41st Annual Report
2016-2017

GNFC

Chemicals • Fertilizers • IT

Gujarat Narmada Valley Fertilizers & Chemicals Limited

41ST ANNUAL GENERAL MEETING

Date : 29th September, 2017
Day : Friday
Time : 11:30 AM
Place : Open Air Theatre, Sports Complex,
Narmadanagar Township,
P.O. Narmadanagar – 392015,
District : Bharuch

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GNFC

Chemicals • Fertilizers • IT

Gujarat Narmada Valley Fertilizers & Chemicals Limited

BOARD OF DIRECTORS

(As on 16th August, 2017)

Dr. JN Singh, IAS, *Chairman*
Shri Anil Mukim, IAS
Smt. Mamta Verma, IAS
Shri CS Mani
Prof. Arvind Sahay
Shri Piruz Khambatta
Shri Sunil Parekh
Shri VD Nanavaty
Dr. Rajiv Kumar Gupta, IAS, *Managing Director*

Executive Directors

Shri YB Gandhi
Shri GC Shah
Shri DB Shah
Shri PG Dave
Shri GB Trivedi
Shri GS Maharaj

Company Secretary & General Manager (Legal)

Shri T.J. Lakhmapurkar

Chief Financial Officer & Addl. General Manager

Shri DV Parikh

Statutory Auditors

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

Cost Auditors

M/s Dalwadi & Associates
Ahmedabad.

Registered Office:

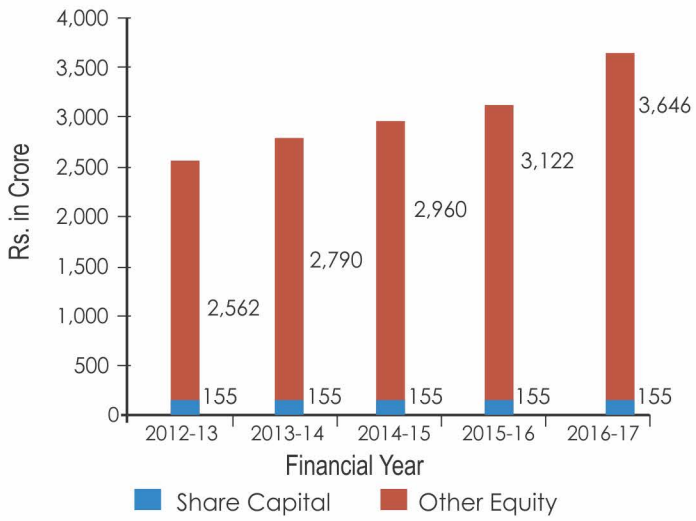
P.O. Narmadanagar – 392 015,
District : Bharuch,
Gujarat, INDIA,
Website : www.gnfc.in

FINANCIALS AT A GLANCE

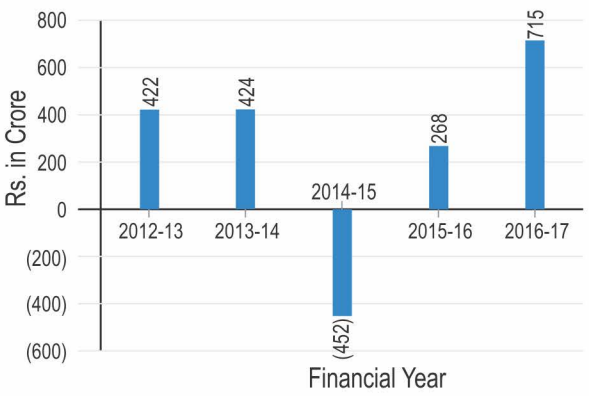
PARTICULARS	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
OPERATING RESULTS										(Rs. in Crore)
GROSS INCOME	**5,170**	5,098	4,988	5,196	4,527	4,062	3,129	2,799	3,128	3,713
PROFIT BEFORE FINANCE COST, DEPRECIATION, EXCEPTIONAL ITEMS AND TAX	**878**	815	361	662	634	582	523	360	500	698
DEPRECIATION	**251**	251	209	145	149	131	121	117	120	111
EXCEPTIONAL ITEMS	**292**	-	330	-	-	-	-	-	-	-
PROFIT/ (LOSS) BEFORE TAX	**715**	268	(452)	424	422	417	381	220	354	576
TAX	**194**	95	-	132	149	133	114	96	126	203
PROFIT/ (LOSS) AFTER TAX	**521**	173	(452)	292	273	284	267	124	228	373
TOTAL COMPREHENSIVE INCOME	**561**	162	-	-	-	-	-	-	-	-
DIVIDEND & DIVIDEND TAX	**94**	37	-	64	64	63	59	59	59	77
AMOUNT PER SHARE										(Rs.)
SALES	**317**	311	318	331	289	259	192	175	197	235
EARNING	**33.54**	11.11	(29.09)	18.81	17.57	18.26	17.15	7.97	14.64	23.99
EQUITY DIVIDEND	**5.00**	2.00	-	3.50	3.50	3.50	3.25	3.25	3.25	4.25
DIVIDEND %	**50.00**	20.00	-	35.00	35.00	35.00	32.50	32.50	32.50	42.50
BOOK VALUE	**244.60**	210.88	200.45	189.52	174.81	161.34	147.14	133.77	129.58	118.74
MARKET PRICE : HIGH	**295.70**	89.00	113.95	90.55	89.50	114.20	146.20	135.70	177.20	231.00
LOW	**78.45**	50.00	65.00	59.05	69.80	70.65	88.30	60.00	48.00	86.50

