through profit or loss (FVTPL)	-	-	-
Financial assets carried at amortised cost	3,551.69	425.00	225.00
Financial assets measured at FVTOCI	2,44,316.60	1,68,982.13	1,80,425.60
TOTAL INVESTMENTS	2,47,868.29	1,69,407.13	1,80,650.60

Notes to the Financial Statements

Notes:

1) The 54,90,306 no of equity shares of Karnalyte Resources Inc., Canada, held by the Company are pledged to secure the Company's long term borrowings from bank.

2) 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%.

3) 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. The principal amount Rs 2,555.94 lakhs of the convertible term loan and accrued interest Rs 261.16 lakhs thereon converted into fully paid 8,04,848 no. of equity shares of TND 10 each at par during the year 2015-16.

4) Company has received 93,82,895 nos of shares of Gujarat Gas Ltd in persuant to scheme of amalgamation and arrangement between the GSPC Gas Company Limited and GSPC Distribution Networks Limited pursuant to the Honourable High Court order. Out of the said shares, 39,47,369 nos of shares are lock-in for a period of 3 years from listing date.

5) Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity securities. Refer note 42 for determination of their fair values.

8. Loans

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured, considered good			
Loans and advances to employees (housing and vehicles)*	12,549.86	10,459.59	9,348.72
Unsecured, considered good			
Loans and advances to employees (marriage, education etc)	638.50	514.47	626.51
TOTAL	**13,188.36**	**10,974.06**	**9,975.23**

Notes:

* The loans are secured by mortgage of the underlying assets.

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counter parties. These financial assets are carried at amortised cost.

9. Other non-current financial assets

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unsecured, considered good			
Other deposits	4,230.96	3,897.37	3,780.33
Unsecured, considered doubtful			
Deposits with companies & others	102.70	102.70	102.70
Less: Allowance for doubtful deposits	102.70	102.70	102.70
TOTAL	**4,230.96**	**3,897.37**	**3,780.33**

Notes to the Financial Statements

10. Other non current assets

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital Advances*	37,175.73	35,069.75	35,878.72
Prepaid Expenses	5.66	16.15	6.99
Prepayment for Leasehold Land	1,106.20	1,180.58	1,254.96
Others	15.58	15.58	15.58
TOTAL	**38,303.17**	**36,282.06**	**37,156.25**

Capital advance as on 31st March,2017 includes Rs.29,702.77 lakhs(Rs.29,995.77 lakhs as at 31st March,2016 and Rs.30,288.77 lakhs as at 1st April,2015),advance for leasehold land pending execution of lease deed towards plot no.D-3/4 in Dahej III admeasuring 2979922.19 sq.meter.

11. Inventories

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Raw materials	10,370.06	9,199.62	18,226.83
Raw materials in Transit	8,425.36	5,148.43	240.71
Work-in-Process	1,546.19	1,873.70	1,877.97
Finished goods	29,357.39	22,193.93	20,445.25
Stock in trade	1,132.47	3,860.92	1,047.80
Stock in trade-in Transit	2,087.03	251.55	1,249.76
Stores and spares (including packing material)	17,372.03	15,938.22	15,754.44
Stores and spares in transit	-	-	129.41
Loose tools	30.59	27.67	29.31
TOTAL	**70,321.12**	**58,494.04**	**59,001.48**

The cost of inventories recognised as an expense during the year was Rs 283326.03 lakhs (for the year ended 31st March, 2016 Rs 328722.36 lakhs)

The cost of inventories recognised as an expense includes Rs 1033.15 lakhs (during 2015-16 Rs 2532.71 lakhs) in respect of write down of inventory to net realisable value

12. Trade receivables

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured, considered good	954.98	948.67	588.93
Unsecured, considered good	2,71,625.77	3,28,011.84	191822.40
Unsecured, considered doubtful	11,350.74	7,710.08	6,011.69
	2,83,931.49	3,36,670.59	1,98,423.02
Less: Allowance for doubtful debts (including Expected credit loss)	11,350.74	7,710.08	6,011.69
TOTAL	**2,72,580.75**	**3,28,960.51**	**1,92,411.33**

The average credit period on sale of goods is 30 to 90 days. No interest is charged on trade receivables upto the expiry of the credit period. Thereafter, interest is charged at 15% per annum on the outstanding balance.

The Company does not have any customers who represent more than 5% of the total balance of trade receivables. Refer note no-45 for subsidy receivables.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. Refer note 42 for the provision matrix at the end of the reporting period, ageing of receivable and movement in the expected credit loss allowance.

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. Refer note 42 for the credit risk management by the Company.

For balances relating to related party receivables, refer Note 40.

13. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Cash and cash equivalents			
Cash on hand	1.52	17.03	16.31
Balances with banks			
In current accounts	4,356.35	3,069.38	3,253.56
	4,357.87	**3,086.41**	**3,269.87**

14. Other bank balances

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
In Unpaid dividend account-restricted	474.86	427.14	361.19
In Fractional bonus account-restricted	10.58	10.58	9.52
In Deposit accounts (original maturity more than three months)	523.57	508.49	31,858.32
TOTAL	**1,009.01**	**946.21**	**32,229.03**

15. Loans

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured, considered good			
Current Maturity of loans to employees (housing and vehicles)*	1,248.73	1,163.50	1,035.16
Unsecured, considered good			
Advances to employees	121.68	86.42	95.98
Current Maturity of other loans to employees	412.24	384.10	281.56
Interest accrued	21.49	23.07	1,631.52
Others	61.44	14.24	19.24
	1,865.58	**1,671.33**	**3,063.46**

Notes:

* The loans are secured by mortgage of the underlying assets.

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counter parties. These financial assets are carried at amortised cost.

16. Other current financial assets

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial assets at fair value through profit & loss			
Derivatives not designated in hedging relationship			
Foreign exchange option contracts	1,559.30	3,516.63	2,993.53
Others	852.39	1,179.15	3,560.98
TOTAL	**2,411.69**	**4,695.78**	**6,554.51**

17. Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unsecured, considered good			
Balances with govt. agencies:			
(i) Cenvat	1,409.76	832.13	607.25
(ii) Vat	514.06	360.71	440.30
(iii) Service tax credit receivable	440.33	282.09	231.44
Advances to suppliers	5,912.03	3,494.38	6,504.74
Prepaid expenses	372.37	217.97	493.87
Prepayment for Lease hold lands	74.38	74.38	74.38
TOTAL	**8,722.93**	**5,261.66**	**8,351.98**

18. Assets classified as held for sale

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Assets classified as held for sale	308.45	308.45	308.45
TOTAL	**308.45**	**308.45**	**308.45**

The Company decided to sell plant and machinery which is of obsolete technology. The Company expects to sell the same in near future. There is no cost to sell the asset and hence the same is not presented seperately under liabilities.

19. Share Capital

(₹ in lakhs)

	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Number of shares Refer Note (a) below	Amount	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	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	1,60,00,000	16,000.00
		36,000.00		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	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	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	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	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	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	39,84,77,530	7,969.55
TOTAL	39,84,77,530	7,969.55	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.

b) Shareholders holding more than 5% of equity share capital

	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Number of shares	Percentage of holding	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	15,07,99,905	37.84
Life Insurance Corporation of India	3,17,78,658	7.98	3,17,78,658	7.98	3,11,23,023	7.81
Fidelity Puritan Trust-Fidelity Low priced stock fund	3,15,00,000	7.91	3,15,00,000	7.91	3,15,00,000	7.91

Notes to the Financial Statements

20. Other equity (₹ in lakhs)

Particulars	Reserves & Surplus					Items of OCI	
	Capital reserve	Equity security premium	Capital redemption reserve	General reserve	Retained earnings	Equity Instruments through OCI	Total Equity
Balance at April 1, 2015	**1,256.33**	**30,524.02**	**3,335.00**	**3,71,153.31**	**38,098.38**	**88,876.84**	**5,33,243.88**
Profit for the year	-	-	-	-	40,934.67	-	40,934.67
Other comprehensive income for the year net of income tax	-	-	-	-	-	(8,051.33)	(8,051.33)
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax					(12,953.21)	-	(12,953.21)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**27,981.46**	**(8,051.33)**	**19,930.13**
Cash dividends (refer note below)	-	-	-	-	(8,766.51)	-	(8,766.51)
Dividend Distribution Tax (DDT) (refer note below)	-	-	-	-	(1,784.65)	-	(1,784.65)
Transfer to General reserve	-	-	-	27,000.00	(27,000.00)	-	-
Balance at March 31, 2016	**1,256.33**	**30,524.02**	**3,335.00**	**3,98,153.31**	**28,528.68**	**80,825.51**	**5,42,622.85**
Balance at the beginning of the reporting period (as at March 31, 2016)	**1,256.33**	**30,524.02**	**3,335.00**	**3,98,153.31**	**28,528.68**	**80,825.51**	**5,42,622.85**
Profit for the year	-	-	-	-	41,950.24	-	41,950.24
Other comprehensive income for the year net of income tax	-	-	-	-	-	81,056.35	81,056.35
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax					(5,532.00)	-	(5,532.00)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**36,418.24**	**81,056.35**	**1,17,474.59**
Cash dividends (refer note below)	-	-	-	-	(8,766.51)	-	(8,766.51)
Dividend Distribution Tax (DDT) (refer note below)	-	-	-	-	(1,784.65)	-	(1,784.65)
Transfer to General reserve	-	-	-	30,000.00	(30,000.00)	-	-
Balance at March 31, 2017	**1,256.33**	**30,524.02**	**3,335.00**	**4,28,153.31**	**24,395.76**	**1,61,881.86**	**6,49,546.28**

Distributions made and proposed

Particulars	Amount
Cash dividends on equity shares declared and paid:	
Final dividend for the year ended on 31 March 2015: ₹ 2.20 pershare (31 March 2014: ₹ 2.00 per share)	8766.51
DDT on final dividend	1784.65
Total cash dividends declared and paid	**10551.16**
Cash dividends on equity shares declared and paid:	
Final dividend for the year ended on 31 March 2016: ₹ 2.20 pershare (31 March 2015: ₹ 2.20 per share)	8766.51
DDT on final dividend	1784.65
Total cash dividends declared and paid	**10551.16**
Proposed dividends on Equity shares:	
Final dividend for the year ended on 31 March 2017: ₹ 2.20 per share (31 March 2016: ₹ 2.20 per share)	8766.51
DDT on final dividend	1784.65
Total Proposed dividends	**10551.16**
Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon).	

21. Long term borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured			
Term loan from bank*	5,187.09	10,613.26	19,194.51
TOTAL	**5,187.09**	**10,613.26**	**19,194.51**

Note:

*The term loan from bank 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 effective 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.
2017-18	8.00
2018-19	8.00

22. Long term provisions

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for employee benefits			
Provision for Gratuity (Refer Note 38)	7,067.90	5,867.79	1,933.47
Provision for Pension (Refer Note 38)	21,203.29	14,770.05	1,937.59
Provision for Compensated absences*	15,867.67	14,464.65	13,364.64
Provision for Post Retirement Medical Benefit Scheme (PRMBS) (Refer Note 38)	3,756.98	3,453.40	2,561.58
Provision for Asset Retirement Obligation	1,541.78	1,435.45	1,329.12
TOTAL	**49,437.62**	**39,991.34**	**21,126.40**

* The provision for Compensated absences pertains to accrued ordinary and sick leave entitlements. The change in carrying amount of the provision results from additional provision recognized net of benefits paid.

Particulars	Provision for Asset Retirement Obligation
Balance as at 1st April, 2016	1435.45
Additional provision recognised	106.33
Balance as at 31st March, 2017	1541.78

Notes to the Financial Statements

Note - 23

A Income tax asset (net) (₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advance payment of Income Tax (net)	8,618.39	4,095.25	3,802.61

B Current tax liabilities (net) (₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for Income Tax (net)	8,580.26	14,069.86	11,748.86

C Deferred tax liabilities (net) (₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Statement of Profit & loss		
Profit & loss section		
Current income tax (net of MAT credit entitlement)	3,305.03	18,805.53
Deferred tax relating to origination & reversal of temporary differences	1,427.40	(487.58)
Deferred tax relating to Ind AS adjustments	(43.21)	-
Income tax provision written back	(9,151.37)	-
Income tax expense reported in the statement of profit or loss	**(4,462.15)**	**18,317.95**
(b) Other comprehensive income section		
Unrealised (gain)/loss on FVTOCI equity securities	(3,501.67)	(3,540.71)
Net loss/(gain) on remeasurements of defined benefit plans	(2,927.74)	(6,855.34)
Income tax charged to OCI	**(6,429.41)**	**(10,396.05)**
(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended		
Accounting profit before income tax [A]	**37,488.09**	**59,252.62**
Statutory income tax rate	34.608%	34.608%
Tax at statutory income tax rate of 34.608%	**12,973.88**	**20,506.15**
Tax effects of :		
Income not subject to tax	(621.85)	(474.76)
Inadmissible expenses or expenses treated separately	9,268.48	7,755.78
Admissible deductions	(13,064.37)	(7,485.16)
Deduction Under chapter - VI	(5,251.11)	(1,496.47)
Deferred tax on other items	1,384.19	(487.58)
Total tax effect	**(8,284.66)**	**(2,188.19)**
Income tax expense	**4,689.22**	**18,317.95**
Income tax provision written back	(9,151.37)	-
Income tax expense reported in statement of Profit & loss	**(4,462.15)**	**18,317.95**

(d) Deferred tax relates to the following: (₹ in lakhs)

	Balance sheet			Profit & loss	
	31-Mar-17	31-Mar-16	01-Apr-15	31-Mar-17	31-Mar-16
Property, plant and equipment	(42,699.88)	(39,917.11)	(40,086.41)	2,782.77	(169.30)
Expenses allowable for tax purpose when paid	9,775.43	14,330.32	12,471.79	4,554.89	(1,858.53)
Investments in Equity instruments	4,163.61	661.94	(2,878.77)	(3,501.67)	(3,540.71)
Fair valuation of deposits	0.65	0.47	0.21	(0.18)	(0.26)
Reclassification of MAT Credit entitlement	4,267.51	1,837.56	1,837.56	(2,429.95)	-
Actuarial loss on Defined benefit plan	8,559.60	4,827.11	-	(3,732.49)	(4,827.11)
Actuarial loss on Compensated Absences	-	804.74	804.74	804.74	-
Fair valuation of Derivatives	(6.58)	(6.58)	(13.28)	-	(6.70)
Machinery Spares	1,450.09	1,450.09	1,450.09	-	-
Allowance for doubtful debts	6,436.95	642.96	213.51	(5,793.99)	(429.45)
ARO provision	293.94	242.41	190.85	(51.53)	(51.56)
ICDS impact	107.79	-	-	(107.79)	-
Deferred tax expense/(income)	-	-	-	**(7,475.20)**	**(10,883.62)**
Net deferred tax assets/(liabilities)	**(7,650.89)**	**(15,126.09)**	**(26,009.71)**	-	-
Reconciliation of deferred tax liabilities (net):					
Opening Balance as at	**31-03-2016**	**01-04-2015**			
	(15,126.09)	**(26,009.71)**			
Tax income/(expense) during the period recognised in P&L	1,045.79	487.57			
Tax income/(expense) during the period recognised in OCI	6,429.41	10,396.05			
Closing balance as at	**31-03-2017**	**31-03-2016**			
	(7,650.89)	**(15,126.09)**			

Notes:

a) The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

b) Deferred tax assets have not been recognised in respect of those losses for which the company may not be used to offset taxable profits elsewhere in the company, they have arisen in fair valuation of investments, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the company were able to recognise all unrecognised deferred tax assets, the comprehensive income would have been increased by INR 1762.13 lacs for the year ended March 31, 2016.

Notes to the Financial Statements

24. Financial Liabilities- borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured			
Loans repayable on demand			
From Banks			
Cash credit account *	14,349.45	22,167.34	17,430.13
Unsecured			
Deposits			
Intercorporate deposit from related party**	-	40,000.00	-
Other loans and advances			
Commercial papers***	20,000.00	-	-
Over drafts from banks	2,003.69	-	-
Buyers credit and bill discounting facility	33,796.62	46,254.85	33,638.27
TOTAL	**70,149.76**	**1,08,422.19**	**51,068.40**

* 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.

** The Company has availed Inter-Corporate Loan of Rs. 400 crores from Gujarat State Financial Services Limited @ 9% p.a. for 90 days period during financial year 2015-16.

*** The Company has issued commercial paper of Rs.200 crores for 90 days period.

25. Current financial liabilities- trade payables

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Due to Micro, Small and Medium Enterprises (MSMED)*	289.03	429.28	557.29
Others**	59,703.52	55,683.74	34,185.33
TOTAL	**59,992.55**	**56,113.02**	**34,735.40**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	289.03	429.28	557.29
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	NIL	NIL	NIL
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	NIL	NIL	NIL
(iv) The amount of interest due and payable for the year	NIL	NIL	NIL
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	NIL	NIL	NIL
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	NIL	NIL	NIL

*Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

** includes trade payable to related parties Rs 7579.65 lakhs (Rs 4875.08 lakhs as at 31st March,2016 and Rs 3186.18 lakhs as at 1st April, 2015).

26. Other current financial liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial liabilities at fair value through profit & loss			
Derivatives not designated as hedges			
Foreign exchange forward contracts	293.60	232.28	5.26
Other financial liabilities at amortised cost			
Current maturities of long term debt	5,187.08	9,728.83	4,172.72
Interest accrued but not due on borrowings	48.38	431.40	174.54
Unpaid dividend*	474.86	427.14	361.19
Unpaid matured deposits*	0.87	1.92	5.36
Deposits received	4,382.12	4,361.81	3,562.07
Dues to shareholders for fractional bonus shares	19.42	19.42	18.38
Liability towards employee benefits	4,320.14	6,501.54	5,908.23
Creditors for capital goods	14,999.38	3,801.79	1,627.39
Other payables	92.79	206.11	274.08
TOTAL	**29,818.64**	**25,712.24**	**16,109.22**

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

27. Other current liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advances from customers	1,235.97	1,561.51	1,846.86
Statutory dues	4,025.48	2,997.81	2,456.69
Income received in advance	8.00	3.46	6.98
TOTAL	**5,269.45**	**4,562.78**	**4,276.64**

28. Provisions

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for employee benefits			
Provision for Gratuity (Refer note 38)	1,679.21	1,948.95	1,366.88
Provision for Compensated absences*	2,898.68	2,641.30	1,895.38
Provision for Pension (Refer note 38)	4,480.02	3,728.20	2,634.41
Provision for PRMBS (Refer note 38)	190.54	182.74	116.46
TOTAL	**9,248.45**	**8,501.19**	**6,013.13**

* The provision for Compensated absences pertains to accrued ordinary and sick leave entitlements. The change in carrying amount of the provision results from additional provision recognized net of benefits paid.

Notes to the Financial Statements

29. Revenue from operations

(₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
Revenue from sale of products		
(Refer note no. 45)		
- Manufactured / Generated products	4,83,326.60	5,46,798.73
- Traded products	48,511.64	68,692.19
Other operating revenue		
- Freight Subsidy	15,850.06	17,156.48
Total	**5,47,688.30**	**6,32,647.40**
Details of sale of products		
Manufactured Products		
Urea	74,190.15	88,337.40
Ammonium Sulphate	50,554.16	57,513.03
Di ammonium Phosphate	1,24,043.88	1,35,313.26
Ammonium Phosphate Sulphate	64,579.08	86,383.89
NPK (12:32:16 and 10:26:26)	10,128.88	15,405.91
Caprolactam	77,549.31	76,157.83
Nylon 6	30,257.22	23,829.63
Melamine	16,013.55	15,921.57
Polymer Products	2,048.94	6,627.76
Nylon Filament Yarn	6,355.35	9,489.48
Other manufactured products	41,892.42	47,202.02
Total Manufactured Products	**4,97,612.94**	**5,62,181.78**
Trading Products		
DAP	28,487.42	44,160.36
Ammonium Sulphate	4,935.92	-
Anone	368.05	1,645.82
Methanol	5,709.20	13,282.30
Melamine	6,710.54	8,566.73
Others	3,864.23	2,810.41
Total Trading Products	**50,075.36**	**70,465.62**
Total (Manufactured+Traded)	**5,47,688.30**	**6,32,647.40**

30. Other income

(₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
Interest on: (gross)		
Deposits:	165.32	1,589.20
Advances:	604.66	484.24
Others:	875.49	768.92
Dividend from long term investments		
Trade:	1,715.59	1,284.22
Others:	23.00	29.69
Others		
Rent	176.99	102.38
Insurance claims	287.38	19.26
Profit on sale of fixed assets	0.09	0.13
Excess provision no longer required	1,066.71	910.86
Miscellaneous income	749.11	1,386.44
TOTAL	**5,664.34**	**6,575.34**

Notes to the Financial Statements

31. Cost of material consumed

(₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
Raw Materials		
Opening stock	14,348.05	18,467.53
Add: Purchases	2,76,930.86	3,09,052.03
Less: Closing stock	18,795.42	14,348.05
TOTAL	**2,72,483.49**	**3,13,171.51**
Materials consumed comprise:		
Rock Phosphate	14,980.02	19,477.15
Sulphur	13,432.06	20,969.64
Gas	70,490.58	78,395.25
Benzene	46,566.83	44,962.15
Ammonia	24,167.10	29,075.64
Phosphoric Acid	91,667.80	1,03,170.56
MEK	1,833.44	2,412.02
Acetone	-	100.96
Others	9,345.66	14,608.14
TOTAL	**2,72,483.49**	**3,13,171.51**

32. Purchase of stock in trade

(₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
DAP	27,049.71	42,850.73
Ammonium Sulphate	6,459.18	-
Anone	501.41	1,762.58
Methanol	4,593.77	14,228.37
Melamine	5,085.21	9,367.44
Others	4,314.46	2,721.03
TOTAL	**48,003.74**	**70,930.15**

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

(₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
Opening stock		
Finished products	22,193.93	20,445.25
Stock in trade	4,112.47	2,297.56
Work-in-process	1,873.70	1,877.98
	28,180.10	**24,620.79**
Less: Closing stock		
Finished products*	29,357.39	22,193.93
Stock in trade	3,219.50	4,112.47
Work-in-process	1,546.19	1,873.70
	34,123.08	**28,180.10**
(Increase) / Decrease	**(5,942.98)**	**(3,559.31)**

Notes to the Financial Statements

(₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
***Details of Inventory of finished goods**		
Fertilizers	14,591.84	11,813.00
Caprolactam	3,025.00	4,170.75
Ammonia	1,664.92	1,635.14
Nylon 6	6,376.74	753.64
Nylon Filament Yarn	772.62	1,841.81
Methanol	50.34	369.93
Melamine	203.44	581.80
Others	2,672.49	1,027.86
TOTAL	**29,357.39**	**22,193.93**

34. Employee benefit expenses

(₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
Salaries, wages, bonus	37,329.79	35,005.81
Contribution to provident, gratuity and superannuation (pension) funds (including provisions)	6,555.93	5,313.38
Staff Welfare expenses	7,135.90	7,368.50
TOTAL	**51,021.62**	**47,687.69**

Employee benefit expenses includes R&D salary expenses of Rs 1133.72 lakhs (previous year Rs 1171.15 lakhs)(Refer note no. 43)

35. Finance costs

(₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
Interest		
- borrowings	5,178.25	2,388.41
- others	821.77	243.98
Other borrowing cost	492.54	498.85
TOTAL	**6,492.56**	**3,131.24**

36. Other expenses

(₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
Consumption of stores and spare parts	7,639.51	7,777.13
Water	2,585.93	2,224.55
Packing expenses	8,112.86	8,800.32
Repairs to buildings	342.81	424.35
Repairs to machinery	5,039.82	5,688.96
Other repairs	1,048.36	848.25
Insurance	597.00	829.50
Rent, rates and taxes	1,085.65	1,390.24
Product transportation, distribution & loading & unloading charges	23,774.86	23,410.11
Depots and farm information centers expense	4,091.84	1,732.11

Notes to the Financial Statements

(₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
Marketing expense reimbursement, demonstration, extension services and publicity etc.	519.90	1,084.79
Variation in exchange rates	3,744.38	4,728.74
Directors sitting fees	7.87	9.05
Auditors' remuneration *	83.86	94.24
Cost auditors' fees	5.58	5.37
Research and development expenses	13.99	61.68
Loss on fixed assets sold/discarded	3.51	26.38
Allowance for doubtful debts	3,640.66	1,774.58
Obsolete Spares and other items written off	200.00	-
Amortisation of operating leasehold land	367.39	367.39
Donations and contributions	848.05	846.35
Miscellaneous	4,185.50	4,239.69
TOTAL	**67,939.33**	**66,363.78**

Other expenses includes R&D expenses of Rs 24.99 lakhs (previous year Rs 85.05 lakhs)(Refer note no. 43)

***Auditors' remuneration** (₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
Payment to Statutory Auditors:		
For Statutory audit	23.62	21.60
For Taxation matters	45.10	59.18
For other services (including Limited Review fees & certification)	14.88	12.02
For Reimbursement of expenses	0.26	1.44
	83.86	**94.24**
Payment to Cost Auditors		
Cost auditors' fees	5.58	5.37

37. Earnings per share (EPS):

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended March, 2017	Year ended March, 2016
i. Profit attributable to Equity holders of parent		
Profit attributable to equity holders of the parent:		
Continuing operations	41,950.24	40,934.67
Discontinued operations	-	-
Profit attributable to equity holders of the parent for basic earnings	41,950.24	40,934.67
Effect of dilution	-	-
Profit attributable to equity holders of the parent adjusted for the effect of dilution	**41,950.24**	**40,934.67**

Particulars	Year ended March, 2017	Year ended March, 2016
ii. Weighted average number of ordinary shares		
Issued ordinary shares	39,84,77,530	39,84,77,530
Effect of dilution (Note - a)	-	-
	39,84,77,530	39,84,77,530
Basic EPS (₹)	10.53	10.27
Diluted EPS (₹)	10.53	10.27
Nominal value per share (₹)	2.00	2.00

Note - 38 : Employment benefit plans

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

I. Funded

i. Gratuity

ii. Pension

II. Unfunded

i. Post retirement medical benefit scheme

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk: The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest Risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

Longevity Risk: The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk: The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

b) Defined contribution plans:

Amount towards Defined Contribution Plans have been recognised under ''Contributions to Providend, Gratuity and Superannuation Fund (pension) Funds (including provisions)" in Note : 34 Rs 2730.07 lakhs for financial year 2016-17 (Rs. 2,521.06 lacs for financial year 2015-16).

c) Details of funded & unfunded plans are as follows: **(₹ in lakhs)**

Description	Pension		Gratuity	
	2016-17	2015-16	2016-17	2015-16
1. Changes In Present Value of obligation				
a. Obligation as at the beginning of the year	50,362.00	35,708.00	26,260.45	21,072.46
b. Current Service Cost	569.67	675.78	1,193.64	916.34
c. Interest Cost	4,028.96	2,856.64	2,100.83	1,673.11
d. Actuarial (Gain)/Loss	7,958.89	15,143.18	636.00	4,665.37
e. Benefits Paid	(4,250.48)	(4,021.60)	(2,300.81)	(2,066.83)
f. Obligation as at the end of the year	58,669.04	50,362.00	27,890.11	26,260.45
The defined benefit obligation as at 31.03.2017 is	Funded	Funded	Funded	Funded

(₹ in lakhs)

Description	Pension		Gratuity	
	2016-17	2015-16	2016-17	2015-16
2. Changes in Fair Value of Plan Assets				
a. Fair Value of Plan Assets as at the beginning of the year	31,863.73	31,135.99	18,443.70	17,772.12
b. Expected return on Plan Assets	2,549.09	2,615.37	1,475.49	1,585.66
c. Actuarial Gain/(Loss)	116.31	-	19.15	-
d. Contributions	2,707.05	2,133.97	1,505.76	1,152.75
e. Benefits Paid	(4,250.48)	(4,021.60)	(2,300.81)	(2,066.83)
f. Fair Value of Plan Assets as at the end of the year	32,985.70	31,863.73	19,143.29	18,443.70
3. Amount Recognised In The Balance Sheet				
a. Fair Value of Plan Assets as at the end of the year	32,985.70	31,863.73	19,143.29	18,443.70
b. Present Value of Obligation as at the end of the year	(58,669.04)	(50,362.00)	(27,890.11)	(26,260.45)
c. Amount recognised in the Balance Sheet	(25,683.34)	(18,498.27)	(8,746.82)	(7,816.75)
4. Expense recognised in P & L during the year				
a. Current Service Cost	569.67	675.78	1,193.64	916.34
b. Net Interest Cost	1,479.85	241.27	625.31	87.45
c. Expense recognised during the year	2,049.52	917.05	1,818.95	1,003.79
5. Expense recognised in OCI during the year				
a. Return on Plan Assets,Excluding Interest Income	(116.31)	-	(19.15)	-
b. Actuarial (Gain)/Loss recognised on Obligation	7,958.89	15,143.18	636.00	4,665.37
c. Net (Income)/Expense recognised during the year	7,842.58	15,143.18	616.85	4,665.37
6. Investment Details of Plan Assets				
Administered by LIC of India	100%	100%	100%	100%

The Company expects to make a contribution of Rs 2500 lakhs towards pension and Rs 2000 lakhs towards gratuity during the next financial year.