FINANCIAL HIGHLIGHTS

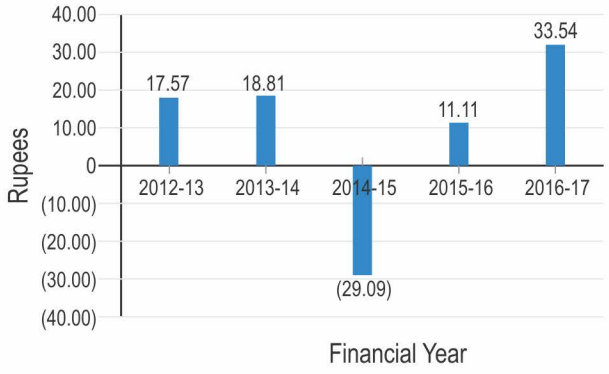
Share Capital - Other Equity



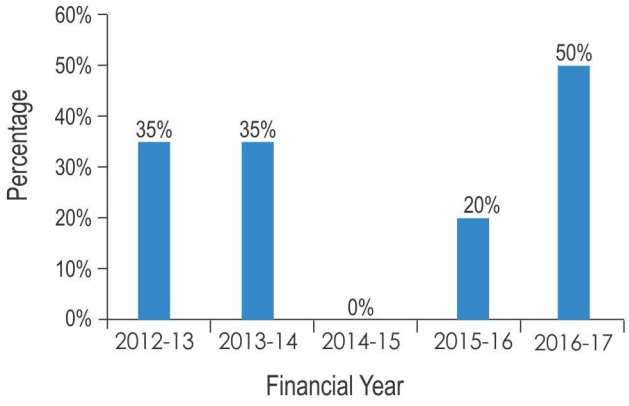
Profits before Tax



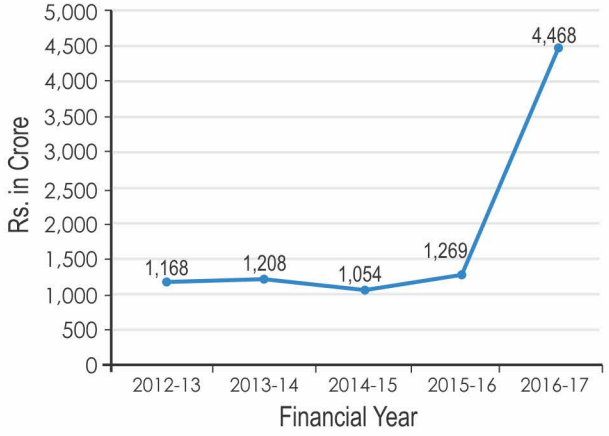
Earning Per Share



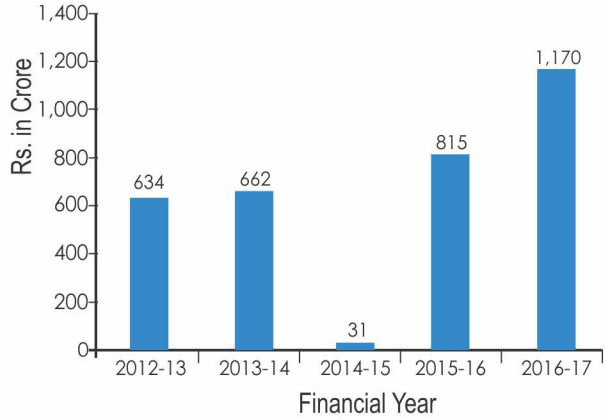
Dividend



Market Capitalization



EBITDA



NOTICE

NOTICE IS HEREBY given that the **41st Annual General Meeting** of the Members of Gujarat Narmada Valley Fertilizers & Chemicals Limited will be held on **Friday, the 29th September, 2017 at 11:30 AM** at the Registered Office of the Company, at Open Air Theatre, Sports Complex, Narmadanagar Township, P.O. Narmadanagar - 392 015, District: Bharuch to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Standalone Financial Statements and Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2017 and the Reports of the Board of Directors and Auditors thereon.