Description	2016-17	2015-16
	PRMBS	
1. Changes In Present Value of the defined benefit obligation		
a. Obligation as at the beginning of the year	3,636.14	2,678.04
b. Current Service Cost	178.28	760.44
c. Interest Cost	289.57	212.91
d. Actuarial (Gain)/Loss	362.45	354.77
e. Benefits Paid	(518.91)	(370.02)
f. Obligation as at the end of the year	3,947.53	3,636.14
The defined benefit obligation as at 31.03.2017 is	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	(3,947.53)	(3,636.14)
c. Amount recognised in the Balance Sheet	(3,947.53)	(3,636.14)

Description	2016-17	2015-16
	PRMBS	
3. Expense recognised in P & L during the year		
a. Current Service Cost	178.28	760.44
b. Interest Cost	289.57	212.91
c. Expense recognised during the year	467.85	973.35
4. Expense recognised in OCI during the year		
a. Return on Plan Assets,Excluding Interest Income	-	-
b. Actuarial (Gain)/Loss recognised on Obligation	362.45	354.77
c. Net (Income)/Expense recognised during the year	362.45	354.77

The expense is disclosed in Note No. 34 - “Employee Benefit Expenses”, Pension & Gratuity are disclosed in line item - Contribution to Provident Fund,and provision to Gratuity, Superannuation (Pension) Funds.PRMBS is disclosed in line item - Welfare funds.

d) Assumptions	31.03.2017	31.03.2016
a. Discount Rate (per annum)	7.45%	7.85 to 8.06%
b. Salary Escalation Rate (per annum)	6%	6%

c. The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

d. The estimate of mortality rate during employment has been considered as per Indian Assured Lives Mortality (2006-08).

e. 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.

Description	2016-17		2015-16
	Pension	Gratuity	PRMBS
e) Effect of one percentage point change in the assumed Discount Rate			
a. One percentage point increase in Discount Rate	(3,115.62)	(1,508.74)	(422.33)
b. One percentage point decrease in Discount Rate	3446.01	1676.99	517.37
Effect of one percentage point change in the assumed Salary Escalation Rate			
a. One percentage point increase in Salary Escalation Rate	3453.46	1681.04	NA
b. One percentage point decrease in Salary Escalation Rate	(3,178.25)	(1,539.31)	NA
Effect of one percentage point change in the assumed medical inflation rate-Benefit Obligation			
a. One percentage point increase in medical inflation rate	NA	NA	522.03
b. One percentage point decrease in medical inflation rate	NA	NA	246.34

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

Pension	2016-17	2015-16	2014-15	2013-14	2012-13
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
1 Present Value of Defined Benefit Obligation	58,669.04	50,362.00	35,708.00	35,506.00	36,420.46
2 Fair Value of Plan Assets	32,985.70	31,863.73	31,135.98	30,065.39	28,729.63
3 Status [Surplus/(Deficit)]	(25,683.34)	(18,498.27)	(4,572.02)	(5,440.61)	(7,690.83)
4 Experience Adjustment of Plan Assets [Gain/(Loss)]	116.31	-	-	-	-
5 Experience/Assumptions Adjustment of obligation [(Gain)/Loss]	7,958.89	15,143.18	534.77	(1,573.72)	2,121.48
Gratuity	**2016-17**	**2015-16**	**2014-15**	**2013-14**	**2012-13**
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
1 Present Value of Defined Benefit Obligation	27,890.11	26,260.45	21,072.46	20,835.98	20,608.60
2 Fair Value of Plan Assets	19,143.29	18,443.70	17,772.13	17,053.92	16,392.27
3 Status [Surplus/(Deficit)]	(8,746.82)	(7,816.75)	(3,300.33)	(3,782.06)	(4,216.33)
4 Experience Adjustment of Plan Assets [Gain/(Loss)]	19.15	-	-	-	-
5 Experience/Assumptions Adjustment of obligation [(Gain)/Loss]	636.00	4,665.37	(460.73)	(303.78)	1,897.77
PRMBS	**2016-17**	**2015-16**	**2014-15**	**2013-14**	**2012-13**
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)					
1 Present Value of Defined Benefit Obligation	3,947.53	3,636.09	2,678.04	2,356.54	2,144.92
2 Fair Value of Plan Assets	-	-	-	-	-
3 Status [Surplus/(Deficit)]	(3,947.53)	(3,636.09)	(2,678.04)	(2,356.54)	(2,144.92)
4 Experience Adjustment of Plan Assets [Gain/(Loss)]	-	-	-	-	-
5 Experience/Assumptions Adjustment of obligation [(Gain)/Loss]	362.45	354.77	-	-	44.00

Note - 39 Commitment and contingencies

a. Commitments

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(i) Commitment for equity contribution & others	5,749.00	-	-
(ii) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	68,978.00	38,029.00	59,661.00

b. Contingent liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Claims against the Company not acknowledgement as debt			
(i) Excise duty	4,497.00	4,418.00	4,323.00
(ii) Central sales tax and value added tax	4,966.00	4,317.00	4,311.00
(iii) Income tax	4,435.00	3,099.00	2,904.00
(iv) Other claims by:			
- Statutory corporations	24,680.00	22,568.00	1,122.00
- Department of Fertilizers, total amount not quantifiable, demands stayed, matter pending with High Courts	Refer Note:45	Refer Note:45	Refer Note:45
- Employees / ex-employees, contractual labour – pending before courts	Not ascertainable	Not ascertainable	Not ascertainable

c. Contingent Assets

The Company does not have any contingent assets.

d. Financial guarantees

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
The Company has provided sponsor's Guarantee towards the borrowing of Tunisian Indian Fertilizers S.A., Tunisia (TIFERT) up to 15% of the amount due and outstanding.	22,292.00	25,789.00	32,391.00

The Company had provided a sponsor guarantee for USD 41.1 million (proportionate to the shareholding of 15%) towards the borrowings of Tunisian Indian Fertilisers S.A. (TIFERT), a company based in Tunisia, manufacturing phosphoric acid. In March 2017, TIFERT has requested reschedulement of installment due to the lenders and delayed the payment. The same was not agreed to by the Lenders and the acceleration notice was served on TIFERT by lenders on 28 March 2017. The loan instalment was immediately paid on 31 March 2017 by TIFERT. However, on 4 April 2017 the lenders followed up with call notice on shareholders towards guaranteed amount (GSFC's share USD 34.38 million outstanding as on date). The Company alongwith other shareholders of TIFERT are in discussion with the Lenders to resolve the matter with regard to liquidity situation and operational improvements of TIFERT and also to find a solution for meeting the future debt obligations of TIFERT. Based on communication exchanged with Lenders and operational improvement initiatives taken by TIFERT, the Company reasonably considers that TIFERT would be in a position to meet the debt obligations and it is unlikely that such an event of payment under guarantee amount will arise. The Company's obligation under this financial guarantee if that amount is claimed by the counterparty to the guarantee is subject to a maximum amount as mentioned herein above.

Note - 40 Related party transactions

The company is controlled by Government of Gujarat and Gujarat state Investment Limited and hence, the Company is Government related entity as per Ind AS 24 "Related Party Disclosures".

(₹ in lakhs)

Name of the Party	Nature of Relationship	Nature of Transaction	2016-17	2015-16	Outstanding as on 01.04.2015
GSFC Agrotech Limited	Subsidiary	Purchase of goods	1,905.69	1,546.52	-
		Sale of materials	1.76	1.83	-
		Commission income	47.15	59.15	-
		Rent receipt	12.27	12.27	-
		Reimbursement of expenses	141.15	242.41	-
		Equity contribution	-	200.00	-
		Outstanding balance-Receivable	304.48	209.11	561.54
Gujarat Arogya Seva Private Limited	Subsidiary of Subsidiary	-	-	-	-
Vadodara Enviro Channel Ltd. (Erstwhile Effluent Channel Project Ltd.)	Associate	Usage of effluent channel	275.40	304.46	-
		Outstanding balance-Payable	1.19	-	25.20
Gujarat Green Revolution Company	Associate	Reimbursement of expenses	157.25	173.51	-
		Dividend received	6.25	6.25	-
		Outstanding balance-Receivable	135.73	160.85	201.34
Gujarat Data Electronics Limited	Associate	-	-	-	-
Karnalyte Resources Inc.	Associate	Reimbursement of expenses	43.32	129.88	-
		Outstanding balance-Receivable	-	7.02	1.05
Tunisian Indian Fertilizer Company	Other related party	Purchase of Material	12,493.61	25,524.20	-
		Outstanding balance-Payable	5,255.15	257.48	200.71

Notes to the Financial Statements

(₹ in lakhs)

Name of the Party	Nature of Relationship	Nature of Transaction	2016-17	2015-16	Outstanding as on 01.04.2015
Bhavnagar Energy Company Limited	Government related Entity	Investment in Equity	816.00	-	-
		Outstanding balance-receivable	-	-	15.00
Gujarat Alkalies & Chemicals Ltd.	Government related Entity	Purchase of Materials	1,414.54	1,366.69	-
		Sale of Product	735.83	728.07	-
		Recovery of (shared) expenses	16.61	47.53	-
		Outstanding balance-payable	-	85.47	4.92
		Outstanding balance-receivable	83.06	73.92	103.22
Gujarat Narmada Valley Fertilizers Company Limited	Government related Entity	Purchase of Materials	-	136.08	-
		Sale of Material	1,009.47	315.41	-
		Outstanding balance-Payables	0.01	0.01	136.17
		Outstanding balance-Receivables	99.57	27.62	292.84
GAIL India Limited	Government related Entity	Purchase of GAS	79,140.77	56,330.21	-
		Sale of Product	896.43	281.38	-
		Outstanding balance-Receivables	53.48	81.33	0.11
		Outstanding balance-Payables	2,763.51	4,436.88	2,052.43
Gujarat Industries Power Company Limited.	Government related Entity	Purchase of power	12,495.68	17,302.38	-
		Sale of power	107.05	108.47	-
		Outstanding balance-Receivables	30.81	36.36	23.92
		Outstanding balance-Payables	-	-	1,469.22
GSFC Education Society	Other related party	Donation Granted	500.00	285.00	-
		Outstanding balance-payable	-	-	-
Shri A M Tiwari, IAS, Managing Director	Key Management Personnel	Remuneration	34.45	3.23	-
Shri S K Nanda, IAS, Managing Director	Key Management Personnel	Remuneration	-	23.31	-
V D Nanavaty – Sr. VP (Finance) & Chief Financial Officer	Key Management Personnel	Remuneration	43.42	41.41	-
V V Vachhrajani, Sr. VP (Legal) & Company Secretary	Key Management Personnel	Remuneration	38.71	37.00	-
		Loan given to KMP	-	10.00	-
Gujarat State Petroleum Corporation Ltd.	Government related Entity	Purchase of GAS	1,514.79	6,863.34	-
		Gas Swap	488.97	4,032.92	-
		Outstanding balance	15.16	21.62	-
Gujarat State Financial Services Limited	Government related Entity	-	-	-	-
Gujarat State Investment Ltd.	Investor company	-	-	-	-
Gujarat Industrial Investment Corporation Ltd.	Government related Entity	-	-	-	-
Gujarat Agro Industries Corporation	Government related Entity	Sale of Product	18,350.41	23,680.07	
		Outstanding balance-receivable	187.61	6,040.79	3,145.26
Rajasthan State Mines & Minerals Limited	Government related Entity	Sale of Product	508.99	486.98	-
		Purchase of RM	10,939.44	11,383.70	
		Outstanding balance-payables		393.22	
		Outstanding balance-Receivables	(37.18)	(6.17)	(43.15)
Gujarat Chemical Port Terminal Company Limited	Government related Entity	Storage & Wharfage charges	494.97	392.90	
		Outstanding balance -payable	-	79.00	76.47

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March,2016: Nil & 1 April 2015: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Transactions with key management personnel:

Loan to Key managerial person	As at 31-Mar-17	As at 31-Mar-16
Shri V V Vachharajani- Company Secretary & VP (Legal)	-	10.00
Remuneration to key management personnel:	**Year ended 31-Mar-17**	**Year ended 31-Mar-16**
Short term employee benefits	106.85	95.18
Post employment benefits	4.99	5.01
Long-term employee benefits	4.74	4.76

Note - 41 Segment information

For management purposes, the company is organised into business units based on its products and has two reportable segments, as follows:

1. **Fertilizer products** comprising of Urea, Ammonium Sulphate, Di-ammonium Phosphate, Ammonium Phosphate Sulphate, NPK (12:32:16), (10:26:26), traded fertilizer products etc.
2. **Industrial products** comprising of Caprolactam, Nylon-6, Nylon Filament Yarn, Nylon Chips, Melamine, Methanol, Polymer products, traded industrial products etc.

   The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the two operating segments. The CODM reviews revenue and gross profit as the performance indicator for both operating segments.

(₹ in lakhs)

			31-Mar-17	31-Mar-16
A]	SEGMENT REVENUE:			
1	TOTAL SEGMENT REVENUE			
	a)	Fertilizer Products	3,68,641.99	4,36,699.00
	b)	Industrial Products	1,79,046.31	1,95,948.40
	TOTAL		5,47,688.30	6,32,647.40
2	INTER SEGMENT REVENUE		-	-
3	EXTERNAL REVENUE (1 - 2)			
	a)	Fertilizer Products	3,68,641.99	4,36,699.00
	b)	Industrial Products	1,79,046.31	1,95,948.40
	TOTAL		5,47,688.30	6,32,647.40
B]	RESULT:			
1	Segment result			
	a)	Fertilizer Products	28,568.56	53,342.07
	b)	Industrial Products	14,717.26	7,569.39
	TOTAL		43,285.82	60,911.46
2	a)	Unallocated income	4,327.92	5,518.39
	b)	Unallocated expenses	(3,633.09)	(4,045.99)

Notes to the Financial Statements

(₹ in lakhs)

		31-Mar-17	31-Mar-16
3	**Operating Profit (B1 + B2)**	**43,980.65**	**62,383.86**
4	**Finance Cost**	**(6,492.56)**	**(3,131.24)**
5	**Provision for Taxation:**		
	Current Income Tax	(5,734.98)	(18,805.53)
	Deferred Tax (net)	(1,384.19)	487.58
	MAT credit recognised	2,429.95	-
	Income Tax Previous Year written back	9,151.37	-
6	**Net Profit**	**41,950.24**	**40,934.67**

(₹ in lakhs)

C]	**OTHER INFORMATION:**	31-Mar-17	31-Mar-16	01-Apr-15
1	**Segment assets**			
	a) Fertilizer Products	433222.42	4,60,171.30	3,23,541.15
	b) Industrial Products	157474.61	1,40,546.92	1,36,232.78
	TOTAL	**5,90,697.03**	**6,00,718.22**	**4,59,773.93**
2	**Unallocated corporate assets**	3,12,153.51	2,32,986.15	2,71,721.77
3	**Total Assets**	**9,02,850.54**	**8,33,704.37**	**7,31,495.70**
4	**Segment Liabilities**			
	a) Fertilizer Products	105495.28	85,172.08	47,177.99
	b) Industrial Products	43049.97	38,676.06	30,285.20
	TOTAL	**1,48,545.25**	**1,23,848.14**	**77,463.19**
5	**Unallocated corporate liabilities**	96,789.46	1,59,263.83	1,12,819.08
6	**Total Liabilities**	**2,45,334.71**	**2,83,111.97**	**1,90,282.27**
7	**Capital Expenditure**	**2016-17**	**2015-16**	
	a) Fertilizer Products	21236.90	16,884.76	
	b) Industrial Products	12043.00	8,233.68	
	c) Corporate Capital Expenditure	436.51	(1,122.44)	
	TOTAL	**33,716.41**	**23,996.00**	
8	**Depreciation and Amortisation**			
	a) Fertilizer Products	5900.40	5,978.31	
	b) Industrial Products	4204.62	3,670.95	
	c) Unallocated corporate Depreciation	238.10	94.90	
	TOTAL	**10,343.12**	**9,744.16**	
9	**Non-Cash expenses**			
	a) Fertilizer Products	11435.77	18,411.03	
	b) Industrial Products	9275.63	10,157.62	
	c) Unallocated non-cash expenses	0.00	3.18	
	TOTAL	**20,711.40**	**28,571.83**	

Note - 42 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The carrying value of financial instruments by categories as of 31 st March, 2017 is as follows. (₹ in lakhs)

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Cash and cash equivalents	-	-	4,357.87	4,357.87	-	-	-	-
Other bank balances	-	-	1,009.01	1,009.01	-	-	-	-
Non-current investments	-	2,44,316.60	3,551.69	2,47,868.29	1,94,982.43	-	49,334.17	2,44,316.60
Non-current loans	-	-	13,188.36	13,188.36	-	-	-	-
Current loans	-	-	1,865.58	1,865.58	-	-	-	-
Trade receivables	-	-	2,72,580.75	2,72,580.75	-	-	-	-
Other Non-current financial asset	-	-	4,230.73	4,230.73	-	-	-	-
Derivative financial instruments	1,559.30	-	-	1,559.30	-	1,559.30	-	1,559.30
Other Current financial asset	-	-	852.39	852.39	-	-	-	-
	1,559.30	2,44,316.60	3,01,636.38	5,47,512.28	1,94,982.43	1,559.30	49,334.17	2,45,875.90
Financial liabilities								
Non current borrowings	-	-	5,187.09	5,187.09	-	-	-	-
Current borrowings1	-	-	70,149.76	70,149.76	-	-	-	-
Trade payables1	-	-	59,992.55	59,992.55	-	-	-	-
Derivative financial instruments	293.60	-	29,525.04	29,818.64	-	293.60	-	293.60
	293.60	-	1,64,854.44	1,65,148.04	-	293.60	-	293.60
The carrying value of financial instruments by categories as of 31 st March, 2016 is as follows.								
Financial assets								
Cash and cash equivalents	-	-	3,086.41	3,086.41	-	-	-	-
Other bank balances	-	-	946.21	946.21	-	-	-	-
Non-current investments	-	1,68,982.13	425.00	1,69,407.13	1,07,852.56	425.00	61,129.57	1,69,407.13
Non-current loans	-	-	10,974.06	10,974.06	-	-	-	-
Current loans	-	-	1,671.33	1,671.33	-	-	-	-
Trade receivables	-	-	3,28,960.51	3,28,960.51	-	-	-	-
Other Non-current financial asset	-	-	3,897.17	3,897.17	-	-	-	-
Derivative financial instruments	3,516.63	-	-	3,516.63	-	3,516.63	-	3,516.63
Other Current financial asset1	-	-	1,179.15	1,179.15	-	-	-	-
	3,516.63	1,68,982.13	3,51,139.84	5,23,638.60	1,07,852.56	3,941.63	61,129.57	1,72,923.76
Financial liabilities								
Non current borrowings	-	-	10,613.26	10,613.26	-	-	-	-
Current borrowings1	-	-	1,08,422.19	1,08,422.19	-	-	-	-
Trade payables1	-	-	56,113.02	56,113.02	-	-	-	-
Derivative financial instruments	232.28	-	25,479.96	25,712.24	-	232.28	-	232.28
	232.28	-	2,00,628.43	2,00,860.71	-	232.28	-	232.28
1 - carrying value approximates to the fair value								
The carrying value of financial instruments by categories as of 1 st April, 2015 is as follows.								
Financial assets								
Cash and cash equivalents	-	-	3,269.87	3,269.87	-	-	-	-
Other bank balances	-	-	32,229.03	32,229.03	-	-	-	-
Non-current investments	-	1,80,425.60	225.00	1,80,650.60	48,298.99	225.00	1,32,126.61	1,80,650.60
Non-current loans	-	-	9,975.23	9,975.23	-	-	-	-
Current loans	-	-	3,063.46	3,063.46	-	-	-	-
Trade receivables	-	-	1,92,411.33	1,92,411.33	-	-	-	-
Other Non-current financial asset	-	-	3,780.13	3,780.13	-	-	-	-
Derivative financial instruments	2,993.53	-	-	2,993.53	-	2,993.53	-	2,993.53
Other Current financial asset1	-	-	3,560.98	3,560.98	-	-	-	-
	2,993.53	1,80,425.60	2,48,515.03	4,31,934.16	48,298.99	3,218.53	1,32,126.61	1,83,644.13
Financial liabilities								
Non current borrowings	-	-	19,194.51	19,194.51	-	-	-	-
Current borrowings1	-	-	51,068.40	51,068.40	-	-	-	-
Trade payables1	-	-	34,735.40	34,735.40	-	-	-	-
Derivative financial instruments	5.26	-	16,103.96	16,109.22	-	5.26	-	5.26
	5.26	-	1,21,102.27	1,21,107.53	-	5.26	-	5.26

1 - carrying value approximates to the fair value

B. Measurement of fair values & Sensitivity Analysis

i) Valuation techniques and significant unobservable inputs

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial instruments measured at fair value

Financial assets / financial liabilities	Fair Value (Rs. In Lakhs) as at			Fair Value hierarchy	Valuation technique(s) and key input(s)
	31-03-2017	31-03-2016	01-04-2015		
1) Investments in equity instruments at FVTOCI (quoted) (see note 7)	Listed equity securities in various companies engaged in fertilizer, chemicals, finance, gas, power and mining industry aggregate fair value of Rs. 194,982.42	Listed equity securities in various companies engaged in fertilizer, chemicals, finance, gas, power and mining industry aggregate fair value of Rs. 107,852.55	Listed equity securities in various companies engaged in fertilizer, chemicals, finance ,gas, power and mining industry aggregate fair value of Rs. 48,298.98	Level 1	Quoted bid prices in an active market

Particulars	Valuation technique(s) & key input(s)	Fair Value (Rs. In Lakhs) as at			Fair Value hierarchy	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
		31-03-2017	31-03-2016	01/04/2015			
2) Investments in equity instruments at FVTOCI (unquoted) (see note 7)	Market Approach- Comparable companies- In this approach, the value of shares / business of a company is determined based on market multiples of publicly traded comparable companies. The appropriate multiple is generally based on performance of listed companies with similiar business model and size (Refer note 1 below).	Investment in companies engaged in business of storage facilities - aggregate fair value of Rs. 19,866.32	Investment in companies engaged in business of storage facilities - aggregate fair value of Rs.20,724.74	Investment in companies engaged in business of storage facilities - aggregate fair value of Rs.18,272.11	Level 3	Market Multiple Discount ranging from 17.5% to 22.5% (As at 31.3.16 from 17.5% to 22.5%, As at 01.04.15 from 17.5% to 22.5%)	Increasing/Decreasing the Market Multiples by probability weighted range, would change the FV by +INR 1,238.56 lakhs & -INR 1,115.93 lakhs (As at 31.3.16 +INR 1,152.72 lakhs & -INR 1,214.04 lakhs, As at 01.04.2015 +INR 1,152.72 lakhs & -INR 1,030.09 lakhs)
		Investment in companies engaged in fertilizer industry- aggregate fair value of Rs. 12,273.75	Investment in companies engaged in fertilizer industry- aggregate fair value of Rs. 16,998.75	Investment in companies engaged in fertilizer industry- aggregate fair value of Rs. 16,998.75		Discount to Fair Value ranging from 15% to 25% (As at 31.3.16 from 15% to 25%, As at 01.04.15 from 15% to 25%)	Increasing/Decreasing the Discounting Factor by probability weighted range, would change the FV by +INR 770.63 lakhs & -INR 764.10 lakhs (As at 31.3.16 +INR 1,065.38 lakhs & -INR 1,059.86 lakhs, As at 01.04.2015 +INR 1,065.38 lakhs & -INR 1,059.86 lakhs)
	Income Approach- In this approach, discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee.	Investment in company engaged in fertilizer industry - aggregate fair value of Rs. 4,719.00	Investment in company engaged in fertilizer industry - aggregate fair value of Rs. 5,392.42	Investment in company engaged in fertilizer industry - aggregate fair value of Rs. 14,877.31	Level 3	Growth Rate ranging from 1% to 3% (As at 31.3.16 from 1% to 3%, As at 01.04.15 from 1% to 3%)	Increasing/Decreasing the Growth Rate & Discounting Factor by probability weighted range, would change the FV by +INR 1,109.61 lakhs & -INR 1,052.72 lakhs. (As at 31.3.16 +INR 1,421.45 lakhs & -INR 1,349.53 lakhs, As at 01.04.2015 +INR 178.11 lakhs & -INR 2,526.43 lakhs)
						Discounting Factor ranging from 13.98% to 15.98% (As at 31.3.16 from 14.31% to 16.31%, As at 01.04.15 from 13.81% to 15.81%)	
	(Refer note below).	Investment in company engaged in the business of gas marketing - agreegate fair value of Rs.8,020.55	Investment in company engaged in the business of gas marketing - agreegate fair value of Rs.14,151.70	Investment in company engaged in the business of gas marketing - agreegate fair value of Rs.19,035.00	Level 3	Discount factor, Sales Volume and Trading margin.	Decreasing the Gas trading margin by 25% would change the FV by INR 2,19,400 lakhs as at 31.03.2017. No sensitivity analysis has been carried out as at 31.03.2016 and 01.04.2015 on account of non-availability of data.

Particulars	Valuation technique(s) & key input(s)	Fair Value (Rs. In Lakhs) as at			Fair Value hierarchy	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
		31-03-2017	31-03-2016	01/04/2015			
	Note : Discounted Free Cash flow method has been used to arrive at the enterprise value of the gas marketing business of the investee. Under this technique, the projected free cash flows from gas marketing business of the company are discounted at the weighted average cost of capital to the providers of capital to the business of the company and the sum of the present value of such free cash flows would represent the value of business. The investee has various investments in subsidaries and joint venture companies. Each of these subsidiary and joint venture companies have been separately valued using market price method. DCF method, CCM method and book value (NAV) method and applied the investee's stake percentage to arrive at the fair value of investee's investment in these subsidiaries / joint venture companies. Under the market price method, the valuation is derived from the quoted market price of the share of the company as at the valuation date. Under the NAV method, the valuation is derived by calculating the net assets value of the investee as at the valuation date.						
	Cost Approach- Net Asset Value - In this approach, total value is based on the sum of net asset value as recorded on the balance sheet.A net asset methodology is most applicable for businesses where the value lies in the underlying assets and not the ongoing operations of the business. (Refer note 1 and 2 below).	Investment in companies engaged in power and finance industry - aggregate fair value of Rs. 4,454.54	Investment in companies engaged in power and finance industry - aggregate fair value of Rs. 3,861.95	Investment in companies engaged in power and finance industry - aggregate fair value of Rs. 3,854.66	Level 3	Discount to Book Value ranging from 15% to 30% (As at 31.3.16 from 15% to 30%, As at 01.04.15 from 15% to 30%)	Increasing/Decreasing the Discounting Factor by probability weighted range, would change the FV by +INR 535.65 lakhs & -INR 500.08 lakhs. (As at 31.3.16 +INR 259.59 lakhs & -INR 255.03 lakhs, As at 01.04.2015 +INR 259.19 lakhs & -INR 253.93 lakhs)

Note 1: The Company has invested in the equity instruments of various companies. However, the percentage of shareholding of the Company in such investee companies is very low and hence, it has not been provided with future projections including projected profit and loss account by those investee companies. Hence, the independent valuer appointed by the Company has estimated fair value based on available historical Annual Reports of such companies and other information as available in the public domain. Since the future projections are not available, discounted cashflow approach for fair value determination has not been followed.

Note 2: In case of some companies, there are no comparable companies valuations available and some are recent start up companies. In light of no information available for future projections, capacity utilisation, commencement of operations, etc., the valuation is based on cost approach.

ii) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during 2016-17 and 2015-16

iii) Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

(₹ in lakhs)

Paticulars	Equity securities
Opening Balance(1 April 2015)	1,32,126.61
Net change in fair value (unrealised)	(12,056.83)
Conversion to quoted investment	(59,088.78)
Purchases	2,906.51
Converted to equity investment	(2,757.94)
Closing Balance (31 March 2016)	61,129.57
Opening Balance(1 April 2016)	61,129.57
Net change in fair value (unrealised)	(12,701.88)
Purchases	906.48
Closing Balance (31 March 2017)	49,334.17

During 2015-16, the Company received 93,82,895 nos. of shares of Gujarat Gas Ltd (quoted) in lieu of shares held in GSPC Gas Company Ltd and GSPC Distribution Networks Ltd.

Transfer out of Level 3

There were no movement in level 3 in either directions during the year 2016-17 and 2015-16.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through a Financial risk management committee, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Audit cum finance committee and Board of Directors. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit cum finance committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Revenue department has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Board of Directors.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Company may have a secured claim. The Company does not otherwise require collateral in respect of trade and other receivables.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The provision matrix of ECL at the end of the reporting period is as follows.

Particulars	Expected credit loss %
Within the credit period	0.04%
1-90 days past due	0.49%
91-180 days past due	1.63%
181-270 days past due	6.66%
270-360 days past due	19.72%
360-450 days past due	36.65%
450-540 days past due	54.92%
540-630 days past due	71.01%
630-720 days past due	100.00%
More than 720 days past due	100.00%

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

(₹ in lakhs)

Particulars	Carrying amount	
	March 31, 2017	March 31, 2016
Neither past due nor impaired	83246.46	1,08,506.46
Past due 1–30 days	6921.17	9,227.45
Past due 31–90 days	18118.84	51,252.82
Past due 91 days and above	164294.28	1,59,973.78
	2,72,580.75	3,28,960.51

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

During the year 2016-17 and 2015-16, an impairment provision of INR 3,640.66 and INR 1,774.58 was created respectively .

Movement in expected credit loss allowance (' in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at the beginning of the year	7710.08	6,011.69
Movement in the expected credit loss allowanceon trade receivables calculated at lifetime expected credit losses Past due 31–90 days	3,640.66	1,698.39
	11,350.74	7,710.08

Cash and cash equivalents

The Company held cash and cash equivalents of INR 4357.87 at March 31, 2017, INR 3,086.41 Lacs at March 31, 2016 (April 1, 2015: INR 3269.87 lacs). The cash and cash equivalents are held with approved scheduled banks.

Derivatives

The derivatives deals are done with AD category banks in OTC market and registered brokers in ETCD market.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Financing facilities: (₹ in lakhs)

Particulars	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
a) Unsecured cash credit, reviewed annually			
- amount used	14,349.45	22,167.34	17,430.13
- amount unused	32,150.55	24,332.66	29,069.87
b) Unsecured bill acceptance facility, reviewed annually			
- amount used	33,796.62	46,254.85	33,638.27
- amount unused			
c) Unsecured commercial pappers, reviewed annually			
- amount used	20,000.00	-	-
- amount unused	30,000.00	50,000.00	-
d) Unsecured Inter corporate deposits, reviewed annually			
- amount used	-	40,000.00	-
- amount unused	-	-	-
e) Unsecured bank overdraft facility, reviewed annually			
- amount used	2,003.69	-	-
- amount unused	12,996.31	-	-

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in lakhs)

March 31, 2017	Contractual cash flows					
	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
INR						
Non-derivative financial liabilities						
Foreign currency term loans from banks	10,374.17	10,374.17	5,187.08	5,187.09		
Working capital loans from banks	70,149.76	70,149.76	70,149.76			
Trade payables	59,992.55	59,992.55	59,992.55			
Other current financial liabilities	24,337.96	24,337.96	24,337.96			
Derivative financial liabilities						
Derivative contracts used for hedging						
- Outflow	293.60	293.60	293.60			

March 31, 2016	Contractual cash flows					
	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Foreign currency term loans from banks	20,342.09	20,342.09	9,728.83	5,306.63	5,306.63	-
Working capital loans from banks	1,08,422.19	1,08,422.19	1,08,422.19	-	-	-
Trade payables	56,113.02	56,113.02	56,113.02	-	-	-
Other current financial liabilities	15,751.13	15,751.13	15,751.13	-	-	-
Derivative financial liabilities						
Derivative contracts						
- Outflow	232.28	232.28	232.28			

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of company's investments. Thus, company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to control the financial risks associated with the Foreign Exchange/Currency rate movements through a sophisticated Foreign Exchange Risk Management System.

Currency risk

The Company is exposed to currency risk on account of its import payables and borrowings in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts, Options and futures to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The company is using 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.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015 are as below:

(₹ in lakhs)

Particulars	March 31, 2017 INR	March 31, 2017 USD[1]	March 31, 2017 TND[1]	March 31, 2017 CAD[1]	March 31, 2017 Others[1]
Financial assets					
Cash and cash equivalents	4,357.87	-	-	-	-
Other bank balances	1,009.01	-	-	-	-
Non-current investments	2,40,022.59		4,719.01	3,126.69	
Long-term loans and advances	13,188.36	-	-	-	-
Short-term loans and advances	1,865.58	-	-	-	-
Trade and other receivables	2,72,383.87	196.88	-	-	-
Derivative assets	-	1,559.30	-	-	-
Other Non-Current financial assets	4,230.73	-	-	-	-
Other Current financial assets	852.39	-	-	-	-
	5,37,910.40	**1,756.18**	**4,719.01**	**3,126.69**	**-**

Particulars	March 31, 2017 INR	March 31, 2017 USD[1]	March 31, 2017 TND[1]	March 31, 2017 CAD[1]	March 31, 2017 Others[1]
Financial liabilities					
Long term borrowings	-	5,187.09	-	-	-
Short term borrowings	70,149.76	-	-	-	-
Trade and other payables	49,484.37	10,427.25	-	-	80.93
Derivative liabilities	-	293.60	-	-	-
Other Current financial liabilities	24,337.96	5,187.08	-	-	-
	1,43,972.09	21,095.02	-	-	80.93

The currency profile **in INR** of financial assets and financial liabilities as at March 31, 2016 and April 1, 2015 are as below:

Particulars	March 31, 2016 INR	March 31, 2016 USD[1]	March 31, 2016 TND[1]	March 31, 2016 CAD[1]	March 31, 2016 Others[1]
Financial assets					
Cash and cash equivalents	3,086.41	-	-	-	-
Other bank balances	946.21	-	-	-	-
Non-current investments	1,56,686.21	-	5,392.43	7,328.49	
Non current loans and advances	10,974.06	-	-	-	-
Current loans and advances	1,671.33	-	-	-	-
Trade and other receivables	3,28,775.11	185.40	-	-	-
Derivative assets	-	3,516.63	-	-	-
Other non current financial assets	3,897.17	-	-	-	-
Other Current financial assets	1,179.15	-	-	-	-
	5,07,215.65	3,702.03	5,392.43	7,328.49	-
Financial liabilities					
Long term borrowings	-	10,613.26	-	-	-
Short term borrowings	1,08,422.19	-	-	-	-
Trade payables	45,251.74	10,846.18	-	-	15.10
Derivative liabilities	-	232.28	-	-	-
Other Current financial liabilities	15,751.13	9,728.83	-	-	-
	1,69,425.06	31,420.55	-	-	15.10

(₹ in lakhs)

Particulars	April 1, 2015 INR	April 1, 2015 USD1	April 1, 2015 TND1	April 1, 2015 CAD1	April 1, 2015 Others1
Financial assets					
Cash and cash equivalents	3,269.87	-	-	-	-
Other bank balances	32,229.03	-	-	-	-
Non-current investments	1,63,632.90	-	14,877.31	2,140.39	-
Non current loans and advances	9,975.23	-	-	-	-
Current loans and advances	3,063.46	-	-	-	-
Trade and other receivables	1,92,287.77	101.70	-	-	21.86
Derivative assets	-	2,993.53	-	-	-
Other non current financial assets	3,780.13	-	-	-	-
Other Current financial assets	3,560.98	-	-	-	-
	4,11,799.37	3,095.23	14,877.31	2,140.39	21.86

(₹ in lakhs)

Particulars	April 1, 2015 INR	April 1, 2015 USD1	April 1, 2015 TND1	April 1, 2015 CAD1	April 1, 2015 Others1
Financial liabilities					
Long term borrowings	-	19,194.51			
Short term borrowings	51,068.40				
Trade payables	30,195.91	4,503.39	-	-	36.10
Derivative liabilities	-	5.26			
Other Current financial liabilities	11,931.24	4,172.72			
	93,195.55	27,875.88	-	-	36.10

1 - The figures are in INR Equivalent of respective currency

The following significant exchange rates have been applied during the year.

	Year-end spot rate		
INR	March 31, 2017	March 31, 2016	April 1, 2015
USD 1	64.84	66.33	62.59
TND 1	29.55	32.85	31.66
CAD 1	50.21	50.37	49.35

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	31-Mar-17		31-Mar-16		01-Apr-15	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening
10% movement						
USD	829.95	(1,899.35)	(1,535.01)	(5,223.70)	(573.06)	(5,095.17)
TND	471.90	(471.90)	539.24	(539.24)	1,487.73	(1,487.73)
CAD	312.67	(312.67)	732.85	(732.85)	214.04	(214.04)

Financial instruments – Fair values and risk management

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. Company has long term borrowings at variable rate of interest However, the same is hedged through interest rate swaps. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(₹ in lakhs)

Particulars	March 31, 2017	March 31, 2016
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	5,187.09	10,613.26
Total	5,187.09	10,613.26

Notes to the Financial Statements

Capital Management

The Company manages its capital to ensure that it will be able to continue as a Going Concern while maximising the return to stakeholders through optimisation of the Debt and Equity Balance.

The Company is subject to externally imposed capital requirements as part of its debt covenants such as maintaining an interest coverage ratio of 4 times, a Debt Service Coverage ratio of 1.75 times, Net external debt to EBDITA ratio of 2.75 times, Total leverage ratio of 1.5 times and an external gearing ratio of 1 time.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital by computing the above ratios on an annual basis and ensuring that the same is in Compliance with the requirements of the Financial Covenants.

Above mentioned ratios at the end of the reporting period was as follows:

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
EBIT	43,158.88	62,139.68
Gross finance charges	5,670.79	2,887.06
Interest coverage ratio	7.61	21.52
EBITDA	53,502.00	71,883.84
Debt service	13,810.80	6,628.35
Debt service coverage ratio	3.87	10.84
Net external borrowings	10,106.47	1,26,351.07
EBITDA	53,502.00	71,883.84
Net external debt / EBITDA	0.19	1.76
Total debt	1,92,709.49	2,31,212.49
Tangible net worth	4,90,382.40	4,90,105.35
Total leverage	0.39	0.47
External debt	1,02,815.94	1,54,553.28
Tangible net worth	4,90,382.40	4,90,105.35
External gearing	0.21	0.32

Note - 43 Research & Development Expenses

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Capital*	9.09	16.80
Recurring**	1,158.71	1,256.20
Total	**1,167.80**	**1,273.00**
*Capital Expenses included in Fixed Asset Note No. 11	9.09	16.80
**Recurring Expenses included in		
Note No. 34 Employee Benefit expenses	1,133.72	1,171.15
Note No. 36 Other expenses	24.99	85.05

Note - 44 Corporate Social Responsibility

The aggregate amount of expenditure incurred during the year on Corporate Social Responsibility is Rs 1099.74 lacs for the financial year 2016-17(Previous year 2015-16 :Rs 1222.20 Lacs).

Particulars	As at 31st March, 2017	As at 31st March, 2016
Average profit of the company for the last 3 years	49,816.80	61,110.00
Prescribed CSR expenditure @ 2%	996.34	1,222.20

Note - 45 Government grants and subsidies

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Revenue from operation (Note-29) includes:-			
Subsidy from Government of India under New Urea Policy/ Retention Price Scheme/Nutrient Based Subsidy Scheme :-			
Pertaining to current year	1,48,245.00	1,80,006.00	N.A
Pertaining to earlier years determined during current year	(2,541.00)	10,173.00	N.A
Trade Receivables (Note-12) includes:-			
Subsidy from Government of India under New Urea Policy/ Retention Price Scheme/Nutrient Based Subsidy Scheme* :-			
Outstanding for a period exceeding six months from due date	1,48,771.00	1,31,769.00	98,097.00
Outstanding for a period not exceeding six months from due date	43,822.00	1,06,425.00	44,403.00

*The above amount includes outstanding subsidy on Ammonium Sulphate fertilizer Rs 98656 lakhs (previous year Rs 84375 lakhs), pending finality of matter in the court.

In March, 2013, the Department of Fertilizers (DoF) had sought to recover subsidy on Ammonium Sulphate (AS subsidy) under the Nutrient Based Subsidy Scheme (NBS Scheme) and stopped further disbursal of the AS subsidy to the Company, against which the Company had filed a writ petition in the Honorable Delhi High Court. However, The company was also in dialogue with DoF and took various steps for resolution of the matter. The matter progressed well during the year and finally in March 17, Government accepted the claim of the Company favourably. Consequently, company has withdrawn the writ petition. The DoF has agreed to release the Company's withheld AS subsidy of Rs. 28,837 lacs for the period from 1st April 2010 to 17th March 2013 (after adjusting Rs. 3,378 lacs). Further, the DoF, vide its Office Memorandum dated 15th March, 2017, has allowed AS produced by the Company to be included in the NBS Scheme effective from 6th March 2017. As regards, the Company's AS subsidy claims for the period from 18th March 2013 to 5th March 2017 of Rs. 66,287 lacs, the DoF, in coordination with Fertilizer Industry Coordination Committee (FICC) has agreed to examine the eligibility of the claims based on the cost data provided by the Company. In April / May, 2017, the Company has submitted the cost data and is reasonably certain that its AS subsidy claims for the said period, which claims are in line with the claims recently agreed for period from 1st April 2010 to 17th March 2013, will be agreed by the DoF. The outstanding receivable on account of the AS subsidy was Rs. 98,656 lacs, Rs. 84,083 lacs and Rs. 65,247 lacs as on 31st March 2017, 31st March 2016 and 1st April 2015, respectively.

NOTE: 46 - Details on derivative instruments and unhedged foreign currency exposure

(I) (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, 2017

Currency	Amount (in Mn)	Buy / Sell	Cross currency
USD	3.00	Buy	Rupees
USD	(10.00)	Buy	Rupees

Note: Figures in brackets relate to the previous year

(ii) Outstanding option contracts entered into by the Company as on 31 March, 2017

Currency	Amount (in Mn)	Buy / Sell	Cross currency
USD	29.72	Buy	Rupees
USD	(38.02)	Buy	Rupees
USD	29.72	Sell	Rupees
USD	(38.02)	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:1, Amount: USD 16.00 Mn Principal (As at 31 March, 2016: No. of contracts:2, Amount: USD 30.67 Mn 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	54.21	Buy	Rupees
USD	(61.37)	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 0.73 Mn (As at March 31, 2016: USD 6.06 Mn)

NOTE: 47 Specified bank notes:

During the year, the Company had Specified Bank Notes(SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017.The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016,the denomination wise SBNs and other notes as per the notification are as follows :

Amount in ₹

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016			
Particulars	**SBNs**	**Other denomination notes**	**Total**
Closing cash in hand as on 08.11.2016	77,17,000.00	23,54,523.00	1,00,71,523.00
(+) Permitted receipts	-	36,83,40,479.00	36,83,40,479.00
(+) Other receipts	54,27,500.00	-	54,27,500.00
(-) Permitted payments	1,500.00	8,41,92,221.00	8,41,93,721.00
(-) Other payments	3,500.00	-	3,500.00
(-) Amount deposited in Banks	1,31,39,500.00	27,95,67,075.00	29,27,06,575.00
Closing cash in hand as on 30.12.2016	-	69,35,706.00	69,35,706.00

Note - 48 Transition to Ind AS:

These financial statements, for the year ended 31 March 2017, are the first the company has prepared in accordance with Ind-AS. For periods up to and including the year ended 31 March 2016, the company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the “transition date”).

In preparing our opening Ind AS balance sheet, we have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made under IGAAP except where required by Ind AS.

I. First time adoption of Ind AS

The Standalone financial statements for the year ended March 31, 2017 and year ended March 31, 2016 have been prepared in accordance with Ind AS as issued and effective as at March 31, 2017 and March 31, 2016 respectively. The Company’s opening Ind AS balance sheet was prepared as at 1 April 2015, the Company’s date of transition to Ind AS. In preparing the opening balance sheet, the Company has applied the mandatory exceptions and certain optional exemptions from full retrospective application of Ind AS in accordance with the guidance in Ind AS 101 - ‘First Time Adoption of Indian Accounting Standards’.

This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements to Ind AS, in the opening balance sheet as at April 1, 2015 and in the financial statements as at and for the year ended 31 March 2016 and as at and for the period ended March 31, 2017.

II. Exemptions from retrospective application

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(a) **Deemed cost for Property, Plant and Equipment (PPE) and Intangible assets** The Company has elected to measure all the items of PPE and intangible assets at its previous GAAP carrying values which shall be the deemed cost as at the date of transition. As per FAQs issued by Accounting Standards Board (ASB) by Ind AS Transition Facilitation Group of IndAS (IFRS) Implementation Committee of ICAI, deemed cost, is the amount used as a surrogate for the cost or depreciated cost and for the purpose of subsequent depreciation or amortisation, deemed cost becomes the cost as the starting point. Information regarding gross block of assets, accumulated depreciation and provision for impairment under Previous GAAP has been disclosed by way of a note forming part of the financial statements. (Refer Note 5)

(b) **Deemed cost for Investments in subsidiaries and jointly controlled entities** The Company has elected to measure its investments in subsidiaries and joint ventures at its previous GAAP carrying values which shall be the deemed cost as at the date of transition.

(c) **Determining whether an arrangement contains a lease** The Company has applied Appendix C of Ind AS 17 D*etermining whether an arrangement contains a lease,* to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

The remaining voluntary exemptions as per Ind AS 101-First time adoption either do not apply or are not relevant to the Company.

III. Exceptions from full retrospective application:

The Company has applied the following mandatory exceptions from retrospective application.

Estimates - On an assessment of the estimates made under Indian GAAP the Company has concluded that there was no necessity to revise the estimates under Ind AS except where estimates were required by Ind AS and not required by Previous GAAP or the basis of measurement were different.The remaining mandatory exceptions either do not apply or are not relevant to the Company.

IV. Reconciliations under Ind AS 101

(a) Effect of Ind AS adoption on the balance sheet as at April 01, 2015 (₹ in lakhs)

Particulars	Note ref.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment	7	1,94,849.41	(30,840.47)	1,64,008.94
Capital work-in-progress		25,988.66		25,988.66
Intangible assets		943.17		943.17
Financial assets				
Non-current investments	2	85,772.58	94,878.02	1,80,650.60
Loans	2	12,733.18	(2,757.95)	9,975.23
Other non current financial assets	11	3,790.16	(10.03)	3,780.13
Income tax assets (net)	12	5,640.17	(1,837.56)	3,802.61
Other non-current assets	7	5,605.53	31,550.72	37,156.25
Total non current assets		**3,35,322.86**	**90,982.73**	**4,26,305.59**

Notes to the Financial Statements

(₹ in lakhs)

Particulars	Note ref.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
Current Assets				
Inventories	9	63,191.53	(4,190.05)	59,001.48
Financial Assets				
Trade and other receivables	10	1,93,028.26	(616.93)	1,92,411.33
Cash and cash equivalents		3,269.87	-	3,269.87
Other bank balances		32,229.03	-	32,229.03
Loans		3,063.46	-	3,063.46
Other current financial assets	6	6,532.76	21.75	6,554.51
Other current assets	7 & 6	8,300.02	51.96	8,351.98
Total current assets		**3,09,614.93**	**(4,733.27)**	**3,04,881.66**
Assets classified as held for sale		**308.45**	**-**	**308.45**
TOTAL ASSETS		**6,45,246.23**	**86,249.46**	**7,31,495.70**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		7,969.55	-	7,969.55
(b) Other equity				
Retained earnings		32,182.65	5,915.73	38,098.38
Reserves representing unrealized gains / losses	2 & 3	-	88,876.84	88,876.84
Other reserves		4,06,268.66	-	4,06,268.66
Total equity		**4,46,420.86**	**94,792.57**	**5,41,213.43**
Non current liabilities				
Financial liabilities				
Long term borrowings	5	19,194.51	-	19,194.51
Long term provisions	3 & 8	17,471.97	3,654.43	21,126.40
Deferred tax liabilities(net)	1	27,614.63	(1,604.92)	26,009.71
Total non current liabilities		**64,281.11**	**2,049.51**	**66,330.62**
Current liabilities				
Financial liabilities				
Short term borrowings	5	51,068.40	-	51,068.40
Trade and other payables		34,735.40	-	34,735.40
Other financial liabilities	5 & 6	16,150.67	(41.45)	16,109.22
Other current liabilities		4,276.64	-	4,276.64
Short term provisions	4	16,564.29	(10,551.16)	6,013.13
Liabilities for current tax	12	11,748.86	-	11,748.86
Total current liabilities		**1,34,544.26**	**(10,592.61)**	**1,23,951.65**
Total liabilities		**1,98,825.37**	**(8,543.10)**	**1,90,282.27**
Total Equity and Liabilities		**6,45,246.23**	**86,249.47**	**7,31,495.70**

(b) Effect of Ind AS adoption on the balance sheet as at March 31, 2016 (₹ in lakhs)

Particulars	Note ref.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment	7	1,94,858.23	(30,515.73)	1,64,342.50
Capital work-in-progress		40,344.52	-	40,344.52
Intangible assets		937.29	-	937.29
Financial Assets				
Non-current investments	2	88,789.69	80,617.44	1,69,407.13
Loans	2	10,974.06	-	10,974.06
Other non current financial assets	11	3,921.66	(24.49)	3,897.17
Income tax assets (net)	12	5,932.81	(1,837.56)	4,095.25
Other non-current assets	7	5,089.56	31,192.50	36,282.06
Total non current assets		**3,50,847.82**	**79,432.16**	**4,30,279.98**
Current Assets				
Inventories	9	62,684.09	(4,190.05)	58,494.04
Financial Assets				
Trade and other receivables	10	3,30,818.35	(1,857.84)	3,28,960.51
Cash and cash equivalents		3,086.41	-	3,086.41
Other bank balances		946.21	-	946.21
Loans		1,671.33	-	1,671.33
Other current financial assets	6	4,606.07	89.71	4,695.78
Other current assets	7 & 6	5,302.77	(41.11)	5,261.66
Total current assets		**4,09,115.23**	**(5,999.29)**	**4,03,115.94**
Assets classified as held for sale		**308.45**	**-**	**308.45**
TOTAL ASSETS		**7,60,271.50**	**73,432.87**	**8,33,704.37**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		7,969.55	-	7,969.55
(b) Other equity				
Equity component of financial instruments				
Retained earnings		32,566.41	(4,037.73)	28,528.68
Reserves representing unrealized gains / losses	2 & 3	-	80,825.51	80,825.51
Other reserves		4,33,268.66	-	4,33,268.66
Equity attributable to equity holders ofthe parent		4,73,804.62	76,787.78	5,50,592.40
Non-controlling interests		-	-	-
Total equity		**4,73,804.62**	**76,787.78**	**5,50,592.40**
Non current liabilities				
Financial liabilities				
Long term borrowings	5	10,613.26	-	10,613.26
Long term provisions	3 & 8	22,282.61	17,708.73	39,991.34
Deferred tax liabilities(net)	1	25,586.78	(10,460.69)	15,126.09
Total non current liabilities		**58,482.65**	**7,248.04**	**65,730.69**
Current liabilities				
Financial liabilities				
Short term borrowings	5	1,08,422.19	-	1,08,422.19
Trade and other payables		56,113.02	-	56,113.02
Other financial liabilities	5 & 6	25,764.03	(51.79)	25,712.24
Other current liabilities		4,562.78	-	4,562.78
Short term provisions	4	19,052.35	(10,551.16)	8,501.19
Liabilities for current tax	12	14,069.86	-	14,069.86
Total current liabilities		**2,27,984.23**	**(10,602.95)**	**2,17,381.28**
Total liabilities		**2,86,466.88**	**(3,354.91)**	**2,83,111.97**
Total Equity and Liabilities		**7,60,271.50**	**73,432.87**	**8,33,704.37**

(c) Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2016

(₹ in lakhs)

Particulars	Note ref.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
Revenue				
I. Revenue from Operations (Gross)	13	6,16,332.65	16,314.75	6,32,647.40
II. Other income	11 & 14	6,482.99	92.35	6,575.34
III. Total Income (I+II)		**6,22,815.64**	**16,407.10**	**6,39,222.74**
IV. Expenses				
Cost of materials consumed	13	3,13,171.51	-	3,13,171.51
Purchase of Traded Goods		74,116.10	(3,185.95)	70,930.15
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(3,559.31)	-	(3,559.31)
Power and fuel expenses		50,688.16	-	50,688.16
Excise duty	13	-	21,812.74	21,812.74
Employee Benefits Expenses	3	53,548.27	(5,860.58)	47,687.69
Finance costs	7 & 8	3,021.21	110.03	3,131.24
Depreciation and Amortization Expenses	7	10,068.92	(324.76)	9,744.16
Other Expenses	6,7,13	67,048.18	(684.40)	66,363.78
Total Expenses (IV)		**5,68,103.04**	**11,867.08**	**5,79,970.12**
V. Profit/(loss) before Exceptional Items and Tax (III - IV)		**54,712.60**	**4,540.02**	**59,252.62**
VI. Exceptional Items		-	-	-
VII. Profit/(loss) before Tax (V - VI)		**54,712.60**	**4,540.02**	**59,252.62**
VIII. Tax expense:				
1. Current Tax		(18,805.53)	-	(18,805.53)
2. Deferred Tax	2	2,027.85	(1,540.27)	487.58
IX. Profit/(Loss) for the period from continuing operations (VII- VIII)		**37,934.92**	**2,999.75**	**40,934.67**
X. Profit/(Loss) for the period from discontinued operations		-	-	-
XI. Tax expense of discontinued operations		-	-	-
XII. Profit/(Loss) from Discontinued operations after tax (X - XI)		-	-	-
XIII. Profit/(Loss) for the period (IX + XII)		**37,934.92**	**2,999.75**	**40,934.67**
XIV. Other comprehensive income				
(A) Items that will be reclassified to profit or loss		-	-	-
Net other comprehensive income that will be reclassified to profit or loss		-	-	-
Income tax related to items that will not be reclassified to profit or loss		-	-	-

Particulars	Note ref.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
(B) Items that will not be reclassified to profit or loss				
Re-measurement gains/ (losses) on defined benefit plans	4	-	(19,808.55)	(19,808.55)
Income tax effect on above	2	-	6,855.34	6,855.34
		-	**(12,953.21)**	**(12,953.21)**
Net (loss)/gain on FVTOCI equity Securities	1	-	(11,592.04)	(11,592.04)
Income tax effect on above	2	-	3,540.71	3,540.71
		-	**(8,051.33)**	**(8,051.33)**
Net other comprehensive income that will not be reclassified to profit or loss		**-**	**(21,004.54)**	**(21,004.54)**
XV. Total comprehensive income for the period (XIII + XIV)		**37,934.92**	**(18,004.79)**	**19,930.13**

(d) Reconciliation of total equity as at March 31, 2016 and April 01, 2015: **(₹ in lakhs)**

Particulars	Note	31-Mar-16	1-Apr-15
Balance of equity as per previous GAAP		4,73,804.62	4,46,420.86
Fair valuation of quoted and unquoted investments	2	80,528.02	92,120.07
Proposed dividend and related distribution tax	4	10,551.16	10,551.16
Fair valuation of derivatives	6	19.03	38.37
Initial recognition of financial asset deposits at fair value	11	(1.35)	(0.60)
Actuarial loss-(past service cost)-for defined benefit plans	3	(13,947.97)	-
Allowance for expected credit loss	10	(1,857.84)	(616.93)
Machinery spares	9	(4,190.05)	(4,190.05)
Asset retirement obligation (ARO)	8	(700.45)	(551.50)
Fair valuation of guarantee given	14	89.41	-
Unrecognised past service cost of Compensated Absences	3	(2,325.31)	(2,325.31)
Tax impact on Ind AS adjustments	1	8,623.13	(232.64)
Increase/(decrease) in equity		**76,787.78**	**94,792.56**
Closing balance of equity		**5,50,592.40**	**5,41,213.43**

(e) Thre were no significant reconciliation items between cash flows prepared under India GAAP and those prepared under Ind AS.

Notes to the reconciliation:

1 Deferred tax assets (net) :

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

The above changes decreased/(increased) the deferred tax liability as follows:

Particulars	Note	31-Mar-16	1-Apr-15
Fair valuation of quoted investments	2	(10.05)	(10.52)
Fair valuation of unquoted investments	2	671.98	(2,868.25)
Fair valuation of derivatives	6	(6.59)	(13.28)
Fair valuation of deposits	11	0.47	0.21
Actuarial loss	3	4,827.11	-
Machinery spares	9	1,450.09	1,450.09
Allowance for expected credit loss	10	642.96	213.51
Asset Retirement Obligation	8	242.41	190.86
Unrecognised past service cost of Compensated Absences	3	804.74	804.74
MAT reclassification	12	1,837.56	1,837.56
(Increase)/decrease in deferred tax liability		**10,460.69**	**1,604.92**

2 **FVTOCI financial assets:** Under Indian GAAP, long term investments were measured at cost less diminution in value which is other than temporaray. Under Ind AS, these financial assets have been classified as FVTOCI. On the date of transition to Ind AS, these financial assets have been measured at their fair value and the restatement gain / (loss) has been taken to Other Comprehensive Income (OCI).

3 **Employee benefits :** Both under Indian GAAP and Ind-AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind-AS, remeasurements [comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Further, under Ind AS, past service cost is recognised as expense when the plan amendment occures while under prevoius GAAP, the same was recognised as expense on a straight-line basis over the average period untill the benefits become vested.

4 **Proposed dividend:** Under Indian GAAP, dividends on equity shares recommended by the Board of Directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised when declared by the members in a General Meeting.

5 **Loans and borrowings:** Under Indian GAAP, transaction costs incurred in connection with interest bearing loans and borrowings are amortised upfront and charged to profit or loss for the period. Under Ind-AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method. All borrowings are subsequently measured at amortised cost.

6 **Fair valuation of derivatives:** Under Indian GAAP, accounting for derivative contracts was done per AS-11. 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. Under Ind AS, the open derivative contracts have been fair valued as on the date of transition and subsequently as at 31 March 2016 and as at 31 March 2017 as per the provisions of Ind AS 109.

7 **Lease:** Under Indian GAAP, upfront amount paid for interests in land was recorded as lease hold land under Property Plant and Equipments, whereas under Ind AS, it is classified as an operating lease and prepayment for the operating lease is recognised as non-current asset and amortised over the period of lease.

8 **Asset Retirement Obligation:** Under Ind AS, the initial estimates of the costs of dismantling and of removing the item of Property, Plant and Equipment and restoring the site on which it is located is required to be included in the cost of the respective item of property, plant and equipment. Under previous GAAP, there was no such requirement and cost incurred as and when was charged to Statement of profit and loss.