2. To declare dividend on equity shares for the financial year ended 31st March, 2017.

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

4. To ratify the appointment of Statutory Auditors of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution :**

   "**RESOLVED** that pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the resolution passed by the Members at the last Annual General Meeting (AGM) held on 30th September, 2016, the appointment of M/s SRBC & Co. LLP, Chartered Accountants (Firm Registration No. 324982E/ E300003) as the Statutory Auditors of the company for a term of five consecutive years to hold office until the conclusion of 45th AGM to be held in the calendar year 2021, be and is hereby ratified at a remuneration as determined by the Board of Directors of the company.''

SPECIAL BUSINESS :

5. **Appointment of Shri Anil Mukim, IAS (DIN: 02842064) as Director of the Company liable to retire by rotation :**

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

   "**RESOLVED** that pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri Anil Mukim, IAS (DIN: 02842064) be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. **Re-appointment of Shri C.S. Mani (DIN: 00031968) as an Independent Director of the Company :**

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

   "RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder read with Schedule-IV to the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Board of Directors, Shri C.S. Mani (DIN: 00031968), Independent Director of the Company, whose term of office is liable to expire on 30th September, 2017 and being eligible for re-appointment for second term and in respect of whom the company has received a Notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director on the Board of the company to hold office for a second term of three consecutive years up to 30th September, 2020 and that he shall not be liable to retire by rotation."

7. **Re-appointment of Prof. Arvind Sahay (DIN: 03218334) as an Independent Director of the Company :**

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

   "RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder read with Schedule-IV to the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of the Board of Directors, Prof. Arvind Sahay (DIN: 03218334), Independent Director of the Company, whose term of office is liable to expire on 30th September, 2017 and being eligible for re-appointment for second term and in respect of whom the company has received a Notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director on the Board of the company to hold office for a second

term of three consecutive years up to 30th September, 2020 and that he shall not be liable to retire by rotation."

8. Ratification of remuneration payable to Cost Auditors of the Company for the financial year 2017-18 :

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

"RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of Rs.3.80 Lac (Rupees Three Lac Eighty Thousand only) plus statutory levies and reimbursement of out of pocket expenses payable to the Cost Auditors M/s Dalwadi & Associates, Cost Accountants, (Firm Registration No. 000338), Ahmedabad for carrying out the cost audit work of the company for financial year ending on 31st March, 2018 as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby ratified."

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

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

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

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

Dated: 22nd August, 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 SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

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

3. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Business under Item Nos. 4 to 8 set out above is annexed hereto. The information required to be furnished under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and Secretarial Standard – 2 on "General Meetings" issued by The Institute of Company Secretaries of India, in respect of persons seeking appointment / re-appointment as Directors are also annexed.

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

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

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

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

ANNEXURE TO THE NOTICE

AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013, THE FOLLOWING EXPLANATORY STATEMENT SET OUT ALL MATERIAL FACTS RELATING TO BUSINESS MENTIONED UNDER ITEM NOS. 4 TO 8 OF THE ACCOMPANYING NOTICE.

Item No. 4

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

The Members of the company have at their 40th Annual General Meeting (AGM) held on 30th September, 2016, appointed M/s SRBC & Co. LLP, Chartered Accountants (Firm Registration No. 324982E / E300003), a Member Firm of E&Y India as Statutory Auditors of the Company for a term of five consecutive years to hold office from the conclusion of 40th AGM till the conclusion of 45th AGM to be held in 2021, subject to ratification of their appointment by the Members at every AGM up to 45th AGM. Accordingly, their appointment as Statutory Auditors is required to be ratified at this AGM in terms of Section 139(1) of the Act.

In terms of the authorization granted by the Members at their last AGM, the Board of Directors, upon the recommendation of Audit Committee has approved the remuneration payable to the Statutory Auditors in its meeting held on 10th November, 2016.

The Company has received a written consent as required under Section 139(1) of the Act and a Certificate confirming that they are not disqualified for such appointment within the meaning of Section 141 of the Act.