Notes to the Financial Statements

9 **Machinery Spares:** The adjustments relates to recognition of spare parts in accordance with Ind AS 16 when they meet the definition of property, plant and equipment. Under previous GAAP, these items were carried as inventory. The adjustment is on account of depreciation on classifying the same as property, plant and equipment from the date they are available for use.

10 **Allowance for Doubtful Debt:** Under Ind AS, expected life time credit provision is made on trade receivables. Under previous GAAP, the provision for doubtful debts was made using ageing analysis and an individual assessment of recoverability.

11 **Interest free deposits:** Under Indian GAAP, interest free security deposits (that are refundable on completion of the contract) are recorded at their transaction value. Under Ind AS, all financial assets are to be recorded at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and the transaction value of the security deposits has been recognised in prepaid expenses.

12 **Current tax assets and liabilities:** Taxation recoverable and taxation liabilities grouped under Long term loans and advances and Short term provision respectively in Indian GAAP has been shown separately on the face of Balance Sheet in Ind AS.

13 **Sale of goods**

(i) **Excise duty:**

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss.

(ii) **Cash discounts to customers:**

Under Indian GAAP, cash discounts given to customers were presented as part of other expenses. Under Ind AS, the same has been netted off from revenue.

(iii) **Swap of similar goods:**

Under Indian GAAP, the goods exchanged or swapped which are of similar in nature and in value terms were recorded as Revenue and Purchases respectively. Under Ind AS, When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction which generates revenue, and hence such transactions has been set off against each other which has no impact on statement of profit and loss.

14 **Fair valuation of guarantee given:** The adjustment relates to the fair value of the guarantee given by the Company based on the fee that it would be required to pay to a market participant, i.e. a bank to provide a similar guarantee.

In terms of our report attached

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

Gaurav J. Shah
Partner
Membership No. 35701

Gandhinagar
29th May, 2017

D. C. Anjaria
Director

Vasant Gandhi
Director

A M Tiwari
Managing Director

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

V. V. Vachhrajani
Company Secretary

Gandhinagar
29th May, 2017

Independent Auditors' Report

TO THE MEMBERS OF GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED** (hereinafter referred to as "the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group") and its associates, comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the company 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 its associates 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 Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting 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 consolidated Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and other auditors in terms of their report 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditors on separate financial statements of the subsidiary referred to below in sub-paragraph (a) of the Other Matters paragraph, the aforesaid consolidated Ind AS 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, 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 45 which describes the Parent's past subsidy claims matter and the eligibility of claims for the period 18th March, 2013 to 5th March, 2017 amounting to Rs. 66,287 Lakhs pending examination by Fertilizer Industry Coordination Committee. The Parent is reasonably certain that its subsidy claims for the aforesaid period, which are in line with the claims recently agreed for period from 01st April 2010 to 17th March 2013, will be agreed by the Department of Fertilizers.

Our opinion is not modified in respect of this matter.

Other Matters

(a) We did not audit the financial statements of a subsidiary included in the consolidated Ind AS financial statements, whose financial statements reflect total assets of Rs.1,256.39 lakhs as at 31st March, 2017, total revenues of Rs. 1,905.69 lakhs and net cash inflows of Rs. 346.67 lakhs for the year ended on that date, as considered in the consolidated Ind AS 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 Ind AS financial statements, in so far as it related to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditors.

(b) The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 515.73 lakhs for the year ended 31st March, 2017, as considered in the consolidated Ind AS financial statements, in respect of three 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these 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) The comparative financial information for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 in respect of a subsidiary included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

Our opinion on the consolidated Ind AS financial statements above, 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 and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements of the subsidiary and the other financial information of associate companies incorporated in India, referred in the Other Matters paragraph above 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 Ind AS financial statements.

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

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2017 taken on record by the Board of Directors of the Parent and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates.

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

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

iv. The Parent company has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us and other auditors by the Management of the respective Group entities.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117364W)

Gaurav J. Shah
Partner
(Membership No. 35701)

Place: Gandhinagar
Date: 29th May, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of **GUJARAT STATE FERTILIZERS AND CHEMICALS LIMITED** (hereinafter referred to as "Parent") and its subsidiary company which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary company, which is a company incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT *(Contd...)*

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.117364)

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

Place: Gandhinagar
Date: 29th May, 2017

Consolidated Balance Sheet as at 31st March, 2017

(₹ in lakhs)

	Note	As at 31st March 2017	As at 31st March 2016	As at 1st April, 2015
A. ASSETS				
1. Non-current assets				
(a) Property, Plant and Equipments	5	2,01,509.17	1,64,623.63	1,64,019.87
(b) Capital work-in-progress		27,301.52	40,478.36	26,124.11
(c) Other Intangible assets	6	689.05	946.13	953.20
(d) Financial Assets				
(i) Investments	7			
(a) Investment in associates		8,644.64	5,002.22	4,243.93
(b) Other Investments		2,44,316.60	1,68,982.13	1,80,425.60
(ii) Loans8		13,188.36	10,974.06	9,975.23
(iii) Others financial assets	9	4,230.96	3,897.37	3,780.33
(e) Income tax assets (Net)	23	8,663.25	4,148.84	3,834.31
(f) Other non current assets	10	38,307.96	36,286.85	37,161.04
		5,46,851.51	**4,35,339.59**	**4,30,517.62**
2. Current assets				
(a) Inventories	11	70,457.91	58,610.46	59,211.75
(b) Financial Assets				
(i) Trade receivable	12	2,72,580.75	3,28,960.51	1,92,411.33
(ii) Cash and cash equivalents	13	4,824.89	3,139.94	3,527.32
(iii) Bank balances other than (ii) above	14	1,029.01	1,033.04	32,309.03
(iv) Loans	15	1,866.81	1,675.84	3,068.20
(v) Others financial assets	16	2,411.69	4,695.78	6,554.51
(d) Other current assets	17	8,723.07	5,262.25	8,354.30
		3,61,894.13	**4,03,377.82**	**3,05,436.44**
3. Asset classified as held for sale	18	**308.45**	**308.45**	**308.45**
TOTAL		**9,09,054.09**	**8,39,025.86**	**7,36,262.51**
B. EQUITY AND LIABILITIES				
EQUITY				
(a) Equity capital	19	7,969.55	7,969.55	7,969.55
(b) Other Equity	20	6,53,924.96	5,46,505.36	5,36,464.34
		6,61,894.51	**5,54,474.91**	**5,44,433.89**
LIABILITIES				
1. Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	5,187.09	10,613.26	19,194.51
(b) Long term provisions	22	49,437.62	39,991.34	21,126.40
(c) Deferred tax liabilities (Net)	23	8,877.30	16,181.28	26,907.03
		63,502.01	**66,785.88**	**67,227.94**
2. Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	24	70,149.76	1,08,422.19	51,068.40
(ii) Trade payables	25	60,420.43	56,378.99	35,291.08
(iii) Other financial Liabilities	26	29,984.67	25,823.00	16,161.11
(b) Other current liabilities	27	5,274.00	4,569.84	4,318.10
(c) Short term provisions	28	9,248.45	8,501.19	6,013.13
(d) Current tax liabilities (Net)	23	8,580.26	14,069.86	11,748.86
		1,83,657.57	**2,17,765.07**	**1,24,600.68**
TOTAL		**9,09,054.09**	**8,39,025.86**	**7,36,262.51**
See accompanying notes forming part of consolidated financial statements	1 to 50			

In terms of our report attached

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

Gaurav J. Shah
Partner
Membership No. 35701

Gandhinagar
29th May, 2017

D. C. Anjaria
Director

Vasant Gandhi
Director

A M Tiwari
Managing Director

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

V. V. Vachhrajani
Company Secretary

Gandhinagar
29th May, 2017

Consolidated Statement of Profit & Loss for the year ended 31st March, 2017

(₹ in lakhs)

	Note	Year Ended 31st March 2017	2016
I Income			
Revenue from operations	29	5,47,688.30	6,32,647.40
Other income	30	5,630.24	6,513.17
Total income		**5,53,318.54**	**6,39,160.57**
II Expenses			
Cost of materials consumed	31	2,72,612.39	3,13,398.22
Purchase of stock in trade	32	47,285.99	70,006.51
Changes in inventories of finished goods, work in process and stock in trade	33	(5966.85)	(3,481.44)
Power and Fuel		44,303.47	50,707.82
Excise duty		21,234.86	21,812.74
Employee benefit expenses	34	51,142.69	47,886.61
Finance cost	35	6,492.56	3,131.24
Depreciation and amortization expense		10,362.10	9,746.81
Other expenses	36	68,170.32	66,599.96
Total Expenses		**5,15,637.53**	**5,79,808.47**
III Profit before exceptional items and tax (I-II)		**37,681.01**	**59,352.10**
IV Exceptional items		-	-
V Profit before tax (III-IV)		**37,681.01**	**59,352.10**
VI Tax expense			
Current tax		5,776.25	18,843.38
Deferred tax	23	1,555.41	(329.71)
MAT credit recognised		(2,429.95)	-
Current tax relating to prior years		(9,151.37)	-
VII Profit for the year		**41,930.67**	**40,838.43**
VIII Share of profit of Associates		515.73	758.29
IX Profit after tax and share of profit of Associates (VII+VIII)		**42,446.40**	**41,596.72**
X Other Comprehensive Income			
(A) Items that will be reclassified to profit or loss		**-**	**-**
(B) Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		(8,459.74)	(19,808.55)
Income tax effect on above		2,927.74	6,855.34
Net (loss)/gain on equity instruments through Other Comprehensive Income		77,554.68	(11,592.04)
Income tax effect on above		3,501.67	3,540.71
Net other comprehensive income that will not be reclassified to profit or loss		75,524.35	(21,004.54)
XI Total Comprehensive Income (IX+X)		**1,17,970.75**	**20,592.18**
Basic and Diluted Earnings per equity share:	37	**10.65**	**10.44**
Nominal value per share ₹		**2.00**	**2.00**
See accompanying notes forming part of the consolidated financial statements	1 to 50		

In terms of our report attached

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

Gaurav J. Shah
Partner
Membership No. 35701

Gandhinagar
29th May, 2017

D. C. Anjaria
Director

Vasant Gandhi
Director

A M Tiwari
Managing Director

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

V. V. Vachhrajani
Company Secretary

Gandhinagar
29th May, 2017

Consolidated Cash Flow Statement for the year ended 31 March, 2017

(₹ in lakhs)

		As at 31st March	
		2017	2016
A	**Cash Flow From Operating Activities :**		
	Profit Before Tax	37,681.01	59,352.10
	Adjustments for :		
	Depreciation and amortisation expense	10,362.10	9,746.81
	Amortisation of operating lease hold land	367.39	367.39
	Finance cost	6,492.56	3,131.24
	Interest income	(165.33)	(1,939.76)
	Loss on fixed assets sold/discarded	3.51	26.38
	Profit on sale of fixed assets	(0.09)	(0.13)
	Dividend income	(1,738.59)	(1,313.91)
	Allowance for doubtful debts	3,640.66	1,774.58
	Operating Profit before Working Capital Changes	**56,643.22**	**71,144.70**
	Changes in working capital:		
	Inventories	(11,847.45)	601.29
	Trade receivables and other assets	48,836.46	(1,03,438.12)
	Trade and other payables	4,122.06	24,237.77
	Cash Generated from/ (used in) Operations	**97,754.29**	**(7,454.36)**
	Taxes paid (net)	(6,628.89)	(16,836.90)
	Net Cash Flow from/ (used in) Operating Activities	**91,125.40**	**(24,291.26)**
B	**Cash Flow From Investing Activities :**		
	Purchase of fixed assets	(24,910.88)	(21,927.64)
	Proceeds from sale of fixed assets	0.32	0.34
	Purchase of investments	(816.00)	(200.00)
	Interest received	166.89	3,548.21
	Dividend received	1,738.59	1,313.91
	Net Cash Flow used in Investing Activities	**(23,821.08)**	**(17,265.18)**
C	**Cash Flow From Financing Activities**		
	Gross repayment of long term borrowings	(9,967.92)	(3,025.14)
	(Repayment of)/proceeds from short term borrowings	(38,272.43)	57,353.79
	Finance cost paid	(6,875.58)	(2,874.38)
	Dividend paid	(8,718.79)	(8,700.56)
	Tax on dividend paid	(1,784.65)	(1,784.65)
Net Cash Flow from/ (used in) Financing Activities		**(65,619.37)**	**41,169.06**
Net Increase/ (Decrease) in Cash & Cash Equivalents (Refer Note-13)		**1,684.95**	**(387.38)**
Cash and Cash Equivalents as at the beginning of the year		**3,139.94**	**3,527.32**
Cash and Cash Equivalents as at end of the year		**4,824.89**	**3,139.94**
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

Gandhinagar
29th May, 2017

D. C. Anjaria
Director

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Director

Gandhinagar
29th May, 2017

A M Tiwari
Managing Director

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Sr. VP (Finance) & CFO

V. V. Vachhrajani
Company Secretary

Statement of Changes in Equity (SOCIE)

Consolidated Statement of Changes in Equity (SOCIE)

Note (a) : Equity share capital (₹ in lakhs)

Particulars	As at		
	31-Mar-17	31-Mar-16	1-Apr-15
Balance at the beginning of the reporting period	7,969.55	7,969.55	7,969.55
Changes in equity share capital during the year	-	-	-
Balance at the end of the reporting period	7,969.55	7,969.55	7,969.55

Note (b) : Other equity (₹ in lakhs)

Particulars	Reserves & Surplus					Items of OCI	
	Capital reserve	Equity security premium	Capital redemption reserve	General reserve	Retained earnings	Equity Instruments through OCI	Total Equity
Balance at April 1, 2015	1,256.33	30,524.02	3,335.00	3,71,153.31	41,318.84	88,876.84	5,36,464.34
Profit for the year	-	-	-	-	41,596.72	-	41,596.72
Other comprehensive income for the year net of income tax	-	-	-	-	-	(8,051.33)	(8,051.33)
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax					(12,953.21)	-	(12,953.21)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**28,643.51**	**(8,051.33)**	**20,592.18**
Cash dividends [Note 20]	-	-	-	-	(8,766.51)	-	(8,766.51)
Dividend Distribution Tax (DDT) [Note 20]	-	-	-	-	(1,784.65)	-	(1,784.65)
Transfer to General reserve	-	-	-	27,000.00	(27,000.00)	-	-
Balance at March 31, 2016	**1,256.33**	**30,524.02**	**3,335.00**	**3,98,153.31**	**32,411.19**	**80,825.51**	**5,46,505.36**
Restated balance at the beginning of the reporting period (as at March 31, 2016)	1,256.33	30,524.02	3,335.00	3,98,153.31	32,411.19	80,825.51	5,46,505.36
Profit for the year	-	-	-	-	42,446.40	-	42,446.40
Other comprehensive income for the year net of income tax	-	-	-	-	-	81,056.35	81,056.35
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax					(5,532.00)	-	(5,532.00)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**36,914.40**	**81,056.35**	**1,17,970.75**
Cash dividends [Note 20]	-	-	-	-	(8,766.51)	-	(8,766.51)
Dividend Distribution Tax (DDT) [Note 20]	-	-	-	-	(1,784.65)	-	(1,784.65)
Transfer to General reserve	-	-	-	30,000.00	(30,000.00)	-	-
Balance at March 31, 2017	**1,256.33**	**30,524.02**	**3,335.00**	**4,28,153.31**	**28,774.44**	**1,61,881.86**	**6,53,924.96**

In terms of our report attached

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

Gaurav J. Shah
Partner
Membership No. 35701

Gandhinagar
29th May, 2017

D. C. Anjaria
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Sr. VP (Finance) & CFO

V. V. Vachhrajani
Company Secretary

Gandhinagar
29th May, 2017

Notes to the Consolidated Financial Statements

Note 1- Company Overview

Gujarat State Fertilizers and Chemicals Limited "the Company" is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is principally engaged in production of fertilizers and chemicals. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Fertilizernagar - 391 750, Dist. Vadodara.

The consolidated financial statements were approved for issue by the Board of Directors on May 29, 2017.

Note 2-Basis of preparation of Consolidated Financial Statements

2.1) Basis of preparation and compliance with Ind AS

The Consolidated financial statements of the Company as at and for the year ended March 31, 2017 have been prepared in accordance with Indian Accounting standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ('Act') and the Companies (Indian Accounting Standards) Rules issued from time to time and relevant provisions of the Companies Act, 2013 (collectively called as Ind AS).

The Company has transitioned from Indian GAAP to Ind AS with effect from April 1, 2015 being the transition date as on which the opening Balance Sheet has been prepared. The Company has followed the provisions of Ind AS 101, 'First Time Adoption of Indian Accounting Standards', in preparing its opening Ind AS Balance Sheet as of the date of transition.

Refer Note 50 for the effect of transition to Ind AS on the reported financial position, financial performance and cash flows of the Company.

The consolidated financial statements are prepared in accordance with the principles and procedures laid down under the Accounting Standard 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.48 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.

Investments in associates are accounted for using equity method. 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 Goodwill and 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.

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.

2.2) Basis of measurement

The consolidated financial statements have been prepared on a going concern basis, using historical cost convention and on an accrual method of accounting, except for the following assets and liabilities which have been measured at fair value, as required by relevant Ind AS.

1. Derivative financial instruments
2. Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
3. Defined benefit plans

2.3) Functional and presentation currency

The consolidated financial statements are prepared in Indian Rupees, which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimals.

2.4) Current and non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is classified as current if it satisfies any of the following criteria:

a) It is expected to be realised or intended to sold or consumed in the Company's normal operating cycle,

b) It is held primarily for the purpose of trading,

c) It is expected to be realised within twelve months after the reporting period, or

d) It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Current liabilities include current portion of non-current financial liabilities.

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

Note 3

The Company has applied the following accounting policies to all periods presented in the consolidated financial statements.

3.1 Revenue recognition

Sale of goods

Revenue from the sale of fertilizers is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Sales of industrial products are accounted on the dispatch basis except export sales, which are recognised on the basis of bill of lading. It includes excise duty and subsidy and excludes value added tax/ sales tax. Subsidy and equated freight on fertilizers are accounted on accrual basis.

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.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

Dividends

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

3.2 Government grants

Government grants in the form of subsidy and equated freight on fertilizers are recognized when there is reasonable assurance that the Group will comply with the conditions relating to them and that the subsidy will be received.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss in the period in which they become receivable.

3.3 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in India where the entity operates and generates taxable income.

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.4 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset ,
- An active programme to locate a buyer and complete the plan has been initiated ,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

3.5 Property, plant and equipment and intangible assets

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. 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 Property, plant and equipment are treated as other non-current assets.

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.

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Research and Development

Capital expenditure on Research & Development activities is included in Property, plant and equipment 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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation on Property, plant and equipment is provided on Straight Line Method at the rates prescribed in Schedule II to the Company's Act, 2013. Depreciation on additions to Property, plant and equipment 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.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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.

The useful lives of the property, plant and equipment are as follows:

Assets	Estimated Useful life
Freehold Land	—
Leasehold Land	20 years
Buildings	30-60 years
Bridge, culverts,bunders,etc.	30 years
Roads	5-10 years
Plant and machinery	15-25 years
Furniture and fittings	10 years
Motor Vehicles	5-10 years
Railway sidings	15 years
Office equipment	5 years
Computers and Data Processing units	3-6 years
Laboratory equipment	10 years
Electrical Installation and Equipment	10 years
Library books	15 years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

3.6 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companys of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is determined:

(i) In case of individual asset, at higher of the fair value less cost to sell and value in use; and

(ii) In case of cash-generating unit (a Company of assets that generates identified, independent cash flows), at the higher of the cash-generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

3.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.8 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.9 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.

3.10 Employee benefits

Defined benefit plans:

(i) 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.

(ii) Post Employment benefits

(a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. 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 and National Pension Scheme 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.

(b) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Post employment defined benefits plans comprise of gratuity, superannuation and Post Retirement Medical Benefit for eligible employees 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 Company also contributes to a government administered Family Pension fund on behalf of its employees. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI.

(iii) Other long term employee benefits

Other long term employee benefits comprise of leave encashment for eligible employees of Company. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

3.11 Financial instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

(A) Financial Assets

The Company determines the classification of its financial assets at initial recognition. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The financial assets are classified in the following measurement categories:

a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

b) Those to be measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss as incurred.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

(i) Amortised Cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

a) The asset is held within a business model with the objective of collecting the contractual cash flows, and

b) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost include loans receivable, trade and other receivables, and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement at fair value, the financial assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the Statement of Profit or Loss in other income.

(ii) Fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(iii) Financial assets at fair value through profit or loss

The Company classifies the following financial assets at fair value through profit or loss:

a) Debt investments that do not qualify for measurement at amortised cost;

b) Debt investments that do not qualify for measurement at fair value through other comprehensive income; and

c) Debt investments that have been designated at fair value through profit or loss.

Financial assets at fair value through profit or loss include financial assets held for trading, debt securities and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the Balance Sheet at fair value with net changes in fair value presented as finance costs in profit or loss if the same is considered as an adjustment to borrowing cost. Interests, dividends and gain/loss on foreign exchange on financial assets at fair value through profit or loss are included separately in other income.

If Company elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments shall continue to be recognised in profit or loss as other income when the Company's' right to receive payments is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss shall be recognised in other gain/(losses) in the statement of profit or loss as applicable.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of Financial Assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance.

b) Trade receivables or any contractual right to receive cash or other financial asset that result from transactions that are within the scope of Ind AS 18.

An expected credit loss is the probability-weighted estimate of credit losses (i.e. present value of all cash shortfalls) over the expected life of the financial asset. A cash shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows that the company expects to receive. The expected credit losses consider the amount and timing of payments and hence, a credit loss arises even if the Company expects to receive the payment in full but later than when contractually due. The expected credit loss method requires to assess credit risk, default and timing of collection since initial recognition. This requires recognising allowance for expected credit losses in profit or loss even for receivables that are newly originated or acquired.

Impairment of financial assets is measured as either 12 month expected credit losses or life time expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. '12 month expected credit losses' represent the expected credit losses resulting from default events that are possible within 12 months after the reporting date. 'Lifetime expected credit losses' represent the expected credit losses that result from all possible default events over the expected life of the financial asset.

Trade receivables are of a short duration, normally less than 12 months and hence the loss allowance measured as lifetime expected credit losses does not differ from that measured as 12 month expected credit losses. The Company uses the practical expedient in Ind AS 109 for measuring expected credit losses for trade receivables using a provision matrix based on ageing of receivables.

The Company uses historical loss experience and derived loss rates based on the past twelve months and adjust the historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions. The loss rates differ based on the ageing of the amounts that are past due and are generally higher for those with the higher ageing.

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recognised using the effective interest rate (EIR), which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial asset is recognised using the original EIR.

Dividends

Dividends are recognised as revenue when the right to receive payment is established.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(B) Financial Liabilities

The Company determines the classification of its financial liabilities at initial recognition.

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. Loans and borrowings, payables are subsequently measured at amortised cost whereas derivatives are measured at fair value through profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities to hedge risks which are not designated as hedges. At initial recognition, the Company measures financial liabilities at its fair value. Financial liabilities at fair value through profit and loss are carried in the Balance Sheet at fair value with changes recognised in the Statement of Profit and Loss.

Financial liabilities measured at amortised cost

Financial liabilities are initially recognised at fair value, net of transaction cost incurred and are subsequently measured at amortised cost, using the EIR method. Any difference between the proceeds net of transaction costs and the amount due on settlement or redemption of borrowings is recognised over the term of the borrowing.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest charge over the relevant effective interest rate period. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(C) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Consolidated Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counter party.

(D) Derivative financial instruments

The Company's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives consistent with the Company's risk management strategy. Changes in values of all derivatives of a financing nature are included within financing costs if the same is considered as adjustment to borrowing cost in the Statement of Profit and Loss whereas other foreign exchange fluctuation is disclosed under other expenses. The Company does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date.

(E) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. For equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

3.12 Foreign currencies

(a) Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees, which is the Company's functional and presentation currency. Each entity in the Company determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements of each entity are measured using that functional currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Profit and Loss within 'Finance costs'. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss within 'Other operating expenses'.

3.13 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

3.14 Segment accounting:

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services.

The accounting polices adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocated to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

The 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.

3.15 Provisions, Contingent liabilities, Contingent assets and Commitments: General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;

A present obligation arising from the past events, when no reliable estimate is possible;

A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

3.16 Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3.17 Cash flow statement

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals of accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and finance activities of the Company are segregated.

3.18 Standards issued but not yet effective:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS – 7, 'Statement of Cash Flows'. These amendments are in accordance with the recent amendments made by the International Accounting Standards Board (IASB) to IAS – 7, 'Statement of Cash Flows'. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind – AS 7:

The amendment to Ind AS – 7, requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and the effect on financial statements is being evaluated.

Note- 4 Critical and significant accounting judgements, estimates and assumptions

4.1 Critical estimates and judgements

The following are the critical judgements, apart from those involving estimations that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Useful lives of property, plant and equipment and intangible assets :

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2017 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

Allowance for expected credit losses:

Note 42 describes the use of practical expedient by computing the expected credit loss allowance for trade receivables other than subsidy receivables based on provision matrix. The expected credit allowance is based on the aging of the days receivables are due and the rates derived based on past history of defaults in the provision matrix. As regards subsidy receivables, the Company does not believe that there is any credit risk as dues are receivable from the Government and hence no allowance for expected credit loss is made.

Dismantling cost of property, plant and equipment:

Note 22 describes assets retirement obligation on estimate basis for property, plant and equipment. The management estimates dismantling cost considering size of the asset and its useful life in line with industry practices.

Stores and spares inventories:

The Company's manufacturing process is continuous and highly mechanic with wide range of different types of plant and machineries. The Company keeps stores and spares as standby to continue the operations without any disruption. Considering wide range of stores and spares and long lead time for procurement of it and based on criticality of spares, the Company believes that net realizable value would be more than cost.

Fair value of investments:

The Company has invested in the equity instruments of various companies. However, the percentage of shareholding of the Company in some of such investee companies is low and hence, it has not been provided with future projections including projected profit and loss account by those investee companies. Hence, the valuation exercise carried out by the Company with the help of an independent valuer has estimated fair value at each reporting period based on available historical annual reports and other information in the public domain. In case of other companies, where there are no comparable companies' valuations available (also includes start-up companies) and no further information available for future projections, capacity utilisation, commencement of operations, etc., the method of valuation followed is cost approach. The Company evaluates the aforesaid position at each period end.

Income taxes:

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

4.2. Significant accounting judgements, estimates and assumptions

The preparation of the company's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Operating lease commitments – Company as lessor

The company has entered into commercial property leases. It has determined, based on an evaluation of the terms and conditions of the arrangements that the lease term does not constitute a major part of the economic life of the commercial property and the present value of the minimum lease payments does not constitute the fair value of the asset. Thus, it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based on its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow model. The cash flows are derived from the budget for the next five years and do not include activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the Cash Generating Unit being tested. The recoverable amount is sensitive to the discount rate used for the Discounted Cash Flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

The cost of the defined benefit plans viz. gratuity, superannuation for the eligible employees of the Company are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rate.

Further details about gratuity obligations are given in Note 38.

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Note - 5 Property, Plant and Equipment

(₹ in lakhs)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-16	Additions	Deductions/ Adjustments	As at 31-Mar-17	As at 01-Apr-16	Charge for the year	Deductions/ Adjustments	As at 31-Mar-17	Balance As at 31-Mar-17	Balance As at 31-Mar-16
Freehold land	551.47	-	-	551.47	-	-	-	-	551.47	551.47
Leasehold land	705.30	-	-	705.30	6.34	6.43	-	12.77	692.53	698.96
Buildings	8,093.07	9,467.86	-	17,560.93	440.56	439.69	-	880.25	16,680.68	7,652.51
Bridge, culverts,bunders,etc.	0.18	-	-	0.18	0.02	0.02	-	0.04	0.14	0.16
Roads	138.48	-	-	138.48	14.17	14.66	-	28.83	109.65	124.31
Plant and machinery	1,60,819.66	31,691.91	8.38	1,92,503.19	8,372.92	8,898.14	8.61	17,262.45	1,75,240.74	1,52,446.74
Furniture and fittings	609.30	71.88	12.73	668.45	77.48	79.71	11.89	145.30	523.15	531.82
Motor Vehicles	200.38	-	0.04	200.34	45.98	43.23	0.03	89.18	111.16	154.40
Railway sidings	288.09	1,834.04	-	2,122.13	81.28	82.87	-	164.15	1,957.98	206.81
Office equipment	561.03	131.67	18.79	673.91	141.01	138.29	18.12	261.18	412.73	420.02
Computers and Data Processing units	418.84	51.71	19.79	450.76	109.12	115.04	18.34	205.82	244.94	309.72
Laboratory equipment	481.60	130.30	10.62	601.28	57.33	65.02	9.62	112.73	488.56	424.27
Electrical Installation and Equipment	1,196.36	3,583.11	-	4,779.47	108.57	187.99	-	296.56	4,482.91	1,087.79
Library books	16.96	-	-	16.96	2.31	2.11	-	4.42	12.54	14.65
TOTAL	1,74,080.72	46,962.48	70.35	2,20,972.85	9,457.09	10,073.20	66.61	19,463.68	2,01,509.17	1,64,623.63

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01-Apr-15	Additions	Deductions/ Adjustments	As at 31-Mar-16	As at 01-Apr-15	Charge for the year	Deductions/ Adjustments	As at 31-Mar-16	Balance As at 31-Mar-16	Balance As at 31-Mar-15
Freehold land	551.47	-	-	551.47	-	-	-	-	551.47	551.47
Leasehold land	29.39	675.91	-	705.30	-	6.34	-	6.34	698.96	29.39
Buildings	6,016.24	2,083.41	6.58	8,093.07	-	440.56	-	440.56	7,652.51	6,016.24
Bridge, culverts,bunders,etc.	0.18	-	-	0.18	-	0.02	-	0.02	0.16	0.18
Roads	95.47	43.01	-	138.48	-	14.17	-	14.17	124.31	95.47
Plant and machinery	1,54,480.29	6,339.37	-	1,60,819.66	-	8,372.92	-	8,372.92	1,52,446.74	1,54,480.29
Furniture and fittings	518.27	91.05	0.02	609.30	-	77.48	-	77.48	531.82	518.27
Motor Vehicles	198.99	1.40	0.01	200.38	-	45.98	-	45.98	154.40	198.99
Railway sidings	288.09	-	-	288.09	-	81.28	-	81.28	206.81	288.09
Office equipment	496.44	71.65	7.06	561.03	-	141.01	-	141.01	420.02	496.44
Computers and Data Processing units	265.00	162.68	8.84	418.84	-	109.12	-	109.12	309.72	265.00
Laboratory equipment	464.26	21.42	4.08	481.60	-	57.33	-	57.33	424.27	464.26
Electrical Installation and Equipment	598.82	597.54	-	1,196.36	-	108.57	-	108.57	1,087.79	598.82
Library books	16.96	-	-	16.96	-	2.31	-	2.31	14.65	16.96
TOTAL	1,64,019.87	10,087.43	26.59	1,74,080.72	-	9,457.09	-	9,457.09	1,64,623.63	1,64,019.87

Notes

1 The Company has commissioned 15000 MTPA Nylon-6 II plant & 20000 MTPA WSF plant at a cost Rs 131.59 crores and Rs 36.03 crores during 2016-17.

2 Asset acquisition includes R&D assets of Rs 9.09 lakhs (previous year Rs 16.80 lakhs).

3 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.

4 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.

5 Buildings include Rs.0.02 lakh being the value of shares in Co-operative Housing Societies.

6 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.

7 The company has availed the deemed cost exemption in relation to the Property, Plant & Equipment on the date of transition i.e. 1 April 2015 and hence the net block carrying amount has been considered as the gross block carrying amount on that date.
Refer note below for the gross block value and the accumulated depreciation on April 1, 2015 under the IGAAP.

Notes to the Consolidated Financial Statements

IGAAP Note for Property Plant and Equipments

(₹ in lakhs)

Particulars	1-Apr-2015		
	Gross Block	Accumulated depreciation	Net block
Freehold land	551.47	-	551.47
Leasehold land	32,466.50	818.99	31,647.51
Buildings	11,853.37	5,837.13	6,016.24
Bridge, culverts,bunders,etc.	0.30	0.12	0.18
Roads	1,403.71	1,308.24	95.47
Plant and machinery	4,15,585.62	2,61,882.98	1,53,702.64
Furniture and fittings	1,856.22	1,337.95	518.27
Motor Vehicles	451.53	252.54	198.99
Railway sidings	1,597.70	1,309.61	288.09
Office equipment	1,834.40	1,337.96	496.44
Computers and Data Processing units	2,016.35	1,751.35	265.00
Laboratory equipment	878.03	413.77	464.26
Electrical Installation and Equipment	2,666.14	2,067.32	598.82
Library books	86.31	69.35	16.96
Total	**4,73,247.65**	**2,78,387.31**	**1,94,860.34**

Note - 6 Intangible assets

(₹ in lakhs)

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 1-Apr-16	Additions	As at 31-Mar-17	As at 1-Apr-16	Charge for the year	As at 31-Mar-17	Balance as at 31-Mar-17	Balance as at 1-Apr-16
Computer software	1,226.20	31.82	1,258.02	288.62	287.87	576.49	681.53	937.58
Technical Knowhow	9.65	-	9.65	1.10	1.03	2.13	7.52	8.55
TOTAL	**1,235.85**	**31.82**	**1,267.67**	**289.72**	**288.90**	**578.62**	**689.05**	**946.13**

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 1-Apr-15	Additions	As at 31-Mar-16	As at 1-Apr-15	Charge for the year	As at 31-Mar-16	Balance as at 31-Mar-16	Balance as at 1-Apr-15
Computer software	943.55	282.65	1,226.20	-	288.62	288.62	937.58	943.55
Technical Knowhow	9.65	-	9.65		1.10	1.10	8.55	9.65
TOTAL	**953.20**	**282.65**	**1,235.85**	**-**	**289.72**	**289.72**	**946.13**	**953.20**

Notes

The company has availed the deemed cost exemption in relation to the Property, Plant & Equipment on the date of transition i.e. 1 April 2015 and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

Refer below for the gross block value and the accumulated depreciation on April 1, 2015 under the IGAAP.

IGAAP Note for Intangible asset

Particulars	1-Apr-2015		
	Gross Block	Accumulated depreciation	Net block
Computer software	1,662.19	718.64	943.55
Technical Knowhow	11.03	1.38	9.65
Total	**1,673.22**	**720.02**	**953.20**

7. Non-current investments

(₹ in lakhs)

Praticulars		As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Investments in equity shares of Associates measured at cost				
14,302	shares of Vadodara Enviro Channel Ltd. - Rs. 10 each	306.15	287.92	247.17
12,50,000	shares of Gujarat Green Revolution Company Ltd. - Rs. 10 each	5,376.72	4,714.30	3,996.76
60,45,861	Shares of Karnalyte Resources Inc - Canadian Dollar (CAD) (5,55,555 shares alloted during the year) (Note - 4)	2,961.77	-	-
		8,644.64	**5,002.22**	**4,243.93**
Unquoted equity shares measured at fair value through OCI				
11,25,000	Shares of Indian Potash Limited - Rs. 10 each	12,273.75	16,998.75	16,998.75
12,26,31,575	Shares of Gujarat Chemical Port Terminal Co. Ltd. - Re. 1 each	19,866.32	20,724.74	18,272.11
5,92,20,000	Shares of Bhavnagar Energy Company Ltd. - Rs. 10 each (81,60,000 shares subscribed during the year) (Note -3)	4,370.44	3,788.65	3,793.76
2,35,00,000	Shares of Gujarat State Petroleum Corporation Limited – Re. 1 each	8,020.55	14,151.70	19,035.00
51,00,000	Shares of GSPC Gas Company Limited – ₹ 10 each			8,470.18
15,00,00,000	Shares of GSPC Distribution Networks Limited– ₹ 10 each			50,618.60
41,79,848	Shares of Tunisian Indian Fertilizers (TIFERT s.a.) - TND 10 each (Note - 2)	4,719.01	5,392.43	14,877.31
60,000	Shares of Gujarat Venture Finance Limited – Rs. 10 each	66.60	55.80	44.40
50,000	Shares of Biotech Consortium India Limited – Rs. 10 each	17.50	17.50	16.50
1,15,000	Shares of Gujarat Data Electronics Limited - ₹ 10 each	-	-	-
		49,334.17	**61,129.57**	**1,32,126.61**
Quoted equity shares measured at fair value through OCI				
3,07,79,167	Shares of Gujarat Narmada Valley Fertilizers Co. Ltd. - Rs. 10 each	88,351.60	25,115.80	20,960.61
2,23,62,784	Shares of Gujarat Industries Power Company Ltd. - Rs. 10 each	23,044.85	17,811.96	19,209.64
16,55,040	Shares of Gujarat Alkalies & Chemicals Ltd. - Rs. 10 each	6,749.25	2,739.92	2,646.41
93,82,895	Shares of Gujarat Gas Ltd. - Rs. 10 each (Note - 1)	72,131.01	51,845.19	-
60,45,861	Shares of Karnalyte Resources Inc - Canadian Dollar (CAD) (5,55,555 shares alloted during the year) (Note - 4)	-	7,328.49	2,140.39
9,35,600	Shares of Gujarat State Financial Corporation - Rs. 10 each	-	-	-
10,00,000	Shares of GRUH Finance Limited - Rs. 2 each	3,959.00	2,392.50	2,440.00
5,49,440	Shares of Industrial Development Bank of India - Rs. 10 each	412.63	381.31	390.10
5,79,000	Shares of Mangalore Chemicals & Fertilizers Ltd. - Rs. 10 each	334.09	237.39	511.84
		1,94,982.43	**1,07,852.56**	**48,298.99**
Total FVTOCI Investments		**2,44,316.60**	**1,68,982.13**	**1,80,425.60**
TOTAL INVESTMENTS		**2,52,961.24**	**1,73,984.35**	**1,84,669.53**
Aggregate book value of Quoted Investments		1,97,944.20	1,07,852.56	48,298.99
Aggregate market value of Quoted Investments		1,97,944.20	1,07,852.56	48,298.99
Aggregate carrying value of Unquoted Investments		55,017.04	66,131.79	1,36,370.54
TOTAL INVESTMENTS		**2,52,961.24**	**1,73,984.35**	**1,84,669.53**

Category-wise other investments-as per Ind AS 109 classification

Particulars	31-03-2017	31-03-2016	01-04-2015
Financial assets carried at fair value through profit or loss (FVTPL)	-	-	-
Financial assets carried at amortised cost	8,644.64	5,002.22	4,243.93
Financial assets measured at FVTOCI	2,44,316.60	1,68,982.13	1,80,425.60
TOTAL INVESTMENTS	**2,52,961.24**	**1,73,984.35**	**1,84,669.53**

Praticulars	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
(i) Vadodara Enviro Channel Limited			
Opening Carrying value of Investment	305.42	264.67	327.24
Less: Capital Reserve	17.50	17.50	17.50
Add: Share in Profit for the year	18.23	40.75	(62.57)
Carrying value of investments at the year end	**306.15**	**287.92**	**247.17**
(ii) Gujarat Green Revolution Company Limited			
Opening Carrying value of Investment	4,878.52	4,160.98	3,241.36
Less: Capital Reserve	164.22	164.22	164.22
Add: Share in Profit for the year	662.42	717.54	919.62
Carrying value of investments at the year end	**5,376.72**	**4,714.30**	**3,996.76**
(iii) Karnalyte Resources Inc			
Carrying value of Investments at the time of Acquistion	2,392.52		
Add: Goodwill	734.17		
Add: Share in Profit for the year	(164.92)		
Carrying value of investments at the year end	**2,961.77**		

Notes:

1) The 54,90,306 no of equity shares of Karnalyte Resources Inc., Canada, held by the Company are pledged to secure the Company's long term borrowings from bank.
2) 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%.
3) 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. The principal amount Rs 2,555.94 lakhs of the convertible term loan and accrued interest Rs 261.16 lakhs thereon converted into fully paid 8,04,848 no. of equity shares of TND 10 each at par during the year 2015-16.
4) Company has received 93,82,895 nos of shares of Gujarat Gas Ltd in persuant to scheme of amalgamation and arrangement between the GSPC Gas Company Limited and GSPC Distribution Networks Limited pursuant to the Honourable High Court order. Out of the said shares, 39,47,369 nos of shares are lock-in for a period of 3 years from listing date.
5) Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity securities. Refer note 42 for determination of their fair values.

8. Loans

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured, considered good			
Loans and advances to employees (housing and vehicles)*	12,549.86	10,459.59	9,348.72
Unsecured, considered good			
Loans and advances to employees (marriage, education etc)	638.50	514.47	626.51
TOTAL	**13,188.36**	**10,974.06**	**9,975.23**

Notes:

* The loans are secured by mortgage of the underlying assets.

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counter parties. These financial assets are carried at amortised cost.

Notes to the Consolidated Financial Statements

9. Other non-current financial assets

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unsecured, considered good			
Other deposits	4,230.96	3,897.37	3,780.33
Unsecured, considered doubtful			
Deposits with companies & others	102.70	102.70	102.70
Less: Allowance for doubtful deposits	102.70	102.70	102.70
TOTAL	**4,230.96**	**3,897.37**	**3,780.33**

10. Other non current assets

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital Advances*	37,175.73	35,069.75	35,878.72
Prepaid Expenses	5.66	16.15	6.99
Prepayment for Leasehold Land	1,106.20	1,180.58	1,254.96
Others	20.37	20.37	20.37
TOTAL	**38,307.96**	**36,286.85**	**37,161.04**

Capital advance as on 31st March,2017 includes Rs.29,702.77 lakhs(Rs.29,995.77 lakhs as at 31st March,2016 and Rs.30,288.77 lakhs as at 1st April,2015),advance for leasehold land pending execution of lease deed towards plot no.D-3/4 in Dahej III admeasuring 2979922.19 sq.meter.

11. Inventories

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Raw materials	10,413.12	9,245.99	18,286.99
Raw materials in Transit	8,425.36	5,148.43	240.71
Work-in-Process	1,627.41	1,912.52	1,949.25
Finished goods	29,387.52	22,264.65	20,511.06
Stock in trade	1,058.10	3,764.48	1,001.68
Stock in trade-in Transit	2,087.03	251.55	1,249.76
Stores and spares (including packing material)	17,428.78	15,995.17	15,813.58
Stores and spares in transit	-	-	129.41
Loose tools	30.59	27.67	29.31
TOTAL	**70,457.91**	**58,610.46**	**59,211.75**

The cost of inventories recognised as an expense during the year was Rs 283469.40 lakhs (for the year ended 31st March, 2016 Rs 329092.37 lakhs)

The cost of inventories recognised as an expense includes Rs 1033.15 lakhs (during 2015-16 Rs 2532.71 lakhs) in respect of write down of inventory to net realisable value

12. Trade receivables

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured, considered good	954.98	948.67	588.93
Unsecured, considered good	2,71,625.77	3,28,011.84	1,91,822.40
Unsecured, considered doubtful	10,888.07	7,710.08	5,394.75
	2,83,468.82	3,36,670.59	1,97,806.08
Less: Allowance for doubtful debts (including Expected credit loss)	10,888.07	7,710.08	5,394.75
TOTAL	**2,72,580.75**	**3,28,960.51**	**1,92,411.33**

The average credit period on sale of goods is 30 to 90 days. No interest is charged on trade receivables upto the expiry of the credit period. Thereafter, interest is charged at 15% per annum on the outstanding balance.

The Company does not have any customers who represent more than 5% of the total balance of trade receivables. Refer note no-45 for subsidy receivables.

The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. Refer note 42 for the credit risk management by the Company.

For balances relating to related party receivables, refer Note 40.

13. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Cash and cash equivalents			
Cash on hand	1.52	17.03	16.31
Balances with banks			
In current accounts	4,609.96	3,111.17	3,484.67
In Short term deposits account (original maturity less than three months)	213.41	11.74	26.34
	4,824.89	**3,139.94**	**3,527.32**

14. Other bank balances

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
In Unpaid dividend account-restricted	474.86	427.14	361.19
In Fractional bonus account-restricted	10.58	10.58	9.52
In Deposit accounts (original maturity more than three months)	543.57	595.32	31,938.32
TOTAL	**1,029.01**	**1,033.04**	**32,309.03**

Notes to the Consolidated Financial Statements

15. Loans

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured, considered good			
Current Maturity of loans to employees (housing and vehicles)*	1,248.73	1,163.50	1,035.16
Unsecured, considered good			
Advances to employees	121.68	86.42	95.98
Current Maturity of other loans to employees	412.24	384.10	281.56
Interest accrued	22.72	27.58	1,636.26
Others	61.44	14.24	19.24
	1,866.81	**1,675.84**	**3,068.20**

Notes:

* The loans are secured by mortgage of the underlying assets

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counter parties. These financial assets are carried at amortised cost.

16. Other current financial assets

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial assets at fair value through profit & loss			
Derivatives not designated in hedging relationship			
Foreign exchange option contracts	1,559.30	3,516.63	2,993.53
Others	852.39	1,179.15	3,560.98
TOTAL	**2,411.69**	**4,695.78**	**6,554.51**

17. Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unsecured, considered good			
Balances with govt. agencies:			
(i) Cenvat	1,409.76	832.13	607.25
(ii) Vat	514.06	361.30	442.62
(iii) Service tax credit receivable	440.33	282.09	231.44
Advances to suppliers	5,912.17	3,494.38	6,504.74
Prepaid expenses	372.37	217.97	493.87
Prepayment for Lease hold lands	74.38	74.38	74.38
TOTAL	**8,723.07**	**5,262.25**	**8,354.30**

18. Assets classified as held for sale

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Assets classified as held for sale	308.45	308.45	308.45
TOTAL	**308.45**	**308.45**	**308.45**

The Company decided to sell plant and machinery which is of obsolete technology. The Company expects to sell the same in near future. There is no cost to sell the asset and hence the same is not presented seperately under liabilities.

Notes to the Consolidated Financial Statements

19. Share Capital

(₹ in lakhs)

	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Number of shares Refer Note (a) below	Amount	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	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	1,60,00,000	16,000.00
		36,000.00		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	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	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	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	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	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	39,84,77,530	7,969.55
TOTAL	39,84,77,530	7,969.55	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.

b) Shareholders holding more than 5% of equity share capital

	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Number of shares	Percentage of holding	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	15,07,99,905	37.84
Life Insurance Corporation of India	3,17,78,658	7.98	3,17,78,658	7.98	3,11,23,023	7.81
Fidelity Puritan Trust-Fidelity Low priced stock fund	3,15,00,000	7.91	3,15,00,000	7.91	3,15,00,000	7.91

Notes to the Consolidated Financial Statements

20. Other equity (₹ in lakhs)

Particulars	Reserves & Surplus					Items of OCI	Total Equity
	Capital reserve	Equity security premium	Capital redemption reserve	General reserve	Retained earnings	Equity Instruments through OCI	
Balance at April 1, 2015	1,256.33	30,524.02	3,335.00	3,71,153.31	**41,318.84**	**88,876.84**	**5,36,464.34**
Profit for the year	-	-	-	-	41,596.72	-	41,596.72
Other comprehensive income for the year net of income tax	-	-	-	-	-	(8,051.33)	(8,051.33)
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax					(12,953.21)	-	(12,953.21)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**28,643.51**	**(8,051.33)**	**20,592.18**
Cash dividends (refer note below)	-	-	-	-	(8,766.51)	-	(8,766.51)
Dividend Distribution Tax (DDT) (refer note below)	-	-	-	-	(1,784.65)	-	(1,784.65)
Transfer to General reserve	-	-	-	27,000.00	(27,000.00)	-	-
Balance at March 31, 2016	**1,256.33**	**30,524.02**	**3,335.00**	**3,98,153.31**	**32,411.19**	**80,825.51**	**5,46,505.36**
Restated balance at the beginning of the reporting period (as at March 31, 2016)	**1,256.33**	**30,524.02**	**3,335.00**	**3,98,153.31**	**32,411.19**	**80,825.51**	**5,46,505.36**
Profit for the year	-	-	-	-	42,446.40	-	42,446.40
Other comprehensive income for the year net of income tax	-	-	-	-	-	81,056.35	81,056.35
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax					(5,532.00)	-	(5,532.00)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**36,914.40**	**81,056.35**	**1,17,970.75**
Cash dividends (refer note below)	-	-	-	-	(8,766.51)	-	(8,766.51)
Dividend Distribution Tax (DDT) (refer note below)	-	-	-	-	(1,784.65)	-	(1,784.65)
Transfer to General reserve	-	-	-	30,000.00	(30,000.00)	-	-
Balance at March 31, 2017	**1,256.33**	**30,524.02**	**3,335.00**	**4,28,153.31**	**28,774.44**	**1,61,881.86**	**6,53,924.96**

Distributions made and proposed

Particulars	Amount
Cash dividends on equity shares declared and paid:	
Final dividend for the year ended on 31 March 2015: ₹ 2.20 pershare (31 March 2014: ₹ 2.00 per share)	8766.51
DDT on final dividend	1784.65
Total cash dividends declared and paid	**10551.16**
Cash dividends on equity shares declared and paid:	
Final dividend for the year ended on 31 March 2016: ₹ 2.20 pershare (31 March 2015: ₹ 2.20 per share)	8766.51
DDT on final dividend	1784.65
Total cash dividends declared and paid	**10551.16**
Proposed dividends on Equity shares:	
Final dividend for the year ended on 31 March 2017: ₹ 2.20 per share (31 March 2016: ₹ 2.20 per share)	8766.51
DDT on final dividend	1784.65
Total Proposed dividends	**10551.16**
Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon).	

Notes to the Consolidated Financial Statements

21. Long term borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured			
Term loan from bank*	5,187.09	10,613.26	19,194.51
TOTAL	**5,187.09**	**10,613.26**	**19,194.51**

Note:

*The term loan from bank 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 effective 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.
2017-18	8.00
2018-19	8.00

22. Long term provisions

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for employee benefits			
Provision for Gratuity (Refer Note 38)	7,067.90	5,867.79	1,933.47
Provision for Pension (Refer Note 38)	21,203.29	14,770.05	1,937.59
Provision for Compensated absences*	15,867.67	14,464.65	13,364.64
Provision for Post Retirement Medical Benefit Scheme (PRMBS) (Refer Note 38)	3,756.98	3,453.40	2,561.58
Provision for Asset Retirement Obligation	1,541.78	1,435.45	1,329.12
TOTAL	**49,437.62**	**39,991.34**	**21,126.40**

* The provision for Compensated absences pertains to accrued ordinary and sick leave entitlements. The change in carrying amount of the provision results from additional provision recognized net of benefits paid.

Particulars	Provision for Asset Retirement Obligation
Balance as at 1st April, 2016	1435.45
Additional provision recognised	106.33
Balance as at 31st March, 2017	1541.78

Notes to the Consolidated Financial Statements

Note - 23

A Income tax asset (net) (₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advance payment of Income Tax (net)	8,663.25	4,148.84	3,834.31

B Current tax liabilities (net) (₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for Income Tax (net)	8,580.26	14,069.86	11,748.86

C Deferred tax liabilities (net) (₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Statement of Profit & loss		
Profit & loss section		
Current income tax (net of MAT credit entitlement)	3,346.30	18,843.38
Deferred tax relating to origination & reversal of temporary differences	1,598.62	(329.71)
Deferred tax relating to Ind AS adjustments	(43.21)	-
Income tax provision written back	(9,151.37)	-
Income tax expense reported in the statement of profit or loss	**(4,249.66)**	**18,513.67**
(b) Other comprehensive income section		
Unrealised (gain)/loss on FVTOCI equity securities	(3,501.67)	(3,540.71)
Net loss/(gain) on remeasurements of defined benefit plans	(2,927.74)	(6,855.34)
Income tax charged to OCI	**(6,429.41)**	**(10,396.05)**
(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended		
Accounting profit before income tax [A]	**37,681.01**	**59,352.10**
Statutory income tax rate	34.608%	34.608%
Tax at statutory income tax rate of 34.608%	13,040.65	20,540.57
Tax effects of :		
Income not subject to tax	(621.84)	(474.76)
Inadmissible expenses or expenses treated separately	9,242.96	7,754.24
Admissible deductions	(13,064.37)	(7,480.20)
Deduction Under chapter - VI	(5,251.11)	(1,496.47)
Deferred tax on other items	1,555.41	(329.71)
Total tax effect	(8,138.95)	(2,026.90)
Income tax expense	**4,901.70**	**18,513.67**
Income tax provision written back	(9,151.37)	-
Income tax expense reported in statement of Profit & loss	**(4,249.66)**	**18,513.67**

(d) Deferred tax relates to the following: (₹ in lakhs)

	Balance sheet			Profit & loss	
	31-Mar-17	**31-Mar-16**	**01-Apr-15**	**31-Mar-17**	**31-Mar-16**
Property, plant and equipment	(42,727.23)	(39,929.18)	(40,086.80)	2,798.05	(157.62)
Expenses allowable for tax purpose when paid	9,775.47	14,330.33	12,471.80	4,554.86	(1,858.53)
Investments in Equity instruments	4,163.60	661.93	(2,878.78)	(3,501.67)	(3,540.71)
Fair valuation of deposits	0.65	0.47	0.21	(0.18)	(0.26)
Reclassification of MAT Credit entitlement	4,267.51	1,837.56	1,837.56	(2,429.95)	-
Actuarial loss on Defined benefit plan	8,559.59	4,827.11	-	(3,732.49)	(4,827.11)
Actuarial loss on Compensated Absences	-	804.74	804.74	804.74	-
Fair valuation of Derivatives	(6.58)	(6.58)	(13.28)	-	(6.70)
Machinery Spares	1,450.09	1,450.09	1,450.09	-	
Undistributed profit of asscociates	(1,199.09)	(1,043.12)	(896.94)	155.97	146.18
Allowance for doubtful debts	6,436.96	642.96	213.51	(5,794.00)	(429.45)
ARO provision	293.94	242.41	190.86	(51.53)	(51.56)
ICDS impact	107.79	-	-	(107.79)	-
Deferred tax expense/(income)	**-**	**-**	**-**	**(7,303.98)**	**(10,725.75)**
Net deferred tax assets/(liabilities)	**(8,877.30)**	**(16,181.28)**	**(26,907.03)**	**-**	**-**
Reconciliation of deferred tax liabilities (net):					
Opening Balance as at	**31-03-2016**	**01-04-2015**			
	(16,181.28)	(26,907.03)			
Tax income/(expense) during the period recognised in P&L	874.54	329.71			
Tax income/(expense) during the period recognised in OCI	6,429.41	10,396.05			
Closing balance as at	**31-03-2017**	**31-03-2016**			
	(8,877.30)	**(16,181.28)**			

Notes:

a) The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

b) Deferred tax assets have not been recognised in respect of those losses for which the company may not be used to offset taxable profits elsewhere in the company, they have arisen in fair valuation of investments, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the company were able to recognise all unrecognised deferred tax assets, the comprehensive income would have been increased by INR 1762.13 lacs for the year ended March 31, 2016.

Notes to the Consolidated Financial Statements

24. Financial Liabilities- borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured			
Loans repayable on demand			
From Banks			
Cash credit account *	14,349.45	22,167.34	17,430.13
Unsecured			
Deposits			
Intercorporate deposit from related party**	-	40,000.00	-
Other loans and advances			
Commercial papers***	20,000.00		
Over drafts from banks	2,003.69	-	-
Buyers credit and bill discounting facility	33,796.62	46,254.85	33,638.27
TOTAL	**70,149.76**	**1,08,422.19**	**51,068.40**

* 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.

** The Company has availed Inter-Corporate Loan of Rs. 400 crores from Gujarat State Financial Services Limited @ 9% p.a. for 90 days period during financial year 2015-16.

*** The Company has issued commercial paper of Rs.200 crores for 90 days period.

25. Current financial liabilities- trade payables

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Due to Micro, Small and Medium Enterprises (MSMED)*	289.03	429.28	557.29
Others**	60,131.40	55,949.71	34,733.79
TOTAL	**60,420.43**	**56,378.99**	**35,291.08**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2016
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	289.03	429.28	557.29
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	NIL	NIL	NIL
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	NIL	NIL	NIL
(iv) The amount of interest due and payable for the year	NIL	NIL	NIL
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	NIL	NIL	NIL
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	NIL	NIL	NIL

*Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

** includes trade payable to related parties Rs 7884.13 lakhs (Rs 5084.19 lakhs as at 31st March,2016 and Rs 3747.72 lakhs as at 1st April, 2015).

Notes to the Consolidated Financial Statements

26. Other current financial liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial liabilities at fair value through profit & loss			
Derivatives not designated as hedges			
Foreign exchange forward contracts	293.60	232.28	5.26
Other financial liabilities at amortised cost			
Current maturities of long term debt	5,187.08	9,728.83	4,172.72
Interest accrued but not due on borrowings	48.38	431.40	174.54
Unpaid dividend*	474.86	427.14	361.19
Unpaid matured deposits*	0.87	1.92	5.36
Deposits received	4,405.60	4,390.42	3,582.59
Dues to shareholders for fractional bonus shares	19.42	19.42	18.38
Liability towards employee benefits	4,320.14	6,501.54	5,908.23
Creditors for capital goods	14,999.90	3,828.19	1,631.47
Other payables	234.82	261.86	301.37
TOTAL	**29,984.67**	**25,823.00**	**16,161.11**

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

27. Other current liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advances from customers	1,235.97	1,561.51	1,846.86
Statutory dues	4,030.03	3,004.87	2,464.26
Income received in advance	8.00	3.46	6.98
TOTAL	**5,274.00**	**4,569.84**	**4,318.10**

28. Provisions

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Provision for employee benefits			
Provision for Gratuity (Refer note 38)	1,679.21	1,948.95	1,366.88
Provision for Compensated absences*	2,898.68	2,641.30	1,895.38
Provision for Pension (Refer note 38)	4,480.02	3,728.20	2,634.41
Provision for PRMBS (Refer note 38)	190.54	182.74	116.46
TOTAL	**9,248.45**	**8,501.19**	**6,013.13**

* The provision for Compensated absences pertains to accrued ordinary and sick leave entitlements. The change in carrying amount of the provision results from additional provision recognized net of benefits paid.

Notes to the Consolidated Financial Statements

29. Revenue from operations

(₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
Revenue from sale of products		
(Refer note no. 45)		
- Manufactured / Generated products	4,83,326.60	5,46,798.73
- Traded products	48,511.64	68,692.19
Other operating revenue		
- Freight Subsidy	15,850.06	17,156.48
Total	**5,47,688.30**	**6,32,647.40**
Details of sale of products		
Manufactured Products		
Urea	74,190.15	88,337.40
Ammonium Sulphate	50,554.16	57,513.03
Di ammonium Phosphate	1,24,043.88	1,35,313.26
Ammonium Phosphate Sulphate	64,579.08	86,383.89
NPK (12:32:16 and 10:26:26)	10,128.88	15,405.91
Caprolactam	77,549.31	76,157.83
Nylon 6	30,257.22	23,829.63
Melamine	16,013.55	15,921.57
Polymer Products	2,048.94	6,627.76
Nylon Filament Yarn	6,355.35	9,489.48
Other manufactured products	41,892.42	47,202.02
Total Manufactured Products	**4,97,612.94**	**5,62,181.78**
Trading Products		
DAP	28,487.42	44,160.36
Ammonium Sulphate	4,935.92	-
Anone	368.05	1,645.82
Methanol	5,709.20	13,282.30
Melamine	6,710.54	8,566.73
Others	3,864.23	2,810.41
Total Trading Products	**50,075.36**	**70,465.62**
Total (Manufactured+Traded)	**5,47,688.30**	**6,32,647.40**

30. Other income

(₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
Interest on: (gross)		
Deposits:	172.50	1,598.45
Advances:	604.66	484.24
Others:	876.47	768.92
Dividend from long term investments		
Trade:	1,715.59	1,284.22
Others:	23.00	29.69
Others		
Rent	176.99	102.38
Insurance claims	287.38	19.26
Profit on sale of fixed assets	0.09	0.13
Excess provision no longer required	1,066.71	910.86
Miscellaneous income	706.85	1,315.02
TOTAL	**5,630.24**	**6,513.17**

Notes to the Consolidated Financial Statements

31. Cost of material consumed

(₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
Raw Materials		
Opening stock	14,394.41	18,527.69
Add: Purchases	2,77,056.45	3,09,264.94
Less: Closing stock	18,838.47	14,394.41
TOTAL	**2,72,612.39**	**3,13,398.22**
Materials consumed comprise:		
Rock Phosphate	14,980.02	19,477.15
Sulphur	13,432.06	20,969.64
Gas	70,490.58	78,395.25
Benzene	46,566.83	44,962.15
Ammonia	24,167.10	29,075.64
Phosphoric Acid	91,667.80	1,03,170.56
MEK	1,833.44	2,412.02
Acetone	-	100.96
Others	9,474.56	14,834.85
TOTAL	**2,72,612.39**	**3,13,398.22**

32. Purchase of stock in trade

(₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
DAP	27,049.71	42,850.73
Ammonium Sulphate	6,459.18	-
Anone	501.41	1,762.58
Methanol	4,593.77	14,228.37
Melamine	5,085.21	9,367.44
Others	3,596.71	1,797.39
TOTAL	**47,285.99**	**70,006.51**

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

(₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
Opening stock		
Finished products	22,264.65	20,511.06
Stock in trade	4,016.03	2,251.44
Work-in-process	1,912.52	1,949.26
	28,193.20	**24,711.76**
Less: Closing stock		
Finished products*	29,387.52	22,264.65
Stock in trade	3,145.12	4,016.03
Work-in-process	1,627.41	1,912.52
	34,160.05	**28,193.20**
(Increase) / Decrease	**(5,966.85)**	**(3,481.44)**

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
***Details of Inventory of finished goods**		
Fertilizers	14,591.84	11,813.00
Caprolactam	3,025.00	4,170.75
Ammonia	1,664.92	1,635.14
Nylon 6	6,376.74	753.64
Nylon Filament Yarn	772.62	1,841.81
Methanol	50.34	369.93
Melamine	203.44	581.80
Others	2,702.62	1,098.58
TOTAL	**29,387.52**	**22,264.65**

34. Employee benefit expenses

(₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
Salaries, wages, bonus	37,426.51	35,134.93
Contribution to provident, gratuity and superannuation (pension) funds (including provisions)	6,569.30	5,360.47
Staff Welfare expenses	7,146.88	7,391.21
TOTAL	**51,142.69**	**47,886.61**

Employee benefit expenses includes R&D salary expenses of Rs 1133.72 lakhs (previous year Rs 1171.15 lakhs)(Refer note no. 43)

35. Finance costs

(₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
Interest		
- borrowings	5,178.25	2,388.41
- others	821.77	243.98
Other borrowing cost	492.54	498.85
TOTAL	**6,492.56**	**3,131.24**

36. Other expenses

(₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
Consumption of stores and spare parts	7,641.15	7,777.42
Water	2,587.28	2,226.09
Packing expenses	8,149.56	8,865.46
Repairs to buildings	342.81	424.35
Repairs to machinery	5,040.77	5,690.81
Other repairs	1,048.36	848.25
Insurance	597.21	829.50
Rent, rates and taxes	1,088.10	1,401.15
Product transportation, distribution & loading & unloading charges	23,803.86	23,446.82
Depots and farm information centers expense	4,091.84	1,732.11

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
Marketing expense reimbursement, demonstration, extension services and publicity etc.	552.15	1,139.71
Variation in exchange rates	3,744.38	4,728.74
Directors sitting fees	7.87	9.05
Auditors' remuneration *	84.55	94.93
Cost auditors' fees	5.58	5.37
Research and development expenses	13.99	61.68
Loss on fixed assets sold/discarded	3.51	26.38
Allowance for doubtful debts	3,640.66	1,774.58
Obsolete Spares and other items written off	200.00	-
Amortisation of operating leasehold land	367.39	367.39
Donations and contributions	848.05	846.35
Miscellaneous	4,311.25	4,303.82
TOTAL	**68,170.32**	**66,599.96**

Other expenses includes R&D expenses of Rs 24.99 lakhs (previous year Rs 85.05 lakhs)(Refer note no. 43)

***Auditors' remuneration** (₹ in lakhs)

Particulars	Year ended March, 2017	Year ended March, 2016
Payment to Statutory Auditors:		
For Statutory audit	23.97	21.95
For Taxation matters	45.44	59.52
For other services (including Limited Review fees & certification)	14.88	12.02
For Reimbursement of expenses	0.26	1.44
	84.55	**94.93**
Payment to Cost Auditors		
Cost auditors' fees	5.58	5.37

37. Earnings per share (EPS):

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended March, 2017	Year ended March, 2016
i. Profit attributable to Equity holders of parent		
Profit attributable to equity holders of the parent:		
Continuing operations	42,446.40	41,596.72
Discontinued operations	-	-
Profit attributable to equity holders of the parent for basic earnings	42,446.40	41,596.72
Effect of dilution	-	-
Profit attributable to equity holders of the parent adjusted for the effect of dilution	**42,446.40**	**41,596.72**

Particulars	Year ended March, 2017	Year ended March, 2016
ii. Weighted average number of ordinary shares		
Issued ordinary shares	39,84,77,530	39,84,77,530
Effect of dilution (Note - a)	-	-
	39,84,77,530	39,84,77,530
Basic EPS (₹)	10.65	10.44
Diluted EPS (₹)	10.65	10.44
Nominal value per share (₹)	2.00	2.00

Note - 38 : Employment benefit plans

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

I. Funded

i. Gratuity

ii. Pension

II. Unfunded

i. Post retirement medical benefit scheme

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk: The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest Risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

Longevity Risk: The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk: The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

b) Defined contribution plans:

Amount towards Defined Contribution Plans have been recognised under ''Contributions to Providend, Gratuity and Superannuation Fund (pension) Funds (including provisions)" in Note : 34 Rs 2730.07 lakhs for financial year 2016-17 (Rs. 2,521.06 lacs for financial year 2015-16).

c) Details of funded & unfunded plans are as follows: **(₹ in lakhs)**

Description	Pension		Gratuity	
	2016-17	2015-16	2016-17	2015-16
1. Changes In Present Value of obligation				
a. Obligation as at the beginning of the year	50,362.00	35,708.00	26,260.45	21,072.46
b. Current Service Cost	569.67	675.78	1,193.64	916.34
c. Interest Cost	4,028.96	2,856.64	2,100.83	1,673.11
d. Actuarial (Gain)/Loss	7,958.89	15,143.18	636.00	4,665.37
e. Benefits Paid	(4,250.48)	(4,021.60)	(2,300.81)	(2,066.83)
f. Obligation as at the end of the year	58,669.04	50,362.00	27,890.11	26,260.45
The defined benefit obligation as at 31.03.2017 is	Funded	Funded	Funded	Funded

(₹ in lakhs)

Description	Pension		Gratuity	
	2016-17	2015-16	2016-17	2015-16
2. Changes in Fair Value of Plan Assets				
a. Fair Value of Plan Assets as at the beginning of the year	31,863.73	31,135.99	18,443.70	17,772.12
b. Expected return on Plan Assets	2,549.09	2,615.37	1,475.49	1,585.66
c. Actuarial Gain/(Loss)	116.31	-	19.15	-
d. Contributions	2,707.05	2,133.97	1,505.76	1,152.75
e. Benefits Paid	(4,250.48)	(4,021.60)	(2,300.81)	(2,066.83)
f. Fair Value of Plan Assets as at the end of the year	32,985.70	31,863.73	19,143.29	18,443.70
3. Amount Recognised In The Balance Sheet				
a. Fair Value of Plan Assets as at the end of the year	32,985.70	31,863.73	19,143.29	18,443.70
b. Present Value of Obligation as at the end of the year	(58,669.04)	(50,362.00)	(27,890.11)	(26,260.45)
c. Amount recognised in the Balance Sheet	(25,683.34)	(18,498.27)	(8,746.82)	(7,816.75)
4. Expense recognised in P & L during the year				
a. Current Service Cost	569.67	675.78	1,193.64	916.34
b. Net Interest Cost	1,479.85	241.27	625.31	87.45
c. Expense recognised during the year	2,049.52	917.05	1,818.95	1,003.79
5. Expense recognised in OCI during the year				
a. Return on Plan Assets,Excluding Interest Income	(116.31)	-	(19.15)	-
b. Actuarial (Gain)/Loss recognised on Obligation	7,958.89	15,143.18	636.00	4,665.37
c. Net (Income)/Expense recognised during the year	7,842.58	15,143.18	616.85	4,665.37
6. Investment Details of Plan Assets				
Administered by LIC of India	100%	100%	100%	100%

The Company expects to make a contribution of Rs 2500 lakhs towards pension and Rs 2000 lakhs towards gratuity during the next financial year.

Description	2016-17	2015-16
	PRMBS	
1. Changes In Present Value of the defined benefit obligation		
a. Obligation as at the beginning of the year	3,636.14	2,678.04
b. Current Service Cost	178.28	760.44
c. Interest Cost	289.57	212.91
d. Actuarial (Gain)/Loss	362.45	354.77
e. Benefits Paid	(518.91)	(370.02)
f. Obligation as at the end of the year	3,947.53	3,636.14
The defined benefit obligation as at 31.03.2017 is	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	(3,947.53)	(3,636.14)
c. Amount recognised in the Balance Sheet	(3,947.53)	(3,636.14)

Notes to the Consolidated Financial Statements

Description	2016-17	2015-16
	PRMBS	
3. Expense recognised in P & L during the year		
a. Current Service Cost	178.28	760.44
b. Interest Cost	289.57	212.91
c. Expense recognised during the year	467.85	973.35
4. Expense recognised in OCI during the year		
a. Return on Plan Assets,Excluding Interest Income	-	-
b. Actuarial (Gain)/Loss recognised on Obligation	362.45	354.77
c. Net (Income)/Expense recognised during the year	362.45	354.77

The expense is disclosed in Note No. 34 - “Employee Benefit Expenses”, Pension & Gratuity are disclosed in line item - Contribution to Provident Fund,and provision to Gratuity, Superannuation (Pension) Funds.PRMBS is disclosed in line item - Welfare funds.

d) Assumptions	31.03.2017	31.03.2016
a. Discount Rate (per annum)	7.45%	7.85 to 8.06%
b. Salary Escalation Rate (per annum)	6%	6%

c. The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.

d. The estimate of mortality rate during employment has been considered as per Indian Assured Lives Mortality (2006-08).

e. 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.

Description	2016-17		2015-16
	Pension	Gratuity	PRMBS
e) Effect of one percentage point change in the assumed Discount Rate			
a. One percentage point increase in Discount Rate	(3,115.62)	(1,508.74)	(422.33)
b. One percentage point decrease in Discount Rate	3446.01	1676.99	517.37
Effect of one percentage point change in the assumed Salary Escalation Rate			
a. One percentage point increase in Salary Escalation Rate	3453.46	1681.04	NA
b. One percentage point decrease in Salary Escalation Rate	(3,178.25)	(1,539.31)	NA
Effect of one percentage point change in the assumed medical inflation rate-Benefit Obligation			
a. One percentage point increase in medical inflation rate	NA	NA	522.03
b. One percentage point decrease in medical inflation rate	NA	NA	246.34

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

Pension		2016-17	2015-16	2014-15	2013-14	2012-13
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)						
1	Present Value of Defined Benefit Obligation	58,669.04	50,362.00	35,708.00	35,506.00	36,420.46
2	Fair Value of Plan Assets	32,985.70	31,863.73	31,135.98	30,065.39	28,729.63
3	Status [Surplus/(Deficit)]	(25,683.34)	(18,498.27)	(4,572.02)	(5,440.61)	(7,690.83)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	116.31	-	-	-	-
5	Experience/Assumptions Adjustment of obligation [(Gain)/Loss]	7,958.89	15,143.18	534.77	(1,573.72)	2,121.48
Gratuity		**2016-17**	**2015-16**	**2014-15**	**2013-14**	**2012-13**
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)						
1	Present Value of Defined Benefit Obligation	27,890.11	26,260.45	21,072.46	20,835.98	20,608.60
2	Fair Value of Plan Assets	19,143.29	18,443.70	17,772.13	17,053.92	16,392.27
3	Status [Surplus/(Deficit)]	(8,746.82)	(7,816.75)	(3,300.33)	(3,782.06)	(4,216.33)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	19.15	-	-	-	-
5	Experience/Assumptions Adjustment of obligation [(Gain)/Loss]	636.00	4,665.37	(460.73)	(303.78)	1,897.77
PRMBS		**2016-17**	**2015-16**	**2014-15**	**2013-14**	**2012-13**
Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)						
1	Present Value of Defined Benefit Obligation	3,947.53	3,636.09	2,678.04	2,356.54	2,144.92
2	Fair Value of Plan Assets	-	-	-	-	-
3	Status [Surplus/(Deficit)]	(3,947.53)	(3,636.09)	(2,678.04)	(2,356.54)	(2,144.92)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	-	-	-	-	-
5	Experience/Assumptions Adjustment of obligation [(Gain)/Loss]	362.45	354.77	-	-	44.00

Note - 39 Commitment and contingencies

a. Commitments

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(i) Commitment for equity contribution & others	5,749.00	-	-
(ii) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	68,978.00	38,029.00	59,661.00

b. Contingent liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Claims against the Company not acknowledgement as debt			
(i) Excise duty	4,497.00	4,418.00	4,323.00
(ii) Central sales tax and value added tax	4,966.00	4,317.00	4,311.00
(iii) Income tax	4,435.00	3,099.00	2,904.00
(iv) Other claims by:			
- Statutory corporations	24,680.00	22,568.00	1,122.00
- Department of Fertilizers, total amount not quantifiable, demands stayed, matter pending with High Courts	Refer Note:45	Refer Note:45	Refer Note:45
- Employees / ex-employees, contractual labour – pending before courts	Not ascertainable	Not ascertainable	Not ascertainable

c. Contingent Assets

The Company does not have any contingent assets.

d. Financial guarantees

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
The Company has provided sponsor's Guarantee towards the borrowing of Tunisian Indian Fertilizers S.A., Tunisia (TIFERT) up to 15% of the amount due and outstanding.	22,292.00	25,789.00	32,391.00

The Company had provided a sponsor guarantee for USD 41.1 million (proportionate to the shareholding of 15%) towards the borrowings of Tunisian Indian Fertilisers S.A. (TIFERT), a company based in Tunisia, manufacturing phosphoric acid. In March 2017, TIFERT has requested reschedulement of installment due to the lenders and delayed the payment. The same was not agreed to by the Lenders and the acceleration notice was served on TIFERT by lenders on 28 March 2017. The loan instalment was immediately paid on 31 March 2017 by TIFERT. However, on 4 April 2017 the lenders followed up with call notice on shareholders towards guaranteed amount (GSFC's share USD 34.38 million outstanding as on date). The Company alongwith other shareholders of TIFERT are in discussion with the Lenders to resolve the matter with regard to liquidity situation and operational improvements of TIFERT and also to find a solution for meeting the future debt obligations of TIFERT.

Based on communication exchanged with Lenders and operational improvement initiatives taken by TIFERT, the Company reasonably considers that TIFERT would be in a position to meet the debt obligations and it is unlikely that such an event of payment under guarantee amount will arise. The Company's obligation under this financial guarantee if that amount is claimed by the counterparty to the guarantee is subject to a maximum amount as mentioned herein above.

Note - 40 Related party transactions

The company is controlled by Government of Gujarat and Gujarat state Investment Limited and hence, the Company is Government related entity as per Ind AS 24 "Related Party Disclosures".

(₹ in lakhs)

Name of the Party	Nature of Relationship	Nature of Transaction	2016-17	2015-16	Outstanding as on 01.04.2015
Vadodara Enviro Channel Ltd. (Erstwhile Effluent Channel Project Ltd.)	Associate	Usage of effluent channel	275.40	304.46	-
		Outstanding balance-Payable	1.19	-	25.20
Gujarat Green Revolution Company	Associate	Reimbursement of expenses	157.25	173.51	-
		Dividend received	6.25	6.25	-
		Outstanding balance-Receivable	135.73	160.85	201.34
Gujarat Data Electronics Limited	Associate	-	-	-	-
Karnalyte Resources Inc.	Associate	Reimbursement of expenses	43.32	129.88	-
		Outstanding balance-Receivable	-	7.02	1.05
Tunisian Indian Fertilizer Company	Other related party	Purchase of Material	12,493.61	25,524.20	-
		Outstanding balance-Payable	5,255.15	257.48	200.71
Bhavnagar Energy Company Limited	Government related Entity	Investment in Equity	816.00	-	-
		Outstanding balance-Receivable	-	-	15.00
Gujarat Alkalies & Chemicals Ltd.	Government related Entity	Purchase of Materials	1,414.54	1,366.69	-
		Sale of Product	735.83	728.07	-
		Recovery of (shared) expenses	16.61	47.53	-
		Outstanding balance-Payable	-	85.47	4.92
		Outstanding balance-Receivables	83.06	73.92	103.22
Gujarat Narmada Valley Fertilizers Company Limited	Government related Entity	Purchase of Materials	-	136.08	-
		Sale of Material	1,009.47	315.41	-
		Outstanding balance-Payables	0.01	0.01	136.17
		Outstanding balance-Receivables	99.57	27.62	292.84

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Name of the Party	Nature of Relationship	Nature of Transaction	2016-17	2015-16	Outstanding as on 01.04.2015
GAIL India Limited	Government related Entity	Purchase of GAS	79,140.77	56,330.21	-
		Sale of Product	896.43	281.38	-
		Outstanding balance-Receivables	53.48	81.33	0.11
		Outstanding balance-Payables	2,763.51	4,436.88	2,052.43
Gujarat Industries Power Company Limited.	Government related Entity	Purchase of power	12,495.68	17,302.38	-
		Sale of power	107.05	108.47	-
		Outstanding balance-Receivables	30.81	36.36	23.92
		Outstanding balance-Payables	-	-	1,469.22
GSFC Education Society	Other related party	Donation Granted	500.00	285.00	-
		Outstanding balance-payable	-	-	-
Shri A M Tiwari, IAS, Managing Director	Key Management Personnel	Remuneration	34.45	3.23	-
Shri S K Nanda, IAS, Managing Director	Key Management Personnel	Remuneration	-	23.31	-
V D Nanavaty – Sr. VP (Finance) & Chief Financial Officer	Key Management Personnel	Remuneration	43.42	41.41	-
V V Vachhrajani, Sr. VP (Legal)	Key Management	Remuneration	38.71	37.00	-
& Company Secretary	Personnel	Loan given to KMP	-	10.00	-
Gujarat State Petroleum Corporation Ltd.	Government related Entity	Purchase of GAS	1,514.79	6,863.34	-
		Gas Swap	488.97	4,032.92	-
		Outstanding balance	15.16	21.62	-
Gujarat State Financial Services Limited	Government related Entity	-	-	-	-
Gujarat State Investment Ltd.	Investor company	-	-	-	-
Gujarat Industrial Investment Corporation Ltd.	Government related Entity	-	-	-	-
Gujarat Agro Industries Corporation	Government related Entity	Sale of Product	18,350.41	23,680.07	
		Outstanding balance-receivable	187.61	6,040.79	3,145.26
Rajasthan State Mines & Minerals Limited	Government related Entity	Sale of Product	508.99	486.98	-
		Purchase of RM	10,939.44	11,383.70	-
		Outstanding balance-payables	-	393.22	-
		Outstanding balance-Receivables	(37.18)	(6.17)	(43.15)
Gujarat Chemical Port Terminal Company Limited	Government related Entity	Storage & Wharfage charges	494.97	392.90	-
		Outstanding balance-payable	-	79.00	76.47

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March,2016: Nil & 1 April 2015: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to the Consolidated Financial Statements

Transactions with key management personnel:

Loan to Key managerial person	As at 31-Mar-17	As at 31-Mar-16
Shri V V Vachharajani- Company Secretary & VP (Legal)	-	10.00
Remuneration to key management personnel:	**Year ended 31-Mar-17**	**Year ended 31-Mar-16**
Short term employee benefits	106.85	95.18
Post employment benefits	4.99	5.01
Long-term employee benefits	4.74	4.76

Note - 41 Segment information

For management purposes, the company is organised into business units based on its products and has two reportable segments, as follows:

1. **Fertilizer products** comprising of Urea, Ammonium Sulphate, Di-ammonium Phosphate, Ammonium Phosphate Sulphate, NPK (12:32:16), (10:26:26), traded fertilizer products etc.
2. **Industrial products** comprising of Caprolactam, Nylon-6, Nylon Filament Yarn, Nylon Chips, Melamine, Methanol, Polymer products, traded industrial products etc.

The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the two operating segments. The CODM reviews revenue and gross profit as the performance indicator for both operating segments.

(₹ in lakhs)

A] SEGMENT REVENUE:	31-Mar-17	31-Mar-16
1 TOTAL SEGMENT REVENUE		
a) Fertilizer Products	3,68,641.99	4,36,699.00
b) Industrial Products	1,79,046.31	1,95,948.40
TOTAL	5,47,688.30	6,32,647.40
2 INTER SEGMENT REVENUE	-	-
3 EXTERNAL REVENUE (1 - 2)		
a) Fertilizer Products	3,68,641.99	4,36,699.00
b) Industrial Products	1,79,046.31	1,95,948.40
TOTAL	5,47,688.30	6,32,647.40
B] RESULT:		
1 Segment result		
a) Fertilizer Products	28,761.48	53,441.55
b) Industrial Products	14,717.26	7,569.39
TOTAL	43,478.74	61,010.94
2 a) Unallocated income	4,327.92	5,518.39
b) Unallocated expenses	(3,633.09)	(4,045.99)
3 Operating Profit (B1 + B2)	44,173.57	62,483.34
4 Finance Cost	(6,492.56)	(3,131.24)
5 Provision for Taxation:		
Current Income Tax	(5,776.25)	(18,843.38)
Deferred Tax (net)	(1,555.41)	329.71
MAT credit recognised	2,429.95	-
Income Tax Previous Year written back	9,151.37	-
6 Net Profit	41,930.67	40,838.43

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	As at 31st 31-Mar-17	As at 31st 31-Mar-16	As at 1st 01-Apr-15
C] OTHER INFORMATION:			
1 **Segment assets**			
a) Fertilizer Products	4,34,033.02	4,60,615.57	3,24,189.03
b) Industrial Products	157474.61	1,40,546.92	1,36,232.78
TOTAL	**5,91,507.63**	**6,01,162.49**	**4,60,421.81**
2 **Unallocated corporate assets**	3,17,546.46	2,37,863.37	2,75,840.69
3 **Total Assets**	**9,09,054.09**	**8,39,025.86**	**7,36,262.50**
4 **Segment Liabilities**			
a) Fertilizer Products	106121.07	85,567.94	47,827.40
b) Industrial Products	43049.97	38,676.06	30,285.20
TOTAL	**1,49,171.04**	**1,24,244.00**	**78,112.60**
5 **Unallocated corporate liabilities**	97,988.54	1,60,306.95	1,13,716.02
6 **Total Liabilities**	**2,47,159.58**	**2,84,550.95**	**1,91,828.62**
7 **Capital Expenditure**			
a) Fertilizer Products	21267.60	17,152.15	
b) Industrial Products	12043.00	8,233.68	
c) Corporate Capital Expenditure	436.51	(1,122.44)	
TOTAL	**33,747.11**	**24,263.39**	
8 **Depreciation and Amortisation**			
a) Fertilizer Products	5919.38	5,980.96	
b) Industrial Products	4204.62	3,670.95	
c) Unallocated corporate Depreciation	238.10	94.90	
TOTAL	**10,362.10**	**9,746.81**	
9 **Non-Cash expenses**			
a) Fertilizer Products	11435.17	18,411.03	
b) Industrial Products	9320.24	10,157.62	
c) Unallocated non-cash expenses	0.00	3.18	
TOTAL	**20,755.41**	**28,571.83**	

Notes to the Consolidated Financial Statements

Note - 42 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The carrying value of financial instruments by categories as of 31 st March, 2017 is as follows. **(₹ in lakhs)**

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Cash and cash equivalents	-	-	4,824.89	4,824.89	-	-	-	-
Other bank balances	-	-	1,029.01	1,029.01	-	-	-	-
Non-current investments	-	2,44,316.60	8,644.64	2,52,961.24	1,94,982.43	-	49,334.17	2,44,316.60
Non-current loans	-	-	13,188.36	13,188.36	-	-	-	-
Current loans	-	-	1,866.81	1,866.81	-	-	-	-
Trade receivables	-	-	2,72,580.75	2,72,580.75	-	-	-	-
Other Non-current financial asset	-	-	4,230.96	4,230.96	-	-	-	-
Derivative financial instruments	1,559.30	-	-	1,559.30	-	1,559.30	-	1,559.30
Other Current financial asset	-	-	2,411.69	2,411.69	-	-	-	-
	1,559.30	**2,44,316.60**	**3,08,777.11**	**5,54,653.01**	**1,94,982.43**	**1,559.30**	**49,334.17**	**2,45,875.90**
Financial liabilities								
Non current borrowings	-	-	5,187.09	5,187.09	-	-	-	-
Current borrowings1	-	-	70,149.76	70,149.76	-	-	-	-
Trade payables1	-	-	60,420.43	60,420.43	-	-	-	-
Derivative financial instruments	293.60	-	29,691.07	29,984.67	-	293.60	-	293.60
	293.60	**-**	**1,65,448.36**	**1,65,741.96**	**-**	**293.60**	**-**	**293.60**
The carrying value of financial instruments by categories as of 31 st March, 2016 is as follows.								
Financial assets								
Cash and cash equivalents	-	-	3,139.94	3,139.94	-	-	-	-
Other bank balances	-	-	1,033.04	1,033.04	-	-	-	-
Non-current investments	-	1,68,982.13	5,002.22	1,73,984.35	1,07,852.56	-	61,129.57	1,68,982.13
Non-current loans	-	-	10,974.06	10,974.06	-	-	-	-
Current loans	-	-	1,675.84	1,675.84	-	-	-	-
Trade receivables	-	-	3,28,960.51	3,28,960.51	-	-	-	-
Other Non-current financial asset	-	-	3,897.37	3,897.37	-	-	-	-
Derivative financial instruments	3,516.63	-	-	3,516.63	-	3,516.63	-	3,516.63
Other Current financial asset[1]	-	-	1,179.15	1,179.15	-	-	-	-
	3,516.63	**1,68,982.13**	**3,55,862.13**	**5,28,360.89**	**1,07,852.56**	**3,516.63**	**61,129.57**	**1,72,498.76**
Financial liabilities								
Non current borrowings	-	-	10,613.26	10,613.26	-	-	-	-
Current borrowings1	-	-	1,08,422.19	1,08,422.19	-	-	-	-
Trade payables1	-	-	56,378.99	56,378.99	-	-	-	-
Derivative financial instruments	232.28	-	25,590.72	25,823.00	-	232.28	-	232.28
	232.28	-	2,01,005.16	2,01,237.44	-	232.28	-	232.28
1 - carrying value approximates to the fair value								
The carrying value of financial instruments by categories as of 1 st April, 2015 is as follows.								(₹ in lakhs)
Financial assets								
Cash and cash equivalents	-	-	3,527.32	3,527.32	-	-	-	-
Other bank balances	-	-	32,309.03	32,309.03	-	-	-	-
Non-current investments	-	1,80,425.60	4,243.93	1,84,669.53	48,298.99	-	1,32,126.61	1,80,425.60
Non-current loans	-	-	9,975.23	9,975.23	-	-	-	-
Current loans	-	-	3,068.20	3,068.20	-	-	-	-
Trade receivables	-	-	1,92,411.33	1,92,411.33	-	-	-	-
Other Non-current financial asset	-	-	3,780.33	3,780.33	-	-	-	-
Derivative financial instruments	2,993.53	-	-	2,993.53	-	2,993.53	-	2,993.53
Other Current financial asset1	-	-	3,560.98	3,560.98	-	-	.-	-
	2,993.53	**1,80,425.60**	**2,52,876.35**	**4,36,295.48**	**48,298.99**	**2,993.53**	**1,32,126.61**	**1,83,419.13**
Financial liabilities								
Non current borrowings	-	-	19,194.51	19,194.51	-	-	-	-
Current borrowings1	-	-	51,068.40	51,068.40	-	-	-	-
Trade payables1	-	-	35,291.08	35,291.08	-	-	-	-
Derivative financial instruments	5.26	-	16,155.85	16,161.11	-	5.26	-	5.26
	5.26	-	1,21,709.84	1,21,715.10	-	5.26	-	5.26

1 - carrying value approximates to the fair value

B. Measurement of fair values & Sensitivity Analysis

i) Valuation techniques and significant unobservable inputs

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial instruments measured at fair value

Financial assets / financial liabilities	Fair Value (Rs. In Lakhs) as at			Fair Value hierarchy	Valuation technique(s) and key input(s)
	31-03-2017	31-03-2016	01-04-2015		
1) Investments in equity instruments at FVTOCI (quoted) (see note 7)	Listed equity securities in various companies engaged in fertilizer, chemicals, finance, gas, power and mining industry aggregate fair value of Rs. 194,982.42	Listed equity securities in various companies engaged in fertilizer, chemicals, finance, gas, power and mining industry aggregate fair value of Rs. 107,852.55	Listed equity securities in various companies engaged in fertilizer, chemicals, finance ,gas, power and mining industry aggregate fair value of Rs. 48,298.98	Level 1	Quoted bid prices in an active market

Particulars	Valuation technique(s) & key input(s)	Fair Value (Rs. In Lakhs) as at			Fair Value hierarchy	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
		31-03-2017	31-03-2016	01/04/2015			
2) Investments in equity instruments at FVTOCI (unquoted) (see note 7)	Market Approach- Comparable companies- In this approach, the value of shares / business of a company is determined based on market multiples of publicly traded comparable companies. The appropriate multiple is generally based on performance of listed companies with similiar business model and size (Refer note 1 below).	Investment in companies engaged in business of storage facilities - aggregate fair value of Rs. 19,866.32	Investment in companies engaged in business of storage facilities - aggregate fair value of Rs.20,724.74	Investment in companies engaged in business of storage facilities - aggregate fair value of Rs.18,272.11	Level 3	Market Multiple Discount ranging from 17.5% to 22.5% (As at 31.3.16 from 17.5% to 22.5%, As at 01.04.15 from 17.5% to 22.5%)	Increasing/Decreasing the Market Multiples by probability weighted range, would change the FV by +INR 1,238.56 lakhs & -INR 1,115.93 lakhs (As at 31.3.16 +INR 1,152.72 lakhs & -INR 1,214.04 lakhs, As at 01.04.2015 +INR 1,152.72 lakhs & -INR 1,030.09 lakhs)
		Investment in companies engaged in fertilizer industry- aggregate fair value of Rs. 12,273.75	Investment in companies engaged in fertilizer industry- aggregate fair value of Rs. 16,998.75	Investment in companies engaged in fertilizer industry- aggregate fair value of Rs. 16,998.75		Discount to Fair Value ranging from 15% to 25% (As at 31.3.16 from 15% to 25%, As at 01.04.15 from 15% to 25%)	Increasing/Decreasing the Discounting Factor by probability weighted range, would change the FV by +INR 770.63 lakhs & -INR 764.10 lakhs (As at 31.3.16 +INR 1,065.38 lakhs & -INR 1,059.86 lakhs, As at 01.04.2015 +INR 1,065.38 lakhs & -INR 1,059.86 lakhs)
	Income Approach- In this approach, discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee.	Investment in company engaged in fertilizer industry - aggregate fair value of Rs. 4,719.00	Investment in company engaged in fertilizer industry - aggregate fair value of Rs. 5,392.42	Investment in company engaged in fertilizer industry - aggregate fair value of Rs. 14,877.31	Level 3	Growth Rate ranging from 1% to 3% (As at 31.3.16 from 1% to 3%, As at 01.04.15 from 1% to 3%)	Increasing/Decreasing the Growth Rate & Discounting Factor by probability weighted range, would change the FV by +INR 1,109.61 lakhs & -INR 1,052.72 lakhs. (As at 31.3.16 +INR 1,421.45 lakhs & -INR 1,349.53 lakhs, As at 01.04.2015 +INR 178.11 lakhs & -INR 2,526.43 lakhs)
						Discounting Factor ranging from 13.98% to 15.98% (As at 31.3.16 from 14.31% to 16.31%, As at 01.04.15 from 13.81% to 15.81%)	
	(Refer note below).	Investment in company engaged in the business of gas marketing - agreegate fair value of Rs.8,020.55	Investment in company engaged in the business of gas marketing - agreegate fair value of Rs.14,151.70	Investment in company engaged in the business of gas marketing - agreegate fair value of Rs.19,035.00	Level 3	Discount factor, Sales Volume and Trading margin.	Decreasing the Gas trading margin by 25% would change the FV by INR 2,19,400 lakhs as at 31.03.2017. No sensitivity analysis has been carried out as at 31.03.2016 and 01.04.2015 on account of non-availability of data.

Particulars	Valuation technique(s) & key input(s)	Fair Value (Rs. In Lakhs) as at			Fair Value hierarchy	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
		31-03-2017	31-03-2016	01/04/2015			
	Note : Discounted Free Cash flow method has been used to arrive at the enterprise value of the gas marketing business of the investee. Under this technique, the projected free cash flows from gas marketing business of the company are discounted at the weighted average cost of capital to the providers of capital to the business of the company and the sum of the present value of such free cash flows would represent the value of business. The investee has various investments in subsidaries and joint venture companies. Each of these subsidiary and joint venture companies have been separately valued using market price method. DCF method, CCM method and book value (NAV) method and applied the investee's stake percentage to arrive at the fair value of investee's investment in these subsidiaries / joint venture companies. Under the market price method, the valuation is derived from the quoted market price of the share of the company as at the valuation date. Under the NAV method, the valuation is derived by calculating the net assets value of the investee as at the valuation date.						
	Cost Approach- Net Asset Value - In this approach, total value is based on the sum of net asset value as recorded on the balance sheet.A net asset methodology is most applicable for businesses where the value lies in the underlying assets and not the ongoing operations of the business. (Refer note 1 and 2 below).	Investment in companies engaged in power and finance industry - aggregate fair value of Rs. 4,454.54	Investment in companies engaged in power and finance industry - aggregate fair value of Rs. 3,861.95	Investment in companies engaged in power and finance industry - aggregate fair value of Rs. 3,854.66	Level 3	Discount to Book Value ranging from 15% to 30% (As at 31.3.16 from 15% to 30%, As at 01.04.15 from 15% to 30%)	Increasing/Decreasing the Discounting Factor by probability weighted range, would change the FV by +INR 535.65 lakhs & -INR 500.08 lakhs. (As at 31.3.16 +INR 259.59 lakhs & -INR 255.03 lakhs, As at 01.04.2015 +INR 259.19 lakhs & -INR 253.93 lakhs)

Note 1: The Company has invested in the equity instruments of various companies. However, the percentage of shareholding of the Company in such investee companies is very low and hence, it has not been provided with future projections including projected profit and loss account by those investee companies. Hence, the independent valuer appointed by the Company has estimated fair value based on available historical Annual Reports of such companies and other information as available in the public domain. Since the future projections are not available, discounted cashflow approach for fair value determination has not been followed.

Note 2: In case of some companies, there are no comparable companies valuations available and some are recent start up companies. In light of no information available for future projections, capacity utilisation, commencement of operations, etc., the valuation is based on cost approach.

ii) Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during 2016-17 and 2015-16

iii) Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

(₹ in lakhs)

Paticulars	Equity securities
Opening Balance(1 April 2015)	1,32,126.61
Net change in fair value (unrealised)	(12,056.83)
Conversion to quoted investment	(59,088.78)
Purchases	2,906.51
Converted to equity investment	(2,757.94)
Closing Balance (31 March 2016)	**61,129.57**
Opening Balance(1 April 2016)	61,129.57
Net change in fair value (unrealised)	(12,701.88)
Purchases	906.48
Closing Balance (31 March 2017)	**49,334.17**

During 2015-16, the Company received 93,82,895 nos. of shares of Gujarat Gas Ltd (quoted) in lieu of shares held in GSPC Gas Company Ltd and GSPC Distribution Networks Ltd.

Transfer out of Level 3

There were no movement in level 3 in either directions during the year 2016-17 and 2015-16.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through a Financial risk management committee, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Audit cum finance committee and Board of Directors. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit cum finance committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Revenue department has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Board of Directors.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Company may have a secured claim. The Company does not otherwise require collateral in respect of trade and other receivables.

Notes to the Consolidated Financial Statements

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The provision matrix of ECL at the end of the reporting period is as follows.

Particulars	Expected credit loss %
Within the credit period	0.04%
1-90 days past due	0.49%
91-180 days past due	1.63%
181-270 days past due	6.66%
270-360 days past due	19.72%
360-450 days past due	36.65%
450-540 days past due	54.92%
540-630 days past due	71.01%
630-720 days past due	100.00%
More than 720 days past due	100.00%

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

(₹ in lakhs)

Particulars	Carrying amount	
	March 31, 2017	March 31, 2016
Neither past due nor impaired	83246.46	1,08,506.46
Past due 1–30 days	6921.17	9,227.45
Past due 31–90 days	18118.84	51,252.82
Past due 91 days and above	164294.28	1,59,973.78
	2,72,580.75	3,28,960.51

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

During the year 2016-17 and 2015-16, an impairment provision of INR 3,640.66 and INR 1,774.58 was created respectively .

Movement in expected credit loss allowance (' in lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at the beginning of the year	7710.08	6,011.69
Movement in the expected credit loss allowanceon trade receivables calculated at lifetime expected credit losses Past due 31–90 days	3,640.66	1,698.39
	11,350.74	7,710.08

Cash and cash equivalents

The Company held cash and cash equivalents of INR 4824.89 at March 31, 2017, INR 3,139.94 Lacs at March 31, 2016 (April 1, 2015: INR 3,527.32 lacs). The cash and cash equivalents are held with approved scheduled banks.

Derivatives

The derivatives deals are done with AD category banks in OTC market and registered brokers in ETCD market.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Financing facilities: (₹ in lakhs)

Particulars	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
a) Unsecured cash credit, reviewed annually			
- amount used	14,349.45	22,167.34	17,430.13
- amount unused	32,150.55	24,332.66	29,069.87
b) Unsecured bill acceptance facility, reviewed annually			
- amount used	33,796.62	46,254.85	33,638.27
- amount unused			
c) Unsecured commercial pappers, reviewed annually			
- amount used	20,000.00	-	-
- amount unused	30,000.00	50,000.00	-
d) Unsecured Inter corporate deposits, reviewed annually			
- amount used	-	40,000.00	-
- amount unused	-	-	-
e) Unsecured bank overdraft facility, reviewed annually			
- amount used	2,003.69	-	-
- amount unused	12,996.31	-	-

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in lakhs)

March 31, 2017	Contractual cash flows					
	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
INR						
Non-derivative financial liabilities						
Foreign currency term loans from banks	10,374.17	10,374.17	5,187.08	5,187.09		
Working capital loans from banks	70,149.76	70,149.76	70,149.76			
Trade payables	60,420.43	60,420.43	60,420.43			
Other current financial liabilities	24,503.99	24,503.99	24,503.99			
Derivative financial liabilities						
Derivative contracts used for hedging						
- Outflow	293.60	293.60	293.60			

March 31, 2016	Contractual cash flows					
	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Foreign currency term loans from banks	20,342.09	20,342.09	9,728.83	5,306.63	5,306.63	-
Working capital loans from banks	1,08,422.19	1,08,422.19	1,08,422.19	-	-	-
Trade payables	56,378.99	56,378.99	56,378.99	-	-	-
Other current financial liabilities	15,861.89	15,861.89	15,861.89	-	-	-
Derivative financial liabilities						
Derivative contracts						
- Outflow	232.28	232.28	232.28			

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of company's investments. Thus, company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to control the financial risks associated with the Foreign Exchange/Currency rate movements through a sophisticated Foreign Exchange Risk Management System.

Currency risk

The Company is exposed to currency risk on account of its import payables and borrowings in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts, Options and futures to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The company is using 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.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015 are as below:

(₹ in lakhs)

Particulars	March 31, 2017 INR	March 31, 2017 USD	March 31, 2017 TND[1]	March 31, 2017 CAD[1]	March 31, 2017 Others[1]
Financial assets					
Cash and cash equivalents	4,824.89				
Other bank balances	1,029.01				
Non-current investments	2,45,280.46		4,719.01	2,961.77	
Long-term loans and advances	13,188.59				
Short-term loans and advances	1,866.81				
Trade and other receivables	2,72,383.87	196.88			
Derivative assets	-	1,559.30			
Other Non-Current financial assets	4,230.73				
Other Current financial assets	852.39				
	5,43,656.75	**1,756.18**	**4,719.01**	**2,961.77**	**-**

Particulars	March 31, 2017 INR	March 31, 2017 USD	March 31, 2017 TND[1]	March 31, 2017 CAD[1]	March 31, 2017 Others[1]
Financial liabilities					
Long term borrowings	-	5,187.09			
Short term borrowings	70,149.76				
Trade and other payables	49,912.25	10,427.25			80.93
Derivative liabilities		293.60			
Other Current financial liabilities	24,503.99	5,187.08			
	1,44,566.01	**21,095.02**	**-**	**-**	**80.93**

The currency profile **in INR** of financial assets and financial liabilities as at March 31, 2016 and April 1, 2015 are as below:

Particulars	March 31, 2016 INR	March 31, 2016 USD	March 31, 2016 TND[1]	March 31, 2016 CAD[1]	March 31, 2016 Others[1]
Financial assets					
Cash and cash equivalents	3,139.94				
Other bank balances	1,033.04				
Non-current investments	1,61,263.43		5,392.43	7,328.49	
Non current loans and advances	10,974.06				
Current loans and advances	1,675.84				
Trade and other receivables	3,28,775.11	185.40			
Derivative assets	-	3,516.63			
Other non current financial assets	3,897.37				
Other Current financial assets	1,179.15				
	5,11,937.94	**3,702.03**	**5,392.43**	**7,328.49**	**-**
Financial liabilities					
Long term borrowings	-	10,613.26			
Short term borrowings	1,08,422.19				
Trade payables	45,517.71	10,846.18			15.10
Derivative liabilities	-	232.28			
Other Current financial liabilities	15,861.89	9,728.83			
	1,69,801.79	**31,420.55**	**-**	**-**	**15.10**

(₹ in lakhs)

Particulars	April 1, 2015 INR	April 1, 2015 USD[1]	April 1, 2015 TND[1]	April 1, 2015 CAD[1]	April 1, 2015 Others[1]
Financial assets					
Cash and cash equivalents	3,527.32				
Other bank balances	32,309.03				
Non-current investments	1,67,651.83		14,877.31	2,140.39	
Non current loans and advances	9,975.23				
Current loans and advances	3,068.20				
Trade and other receivables	1,92,287.77	101.70			21.86
Derivative assets	-	2,993.53			
Other non current financial assets	3,780.33				
Other Current financial assets	3,560.98				
	4,16,160.69	**3,095.23**	**14,877.31**	**2,140.39**	**21.86**

(₹ in lakhs)

Particulars	April 1, 2015 INR	April 1, 2015 USD1	April 1, 2015 TND1	April 1, 2015 CAD1	April 1, 2015 Others1
Financial liabilities					
Long term borrowings	-	19,194.51			
Short term borrowings	51,068.40				
Trade payables	30,751.59	4,503.39	-	-	36.10
Derivative liabilities	-	5.26			
Other Current financial liabilities	11,983.13	4,172.72			
	93,803.12	**27,875.88**	**-**	**-**	**36.10**

1 - The figures are in INR Equivalent of respective currency

The following significant exchange rates have been applied during the year.

	Year-end spot rate		
INR	March 31, 2017	March 31, 2016	April 1, 2015
USD 1	66.33	66.33	62.59
TND 1	29.55	32.85	31.66
CAD 1	50.21	50.37	49.35

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	31-Mar-16		31-Mar-16		01-Apr-15	
Effect in INR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
10% movement						
USD	829.95	(1,899.35)	(1,535.01)	(5,223.70)	(573.06)	(5,095.17)
TND	471.90	(471.90)	539.24	(539.24)	1,201.91	(1,201.91)
CAD	312.67	(312.67)	732.85	(732.85)	214.04	(214.04)

Financial instruments – Fair values and risk management

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. Company has long term borrowings at variable rate of interest However, the same is hedged through interest rate swaps. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(₹ in lakhs)

Particulars	March 31, 2017	March 31, 2016
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	5,187.09	10,613.26
Total	5,187.09	10,613.26

Notes to the Consolidated Financial Statements

Capital Management

The parent Company manages its capital to ensure that it will be able to continue as a Going Concern while maximising the return to stakeholders through optimisation of the Debt and Equity Balance.

The parent Company is subject to externally imposed capital requirements as part of its debt covenants such as maintaining an interest coverage ratio of 4 times, a Debt Service Coverage ratio of 1.75 times, Net external debt to EBDITA ratio of 2.75 times, Total leverage ratio of 1.5 times and an external gearing ratio of 1 time.

The parent Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital by computing the above ratios on an annual basis and ensuring that the same is in Compliance with the requirements of the Financial Covenants.

Above mentioned ratios at the end of the reporting period was as follows:

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
EBIT	43,158.88	62,139.68
Gross finance charges	5,670.79	2,887.06
Interest coverage ratio	7.61	21.52
EBITDA	53,502.00	71,883.84
Debt service	13,810.80	6,628.35
Debt service coverage ratio	3.87	10.84
Net external borrowings	10,106.47	1,26,351.07
EBITDA	53,502.00	71,883.84
Net external debt / EBITDA	0.19	1.76
Total debt	1,92,709.49	2,31,212.49
Tangible net worth	4,90,382.40	4,90,105.35
Total leverage	0.39	0.47
External debt	1,02,815.94	1,54,553.28
Tangible net worth	4,90,382.40	4,90,105.35
External gearing	0.21	0.32

Note - 43 Research & Development Expenses

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Capital*	9.09	16.80
Recurring**	1,158.71	1,256.20
Total	**1,167.80**	**1,273.00**
*Capital Expenses included in Fixed Asset Note No. 11	9.09	16.80
**Recurring Expenses included in		
Note No. 34 Employee Benefit expenses	1,133.72	1,171.15
Note No. 36 Other expenses	24.99	85.05

Note - 44 Corporate Social Responsibility

The aggregate amount of expenditure incurred during the year on Corporate Social Responsibility is Rs 1099.74 lacs for the financial year 2016-17(Previous year 2015-16 :Rs 1222.20 Lacs).

Particulars	As at 31st March, 2017	As at 31st March, 2016
Average profit of the company for the last 3 years	49,816.80	61,110.00
Prescribed CSR expenditure @ 2%	996.34	1,222.20

Note - 45 Government grants and subsidies

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Revenue from operation (Note-29) includes:-			
Subsidy from Government of India under New Urea Policy/ Retention Price Scheme/Nutrient Based Subsidy Scheme :-			
Pertaining to current year	1,48,245.00	1,80,006.00	N.A
Pertaining to earlier years determined during current year	(2,541.00)	10,173.00	N.A
Trade Receivables (Note-12) includes:-			
Subsidy from Government of India under New Urea Policy/ Retention Price Scheme/Nutrient Based Subsidy Scheme* :-			
Outstanding for a period exceeding six months from due date	1,48,771.00	1,31,769.00	98,097.00
Outstanding for a period not exceeding six months from due date	43,822.00	1,06,425.00	44,403.00

*The above amount includes outstanding subsidy on Ammonium Sulphate fertilizer Rs 98656 lakhs (previous year Rs 84375 lakhs), pending finality of matter in the court.

In March, 2013, the Department of Fertilizers (DoF) had sought to recover subsidy on Ammonium Sulphate (AS subsidy) under the Nutrient Based Subsidy Scheme (NBS Scheme) and stopped further disbursal of the AS subsidy to the Company, against which the Company had filed a writ petition in the Honorable Delhi High Court. However, The company was also in dialogue with DoF and took various steps for resolution of the matter. The matter progressed well during the year and finally in March 17, Government accepted the claim of the Company favourably. Consequently, company has withdrawn the writ petition. The DoF has agreed to release the Company's withheld AS subsidy of Rs. 28,837 lacs for the period from 1st April 2010 to 17th March 2013 (after adjusting Rs. 3,378 lacs). Further, the DoF, vide its Office Memorandum dated 15th March, 2017, has allowed AS produced by the Company to be included in the NBS Scheme effective from 6th March 2017. As regards, the Company's AS subsidy claims for the period from 18th March 2013 to 5th March 2017 of Rs. 66,287 lacs, the DoF, in coordination with Fertilizer Industry Coordination Committee (FICC) has agreed to examine the eligibility of the claims based on the cost data provided by the Company. In April / May, 2017, the Company has submitted the cost data and is reasonably certain that its AS subsidy claims for the said period, which claims are in line with the claims recently agreed for period from 1st April 2010 to 17th March 2013, will be agreed by the DoF. The outstanding receivable on account of the AS subsidy was Rs. 98,656 lacs, Rs. 84,083 lacs and Rs. 65,247 lacs as on 31st March 2017, 31st March 2016 and 1st April 2015, respectively.

NOTE: 46 - Details on derivative instruments and unhedged foreign currency exposure

(I) (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, 2017

Currency	Amount (in Mn)	Buy / Sell	Cross currency
USD	3.00	Buy	Rupees
USD	(10.00)	Buy	Rupees

Note: Figures in brackets relate to the previous year

(ii) Outstanding option contracts entered into by the Company as on 31 March, 2017

Currency	Amount (in Mn)	Buy / Sell	Cross currency
USD	29.72	Buy	Rupees
USD	(38.02)	Buy	Rupees
USD	29.72	Sell	Rupees
USD	(38.02)	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:1, Amount: USD 16.00 Mn Principal (As at 31 March, 2016: No. of contracts:2, Amount: USD 30.67 Mn 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	54.21	Buy	Rupees
USD	(61.37)	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 0.73 Mn (As at March 31, 2016: USD 6.06 Mn)

NOTE: 47 Specified bank notes:

During the year, the Company had Specified Bank Notes(SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017.The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016,the denomination wise SBNs and other notes as per the notification are as follows :

Amount in ₹

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016			
Particulars	**SBNs**	**Other denomination notes**	**Total**
Closing cash in hand as on 08.11.2016	77,17,000.00	23,54,523.00	1,00,71,523.00
(+) Permitted receipts	-	36,83,40,479.00	36,83,40,479.00
(+) Other receipts	54,27,500.00	-	54,27,500.00
(-) Permitted payments	1,500.00	8,41,92,221.00	8,41,93,721.00
(-) Other payments	3,500.00	-	3,500.00
(-) Amount deposited in Banks	1,31,39,500.00	27,95,67,075.00	29,27,06,575.00
Closing cash in hand as on 30.12.2016	-	69,35,706.00	69,35,706.00

Note - 48: Interest in other entities

a) Subsidiaries

The Company's subsidiaries at 31 March 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Name of Entity	Place of business	% of ownership interest			Principal activities
		31 March 2017	31 March 2016	1 April 2015	
GSFC Agrotech Limited (GATL)	India	100.00%	100.00%	100.00%	Manufacturing of LBF, tissue culture,SAG,SAL & trading of Agro inputs.

b) Associates

Set out below are the associates of the Company as at 31 March 2017 which, in the opinion of the directors, are material to the Company. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Notes to the Consolidated Financial Statements

(₹ in Lakhs)

Name of Entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying Amount		
					31 March 2017	31 March 2016	1 April 2015
Vadodara Enviro Channel Limited (note 1)	India	28.57%	Associate	Equity Method	306.15	287.92	247.17
Gujarat Green Revolution Company Limited (note 2)	India	46.87%	Associate	Equity Method	5,376.72	4,714.30	3,996.76
Karnalyte Resources Inc (note 3)	Canada	21.50%	Associate	Equity Method	2,961.77	-	-
Total equity accounted investments					**8,644.64**	**5,002.22**	**4,243.93**

Name of Entity	Place of business	% of ownership interest	Relationship	Accounting method	Quoted fair values		
					31 March 2017	31 March 2016	1 April 2015
Vadodara Enviro Channel Limited (note 1)	India	28.57%	Associate	Equity Method	*	*	*
Gujarat Green Revolution Company Limited (note 2)	India	46.87%	Associate	Equity Method	*	*	*
Karnalyte Resources Inc (note 3)	Canada	21.50%	Associate	Equity Method	2,092.50	-	-
Total equity accounted investments					**2,092.50**	**-**	**-**

* Unlisted entity - no quoted price available

1 Vadodara Enviro Channel Limited was formed to administer the safe disposal of treated wastewater through Effluent Channel Project.

2 Gujarat Green Revolution Company Limited (GGRCL) is appointed as a nodal agency by Government of Gujarat, for passing on the subsidy received from the State and the Central Government for installation of Micro Irrigation System (MIS) to farmers in the State of Gujarat.

3 Karnalyte Resources Inc is engaged in development of its property and planned construction of a production facility and development of a potash mine.

Commitments and contingent liabilities in respect of associates

(₹ in Lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Commitments - associates	-	32.34	77.93
Contingent liabilities - associates	4184.94	5,607.19	5,486.82
Total commitments and contingent liabilities	**4,184.94**	**5,639.53**	**5,564.75**

Summarised financial information for associate

The tables below provide summarised financial information for those associates that are material to the Company. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Company's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

(₹ in Lakhs)

Particulars	31 March 2017			31 March 2016		1 April 2015	
	KRI	VECL	GGRCL	VECL	GGRCL	VECL	GGRCL
Total current assets	7707.90	3,340.45	37,366.34	3,091.29	48,055.33	2,436.31	46,627.22
Total non-current assets	2841.69	2,916.95	2,208.40	2,874.21	1,247.11	2,926.41	1,044.42
Total current liabilities	114.22	1,098.58	27,699.09	825.70	38,949.88	655.95	38,799.25
Total non-current liabilities	75.98	121.52	54.08	62.52	45.76	109.11	24.29
Adjustment-Member'Capital Contribution & Capital Reserve	-	3,904.57	-	4,008.32	-	3,671.32	-
Net Assets	**10,359.39**	**1,132.73**	**11,821.57**	**1,068.96**	**10,306.80**	**926.34**	**8,848.10**

Notes to the Consolidated Financial Statements

Reconciliation to carrying amounts

(₹ in Lakhs)

Particulars	31 March 2017			31 March 2016	
	KRI	VECL	GGRCL	VECL	GGRCL
Net assets	10,359.39	1,132.73	11,821.57	1,068.96	10,306.80
Company's Share in %	21.50%	28.57%	46.87%	28.57%	46.87%
Company's Share in INR	2,227.27	323.62	5,540.94	305.40	4,830.94
Goodwill/Capital Reserve	734.17	(17.48)	(164.22)	(17.48)	(164.22)
Adjustment	-	-	-	-	47.57
Carrying amount	**2,961.44**	**306.14**	**5,376.72**	**287.92**	**4,714.29**

Summarised statement of profit and loss for the year ended on 31 March 2016

(₹ in Lakhs)

Particulars	31 March 2017			31 March 2016	
	KRI	VECL	GGRCL	VECL	GGRCL
Revenue	-	1,269.40	3,714.27	1,227.50	1,158.20
Profit for the year	(3,298.72)	95.48	1,598.04	107.73	1,513.90
Other comprehensive income	-	-	-	-	-
Total comprehensive income	**(3,298.72)**	**95.48**	**1,598.04**	**107.73**	**1,513.90**
Dividend received	-	-	6.25	-	6.25

Note - 49

ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

(₹ in Lakhs)

Name of the entity in the group	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated net profit/ (loss)	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Parent								
Gujarat State Fertilisers and Chemicals Limited								
31 March 2017	98.66%	6,52,995.16	98.52%	41,816.34	100.00%	75,524.35	99.47%	1,17,340.69
31 March 2016	99.06%	5,49,236.95	97.94%	40,738.17	100.00%	(21,004.54)	95.83%	19,733.63
Subsidiaries								
Indian								
GSFC Agrotech Limited								
31 March 2017	0.04%	254.70	0.27%	114.33	0.00%	-	0.10%	114.33
31 March 2016	0.04%	235.74	0.24%	100.26	0.00%	-	0.49%	100.26
Associates (Investments as per the equity method)								
Indian								
Vadodara Enviro Channel Limited								
31 March 2017	0.05%	306.15	0.04%	18.23	0.00%	-	0.02%	18.23
31 March 2016	0.05%	287.92	0.10%	40.75	0.00%	-	0.20%	40.75
Gujarat Green Revolution Company Limited								
31 March 2017	0.81%	5,376.72	1.59%	662.42	0.00%	-	0.56%	662.42
31 March 2016	0.85%	4,714.30	1.72%	717.54	0.00%	-	3.48%	717.54
Foreign								
Karnalyte Resources Inc.								
31 March 2017	0.45%	2,961.77	-0.40%	(164.92)	0.00%	-	-0.14%	(164.92)
Total								
31 March 2017	**100.00%**	**6,61,894.51**	**100.00%**	**42,446.40**	**100.00%**	**75,524.35**	**100.00%**	**1,17,970.75**
31 March 2016	**100.00%**	**5,54,474.91**	**100.00%**	**41,596.72**	**100.00%**	**(21,004.54)**	**100.00%**	**20,592.18**

Note - 50 Transition to Ind AS:

These financial statements, for the year ended 31 March 2017, are the first the company has prepared in accordance with Ind-AS. For periods up to and including the year ended 31 March 2016, the company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the “transition date”).

In preparing our opening Ind AS balance sheet, we have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made under IGAAP except where required by Ind AS.

I. First time adoption of Ind AS

The Consolidated financial statements for the year ended March 31, 2017 and year ended March 31, 2016 have been prepared in accordance with Ind AS as issued and effective as at March 31, 2017 and March 31, 2016 respectively. The Company’s opening Ind AS balance sheet was prepared as at 1 April 2015, the Company’s date of transition to Ind AS. In preparing the opening balance sheet, the Company has applied the mandatory exceptions and certain optional exemptions from full retrospective application of Ind AS in accordance with the guidance in Ind AS 101 - ‘First Time Adoption of Indian Accounting Standards’.

This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements to Ind AS, in the opening balance sheet as at April 1, 2015 and in the financial statements as at and for the year ended 31 March 2016 and as at and for the period ended March 31, 2017.

II. Exemptions from retrospective application

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(a) Deemed cost for Property, Plant and Equipment (PPE) and Intangible assets

The Company has elected to measure all the items of PPE and intangible assets at its previous GAAP carrying values which shall be the deemed cost as at the date of transition. As per FAQs issued by Accounting Standards Board (ASB) by Ind AS Transition Facilitation Group of IndAS (IFRS) Implementation Committee of ICAI, deemed cost, is the amount used as a surrogate for the cost or depreciated cost and for the purpose of subsequent depreciation or amortisation, deemed cost becomes the cost as the starting point. Information regarding gross block of assets, accumulated depreciation and provision for impairment under Previous GAAP has been disclosed by way of a note forming part of the financial statements. (Refer Note 5)

(b) Deemed cost for Investments in subsidiaries and jointly controlled entities

The Company has elected to measure its investments in subsidiaries and joint ventures at its previous GAAP carrying values which shall be the deemed cost as at the date of transition.

(c) Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 D*etermining whether an arrangement contains a lease,* to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

The remaining voluntary exemptions as per Ind AS 101-First time adoption either do not apply or are not relevant to the Company.

III. Exceptions from full retrospective application:

The Company has applied the following mandatory exceptions from retrospective application.

Estimates

On an assessment of the estimates made under Indian GAAP the Company has concluded that there was no necessity to revise the estimates under Ind AS except where estimates were required by Ind AS and not required by Previous GAAP or the basis of measurement were different.

The remaining mandatory exceptions either do not apply or are not relevant to the Company.

IV. Reconciliations under Ind AS 101

(a) Effect of Ind AS adoption on the consolidated balance sheet as at April 01, 2015

(₹ in lakhs)

Particulars	Note ref.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment	7	1,94,860.34	(30,840.47)	1,64,019.87
Capital work-in-progress		26,124.11		26,124.11
Intangible assets		953.20		953.20
Financial assets				
Non-current investments	2	89,791.51	94,878.02	1,84,669.53
Loans	2	12,733.18	(2,757.95)	9,975.23
Other non current financial assets	11	3,790.36	(10.03)	3,780.33
Income tax assets (net)	12	5,671.87	(1,837.56)	3,834.31
Other non-current assets	7	5,605.53	31,555.51	37,161.04
Total non current assets		**3,39,530.10**	**90,987.52**	**4,30,517.62**
Current Assets				
Inventories	9	63,401.80	(4,190.05)	59,211.75
Financial Assets				
Trade and other receivables	10	1,93,028.26	(616.93)	1,92,411.33
Cash and cash equivalents		3,527.32	-	3,527.32
Other bank balances		32,309.03	-	32,309.03
Loans		3,068.20	-	3,068.20
Other current financial assets	6	6,532.76	21.75	6,554.51
Other current assets	7 & 6	8,307.12	47.18	8,354.30
Total current assets		**3,10,174.49**	**(4,738.05)**	**3,05,436.44**
Assets classified as held for sale		**308.45**	**-**	**308.45**
TOTAL ASSETS		**6,50,013.04**	**86,249.47**	**7,36,262.51**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		7,969.55	-	7,969.55
(b) Other equity		4,42,568.71	93,895.63	5,36,464.34
Retained earnings		36,300.05	5,018.79	41,318.84
Reserves representing unrealized gains / losses	2 & 3	-	88,876.84	88,876.84
Other reserves		4,06,268.66	-	4,06,268.66
Equity attributable to equity holders of the parent		4,50,538.26	93,895.63	5,44,433.89
Non-controlling interests		-	-	-
Total equity		**4,50,538.26**	**93,895.63**	**5,44,433.89**
Non current liabilities				
Financial liabilities				
Long term borrowings	5	19,194.51	-	19,194.51
Long term provisions	3 & 8	17,471.97	3,654.43	21,126.40
Deferred tax liabilities(net)	1	27,615.01	(707.98)	26,907.03
Total non current liabilities		**64,281.49**	**2,946.45**	**67,227.94**

Particulars	Note ref.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
Current liabilities				
Financial liabilities				
Short term borrowings	5	51,068.40	-	51,068.40
Trade and other payables		35,291.08	-	35,291.08
Other financial liabilities	5 & 6	16,202.56	(41.45)	16,161.11
Other current liabilities		4,318.10	-	4,318.10
Short term provisions	4	16,564.29	(10,551.16)	6,013.13
Liabilities for current tax	12	11,748.86	-	11,748.86
Total current liabilities		**1,35,193.29**	**(10,592.61)**	**1,24,600.68**
Total liabilities		**1,99,474.78**	**(7,646.16)**	**1,91,828.62**
Total Equity and Liabilities		**6,50,013.04**	**86,249.47**	**7,36,262.51**

(b) Effect of Ind AS adoption on the consolidated balance sheet as at March 31, 2016 (₹ in lakhs)

Particulars	Note ref.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment	7	1,95,139.36	(30,515.73)	1,64,623.63
Capital work-in-progress		40,478.36	-	40,478.36
Intangible assets		946.13	-	946.13
Financial Assets				-
Non-current investments	2	93,366.91	80,617.44	1,73,984.35
Loans	2	10,974.06	-	10,974.06
Other non current financial assets	11	3,921.86	(24.49)	3,897.37
Income tax assets (net)	12	5,986.40	(1,837.56)	4,148.84
Other non-current assets	7	5,089.56	31,197.29	36,286.85
Total non current assets		**3,55,902.64**	**79,436.95**	**4,35,339.59**
Current Assets				
Inventories	9	62,800.51	(4,190.05)	58,610.46
Financial Assets				
Trade and other receivables	10	3,30,818.35	(1,857.84)	3,28,960.51
Cash and cash equivalents		3,139.94	-	3,139.94
Other bank balances		1,033.04	-	1,033.04
Loans		1,675.84	-	1,675.84
Other current financial assets	6	4,606.07	89.71	4,695.78
Other current assets	7 & 6	5,308.16	(45.91)	5,262.25
Total current assets		**4,09,381.91**	**(6,004.09)**	**4,03,377.82**
Assets classified as held for sale		**308.45**	**-**	**308.45**
TOTAL ASSETS		**7,65,593.00**	**73,432.87**	**8,39,025.86**

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Note ref.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		7,969.55	-	7,969.55
(b) Other equity		4,70,760.70	75,744.66	5,46,505.36
Retained earnings		37,492.04	(5,080.85)	32,411.19
Reserves representing unrealized gains / losses	2 & 3	-	80,825.51	80,825.51
Other reserves		4,33,268.66	-	4,33,268.66
Equity attributable to equity holders ofthe parent		4,70,760.70	75,744.66	5,46,505.36
Non-controlling interests		-	-	-
Total equity		**4,78,730.25**	**75,744.66**	**5,54,474.91**
Non current liabilities				
Financial liabilities				
Long term borrowings	5	10,613.26	-	10,613.26
Long term provisions	3 & 8	22,282.61	17,708.73	39,991.34
Deferred tax liabilities(net)	1	25,598.85	(9,417.57)	16,181.28
Total non current liabilities		**58,494.72**	**8,291.16**	**66,785.88**
Current liabilities				
Financial liabilities				
Short term borrowings	5	1,08,422.19	-	1,08,422.19
Trade and other payables		56,378.99	-	56,378.99
Other financial liabilities	5 & 6	25,874.79	(51.79)	25,823.00
Other current liabilities		4,569.84	-	4,569.84
Short term provisions	4	19,052.35	(10,551.16)	8,501.19
Liabilities for current tax	12	14,069.86	-	14,069.86
Total current liabilities		**2,28,368.02**	**(10,602.95)**	**2,17,765.07**
Total liabilities		**2,86,862.74**	**(2,311.79)**	**2,84,550.95**
Total Equity and Liabilities		**7,65,593.00**	**73,432.86**	**8,39,025.86**

(c) Effect of Ind AS adoption on the consolidated statement of profit and loss for the year ended March 31, 2016

(₹ in lakhs)

Particulars	Note ref.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
Revenue				
I. Revenue from Operations (Gross)	13	6,16,332.65	16,314.75	6,32,647.40
II. Other income	11 & 14	6,420.82	92.35	6,513.17
III. Total Income (I+II)		**6,22,753.47**	**16,407.10**	**6,39,160.57**
IV. Expenses				
Cost of materials consumed		3,13,398.22	-	3,13,398.22
Purchase of Traded Goods	13	73,192.46	(3,185.95)	70,006.51
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(3,481.44)	-	(3,481.44)

Notes to the Consolidated Financial Statements

(₹ in lakhs)

Particulars	Note ref.	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per Ind AS
Power and fuel expenses		50,707.82	-	50,707.82
Excise duty	13	-	21,812.74	21,812.74
Employee Benefits Expenses	3	53,747.19	(5,860.58)	47,886.61
Finance costs	7 & 8	3,021.21	110.03	3,131.24
Depreciation and Amortization Expenses	7	10,071.57	(324.76)	9,746.81
Other Expenses	6,7,13	67,284.36	(684.40)	66,599.96
Total Expenses (IV)		**5,67,941.39**	**11,867.08**	**5,79,808.47**
V. Profit/(loss) before Exceptional Items and Tax (III - IV)		**54,812.08**	**4,540.02**	**59,352.10**
VI. Share of profit of Associates		**758.29**		**758.29**
VII. Exceptional Items		**-**	**-**	**-**
VIII. Profit/(loss) before Tax (V - VI)		**55,570.37**	**4,540.02**	**60,110.39**
IX. Tax expense:				
1. Current Tax		(18,843.38)	-	(18,843.38)
2. Deferred Tax	1	2,016.16	(1,686.45)	329.71
X. Profit/(Loss) for the period from continuing operations (VII- VIII)		**38,743.15**	**2,853.57**	**41,596.72**
XI. Profit/(Loss) for the period from discontinued operations		**-**	**-**	**-**
XII. Tax expense of discontinued operations		**-**	**-**	**-**
XIII. Profit/(Loss) from Discontinued operations after tax (X - XI)		**-**	**-**	**-**
XIV. Profit/(Loss) for the period (IX + XII)		**38,743.15**	**2,853.57**	**41,596.72**
XV. Other comprehensive income				
(A) Items that will be reclassified to profit or loss		-	-	-
Net other comprehensive income that will be reclassified to profit or loss		-	-	-
Income tax related to items that will not be reclassified to profit or loss		-	-	-
(B) Items that will not be reclassified to profit or loss				
Re-measurement gains/ (losses) on defined benefit plans		-	(19,808.55)	(19,808.55)
Income tax effect		-	6,855.34	6,855.34
		-	**(12,953.21)**	**(12,953.21)**
Net (loss)/gain on FVTOCI equity Securities	2	-	(11,592.04)	(11,592.04)
Income tax effect		-	3,540.71	3,540.71
		-	**(8,051.33)**	**(8,051.33)**
Net other comprehensive income that will not be reclassified to profit or loss	2	**-**	**(21,004.54)**	**(21,004.54)**
XV. Total comprehensive income for the period (XIII + XIV)		**38,743.15**	**(18,150.97)**	**20,592.18**

(d) Reconciliation of total equity as at March 31, 2016 and April 01, 2015: (₹ in lakhs)

Particulars	Note	31-Mar-16	1-Apr-15
Balance of equity as per previous GAAP		4,78,730.25	4,50,538.26
Fair valuation of quoted & unquoted investments	2	80,528.02	92,120.07
Proposed dividend and related distribution tax	4	10,551.16	10,551.16
Fair valuation of derivatives	6	19.03	38.37
Initial recognition of financial asset deposits at fair value	11	(1.35)	(0.60)
Actuarial loss	3	(13,947.97)	-
Allowance for expected credit loss	10	(1,857.84)	(616.93)
Machinery spares	9	(4,190.05)	(4,190.05)
Asset retirement obligation (ARO)	8	(700.45)	(551.50)
Fair valuation of guarantee given	14	89.41	-
Unrecognised past service cost of Compensated Absences	3	(2,325.31)	(2,325.31)
Tax impact on Ind AS adjustments (including tax on undistributed profits)	1	7,580.01	(1,129.58)
Increase/(decrease) in equity		**75,744.66**	**93,895.63**
Closing balance of equity		**5,54,474.91**	**5,44,433.89**

(e) Thre were no significant reconciliation items between cash flows prepared under India GAAP and those prepared under Ind AS.

Notes to the reconciliation:

1 Deferred tax assets (net) :

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

The above changes decreased/(increased) the deferred tax liability as follows:

Particulars	Note	31-Mar-16	1-Apr-15
Fair valuation of quoted investments	2	(10.05)	(10.52)
Fair valuation of unquoted investments	2	671.98	(2,868.25)
Fair valuation of derivatives	6	(6.59)	(13.28)
Fair valuation of deposits	11	0.47	0.21
DT on Undistributed Profit		(1,043.12)	(896.94)
Actuarial loss recognised	3	4,827.11	-
Machinery spares	9	1,450.09	1,450.09
Allowance for expected credit loss	10	642.96	213.51
Asset Retirement Obligation	8	242.41	190.86
Unrecognised past service cost of Compensated Absences	3	804.74	804.74
MAT reclassification	12	1,837.56	1,837.56
(Increase)/decrease in deferred tax liability		**9,417.57**	**707.98**

2 FVTOCI financial assets :

Under Indian GAAP, long term investments were measured at cost less diminution in value which is other than temporaray. Under Ind AS, these financial assets have been classified as FVTOCI. On the date of transition to

Ind AS, these financial assets have been measured at their fair value and the restatement gain / (loss) has been taken to Other Comprehensive Income (OCI).

3 Employee benefits :

Both under Indian GAAP and Ind-AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind-AS, remeasurements [comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Further, under Ind AS, past service cost is recognised as expense when the plan amendment occures while under prevoius GAAP, the same was recognised as expense on a straight-line basis over the average period untill the benefits become vested.

4 Proposed dividend :

Under Indian GAAP, dividends on equity shares recommended by the Board of Directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised when declared by the members in a General Meeting.

5 Loans and borrowings :

Under Indian GAAP, transaction costs incurred in connection with interest bearing loans and borrowings are amortised upfront and charged to profit or loss for the period. Under Ind-AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method. All borrowings are subsequently measured at amortised cost.

6 Fair valuation of derivatives :

Under Indian GAAP, accounting for derivative contracts was done per AS-11. 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. Under Ind AS, the open derivative contracts have been fair valued as on the date of transition and subsequently as at 31 March 2016 and as at 31 March 2017 as per the provisions of Ind AS 109.

7 Lease :

Under Indian GAAP, upfront amount paid for interests in land was recorded as lease hold land under Property Plant and Equipments, whereas under Ind AS, it is classified as an operating lease and prepayment for the operating lease is recognised as non-current asset and amortised over the period of lease.

8 Asset Retirement Obligation :

Under Ind AS, the initial estimates of the costs of dismantling and of removing the item of Property, Plant and Equipment and restoring the site on which it is located is required to be included in the cost of the respective item of property, plant and equipment. Under previous GAAP, there was no such requirement and cost incurred as and when was charged to Statement of profit and loss.

9 Machinery Spares :

The adjustments relates to recognition of spare parts in accordance with Ind AS 16 when they meet the definition of property, plant and equipment. Under previous GAAP, these items were carried as inventory. The adjustment is on account of depreciation on classifying the same as property, plant and equipment from the date they are available for use.

10 Allowance for Doubtful Debt :

Under Ind AS, expected life time credit provision is made on trade receivables. Under previous GAAP, the provision for doubtful debts was made using ageing analysis and an individual assessment of recoverability.

11 Interest free deposits :

Under Indian GAAP, interest free security deposits (that are refundable on completion of the contract) are recorded at their transaction value. Under Ind AS, all financial assets are to be recorded at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and the transaction value of the security deposits has been recognised in prepaid expenses.

12 Current tax assets and liabilities :

Taxation recoverable and taxation liabilities grouped under Long term loans and advances and Short term provision respectively in Indian GAAP has been shown separately on the face of Balance Sheet in Ind AS.

13 Sale of goods :

(i) Excise duty :

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss.

(ii) Cash discounts to customers :

Under Indian GAAP, cash discounts given to customers were presented as part of other expenses. Under Ind AS, the same has been netted off from revenue.

(iii) Swap of similar goods :

Under Indian GAAP, the goods exchanged or swapped which are of similar in nature and in value terms were recorded as Revenue and Purchases respectively. Under Ind AS, When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction which generates revenue, and hence such transactions has been set off against each other which has no impact on statement of profit and loss.

14 Fair valuation of guarantee :

The adjustment relates to the fair value of the guarantee given by the Company based on the fee that it would be required to pay to a market participant, i.e. a bank to provide a similar guarantee.

In terms of our report attached

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

Gaurav J. Shah
Partner
Membership No. 35701

Gandhinagar
29th May, 2017

D. C. Anjaria
Director

Vasant Gandhi
Director

Gandhinagar
29th May, 2017

A M Tiwari
Managing Director

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 31.03.2017)	3,00,00,000
6	Reserves & surplus (as on 31.03.2017)	2,59,19,063
7	Total assets (as on 31.03.2017)	12,56,38,929
8	Total Liabilities (as on 31.03.2017)	6,97,19,866
9	Investments (as on 31.03.2017)	Nil
10	Turnover (FY 2016-17)	19,05,69,438
11	Profit before taxation (FY 2016-17)	1,70,85,409
12	Provision for taxation (FY 2016-17)	56,52,473
13	Profit after taxation (FY 2016-17)	1,14,32,936
14	Proposed Dividend (FY 2016-17)	Nil
15	% of shareholding (as on 31.03.2017)	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	None
2	Names of subsidiaries which have been liquidated or sold during the year.	None

In terms of our report attached

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

Gaurav J. Shah
Partner
Membership No. 35701

Gandhinagar
29th May, 2017

D. C. Anjaria
Director

Vasant Gandhi
Director

Gandhinagar
29th May, 2017

A M Tiwari
Managing Director

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	Karnalyte Resources Inc.
1	**Latest audited Balance Sheet Date**	31st March, 2016	31st March, 2016	Not available	31st December,2016
2	**Shares of Associates held by the company on the year end**				
	No.	12,50,000	14,302	1,15,000	60,45,861
	Amount of Investment in Associates (Rs.)	1,25,00,000	20	11,50,000	2,37,68,70,062
	Extend of Holding %	46.87%	28.57%	23.00%	21.50%
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	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.	Not Applicable
5	**(i) Networth attributable to Shareholding as per latest audited Balance Sheet**	48,15,34,982	2,96,35,912	Not available	23,10,86,225
	(ii) Networth attributable to Shareholding as per unaudited Balance sheet as on 31/03/2017 (Rs.)	55,40,93,605	3,23,63,833	Not available	22,27,60,961
6	**Unaudited Profit / Loss for the FY 2016-17 (Rs.)**	15,98,03,533	95,47,725	Not available	(45,00,35,680)
	i. Considered in Consolidation (Rs.)	15,98,03,533	95,47,725	Not available	(45,00,35,680)
	ii. Not Considered in Consolidation (Rs.)	-	-	Not available	-

In terms of our report attached

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

Gaurav J. Shah
Partner
Membership No. 35701

Gandhinagar
29th May, 2017

D. C. Anjaria
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Director

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Managing Director

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Sr. VP (Finance) & CFO

V. V. Vachhrajani
Company Secretary

Gandhinagar
29th May, 2017

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 55TH ANNUAL GENERAL MEETING of the Company held at **Cultural Centre Auditorium** situate at its Registered Office at **Fertilizernagar, District Vadodara, at 3.30 p.m. on Saturday, the 16th September, 2017.**

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

55TH ANNUAL GENERAL MEETING

Saturday, September 16, 2017 at 3.30 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 55th Annual General Meeting of the Company, to be held on Saturday, the 16th September, 2017 at 3.30 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, 2017 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, 2017.		
3.	Re-appointment of Shri Anil Mukim, who retires by rotation and being eligible, offers himself for reappointment.		
4.	Appointment and remuneration of statutory auditors.		
Special Business			
5.	Ratification of Remuneration of Cost Auditors for the Financial Year 2017-18.		

Signed this ________________ day of ________________ 2017

Member's Folio/ DP ID- Client ID No. ________________

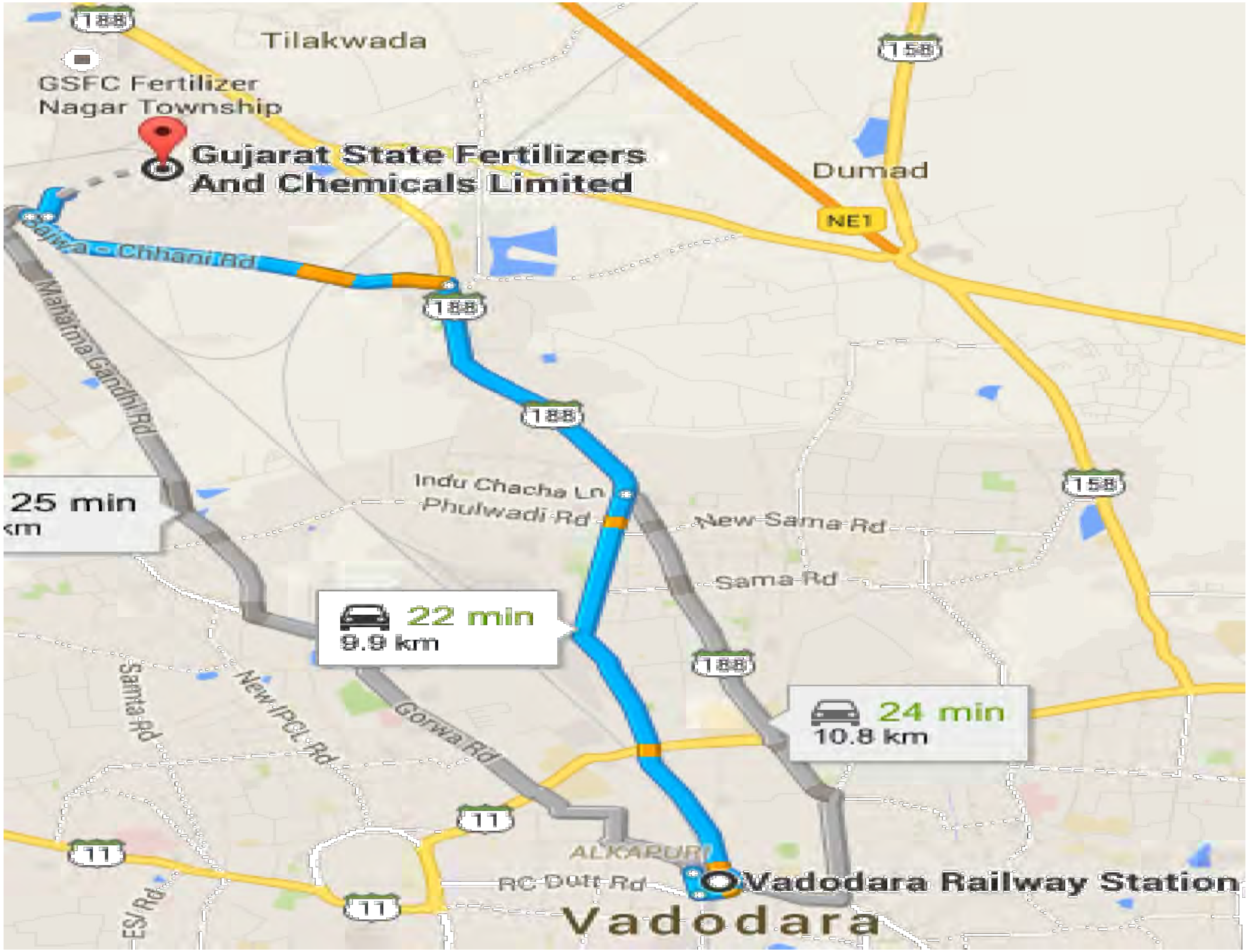
Signature of shareholder(s)________________

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 55th 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.

ROUTE MAP OF VENUE OF 55TH ANNUAL GENERAL MEETING



NOTES

NOTES

Your Company has taken following broad initiatives which shall have favorable far reaching impact on its growth :

- Maximising focus on retail business, retail depots chains have been shifted to GATL for a concentrated focus
- Various promotional schemes are planned. One such example, availing 10% discount scheme on 15th February, 2017 on account of foundation day & the business recorded was of Rs. 3 Crores in one single day.
- To consolidate presence in the market and make brands/products more visible, our company has taken up complete revamping of existing Depots. Further in the spree, five depots have been developed as Model Depots and revamping of other Depots is underway.
- To expand the reach to maximum consumers/farmers, company has taken up expansion of Retail Depot Network in Gujarat as well as Outstate/s. Five new depots have been opened in Gujarat. For further reach, opening of new depots in Rajasthan is also underway.
- To align with the Central Government's guideline on maximizing cashless transactions, 200 POS machines have already been installed at various Depots and their number shall grow gradually on need basis.
- Krishi Jivan – a widely ready monthly magazine has been revamped-the new publication has been launched with complete facelift & vibrant looks. Also magazine jaljivan of GGRC has been merged in Krishi jivan which will thus provide articles with an edge of high-tech agricultural practices with use of scientific methods. Efforts have been made to make itself-sufficient by mustering advertisements etc.
- Krishi Jivan contents are now more value added with the qaulity coverage of field activities of GSFC / GATL, success stories, Interviews of experts from diverse fields and the like.
- The Tissue Culture production facility has received "Certificate of Recognition" from Department of Biotechnology-DBT, Govt. of India.
- Expansion of Tissue Culture production capacity is taken up. A new Tissue Culture Laboratory with production capacity of 25 Lakhs plants per annum is being established which would be able to take the total production capacity upto 40 Lacs plants per annum.
- Your company is entrusted with the prestigious project viz. "Cultivation of Tissue Culture Sugarcane and Banana plants in Tribal areas of Gujarat" by the Tribal Development Department, Govt. of Gujarat.
- Development of Tissue Culture Technology for production of Parwal and Dahlia "in house" is underway. Pilot production, field testing is successfully completed for TC Parwal and Dahlia and it is ready for commercial launching.
- Company is also conducting program for "Development of Rural Entrepreneurs through hardening of Tissue Culture plants" Cashless Transaction - Yes bank 25 POS machine & SBI bank 175 POS machines installed at depot
- Company is also entrusted as implementing agency for a very significant project viz Vanbandhu Kalyan Yojna by Tribal Development Department, Government of Gujarat. Under this scheme more than 1 lakh farmers will be provided with high qaulity seeds and fertilizers.

AWARDS

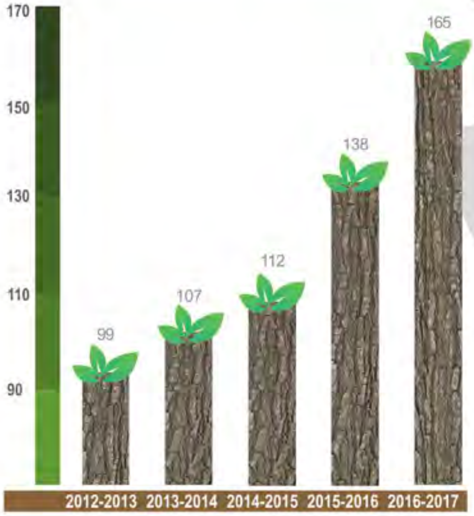
- First Place under Public Manufacturing - Mega category (14th National Awards for Excellence in Cost Management, 2016 by the Institute of Cost Accountants of India)
- Winner of 'Golden Peacock HR Excellence Award - 2016'in Chemical & Fertilizer sector
- Mahadhan Award for Crop Productivity
- FAI's special Award on Environmental Protection
- GSFC bags coveted Golden Peacock Award
- GSFC Honored with Leadership Award for Excellence in Corporate Social Welfare
- FGI Awards for "Industrial Relations" & Environmental Control
- GSFC voted as India's No. 1 Brand
- National Award for manufacturing competitiveness

MARKET PRICE PER SHARE
(FACE VALUE ₹ 2/- PER SHARE)
(AS ON 31ST MARCH OF RESPECTIVE YEAR)

EARNING PER SHARE
(FACE VALUE ₹ 2/- EACH)

PROFIT AFTER TAX (₹ CRORES)

BOOK VALUE PER SHARE
(FACE VALUE ₹ 2/- EACH)



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