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

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

Item No. 5

In accordance with the provisions of Section 161 of the Companies Act, 2013 read with Article 144 of the Articles of Association of the Company, Shri Anil Mukim, IAS was appointed by the Board as an Additional Director effective 30th September, 2016, based on the recommendation of Nomination & Remuneration Committee.

Pursuant to Section 161 of the Act, Shri Anil Mukim will hold office of Director up to this AGM. The company has received a Notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Shri Anil Mukim, IAS for the office of Director of the company.

Shri Anil Mukim is a Senior IAS Officer and presently he is Additional Chief Secretary, Finance Department, Government of Gujarat (GoG). He has held distinguished position in GoG and has rich experience in the field of Finance, Management and Administration. Brief resume of Shri Anil Mukim, IAS is given in the Annexure forming part of this Notice.

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

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

Item Nos. 6 and 7

Pursuant to the provisions of Section 149 of the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement, Shri C.S. Mani (DIN 00031968) and Prof. Arvind Sahay (DIN 03218334) were appointed as Independent Directors (IDs) on the Board at the 38th AGM held on 26th September, 2014 for a term of three consecutive years up to 30th September, 2017. Accordingly, their term of office will expire on that date.

In accordance with Section 149 (10)(11) of the Act, Shri C.S. Mani and Prof. Arvind Sahay are eligible for re-appointment as Independent Directors for second term on passing a Special Resolution by the company and disclosure of such appointment in its Board Report.

The Nomination & Remuneration Committee (NRC) has on the basis of report of performance evaluation of the IDs, has recommended their re-appointment to the Board, for a second term of three consecutive years up to 30th September, 2020. The Board has also based on the recommendations of NRC Committee and performance evaluation of IDs, recommended their re-appointment as IDs to the Members for being considered at this AGM.

The Board belives that considering their expertise & experience and contributions made by them during their tenure, the continued association of Shri C.S. Mani and Prof. Arvind Sahay would be beneficial to the company. It is therefore, desirable to continue to avail their services as IDs on the Board. In the opinion of the Board, Shri C.S. Mani and Prof. Arvind Sahay fulfill the conditions for re-appointment as IDs as specified in the Act and Listing Regulations and they are Independent of Management.

It is therefore, proposed to re-appoint Shri C.S. Mani and Prof. Arvind Sahay as Independent Directors on the Board for a second term of three consecutive years up to 30th September, 2020, not liable to retire by rotation.

Shri C S Mani is a Retired Senior Technical Executive having expertise and rich experience in Chemical and Petrochemical Industries. Prof. Arvind Sahay is presently professor of Marketing and International Business at Indian Institute of Management (IIM), Ahmedabad. Their brief resumes are given in Annexure forming part of the Notice of this AGM.

The Company has received declarations from Shri C. S. Mani and Prof. Arvind Sahay confirming that they meet with the criteria of Independence as prescribed under Section 149(6) of the Act and Listing Regulations.

The Company has also received notice in writing from a Member along with deposit of requisite amount under Section 160 of the Act, proposing the candidatures of Shri C. S. Mani and Prof. Arvind Sahay for the office of Independent Directors. Shri C. S. Mani and Prof. Arvind Sahay are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

Copy of the draft letters of appointment of Shri C. S. Mani and Prof. Arvind Sahay as Independent Directors setting out the major terms & conditions for their re-appointment are available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day till the date of AGM.

Your Directors therefore, commends the Special Resolutions set-out at Item Nos. 6 and 7 of the Notice for approval by the Members.

Except Shri C. S. Mani and Prof. Arvind Sahay, none of the Director(s) and Key Managerial Personnel of the Company and their relatives is / are concerned or interested, financially or otherwise, in their respective resolution of appointment. This explanatory statement may also be regarded as disclosure under Regulation 36 of the Listing Regulations.

Item No. 8

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

In accordance with the provisions of Section 148 of the Act, read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors has to be ratified by the Members of the Company. Accordingly, the remuneration of Rs.3.80 Lac payable to M/s Dalwadi & Associates for FY 2017-18 is required to be ratified by the Members at this AGM.

Your Directors therefore, commend 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. This explanatory statement may also be regarded as disclosure under Regulation 36 of SEBI Listing Regulations.

Inspection of Documents:

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

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

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

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

Dated: 22nd August, 2017

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 41st ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF THE LISTING REGULATIONS AND SECRETARIAL STANDARD – 2 ON "GENERAL MEETINGS":

Smt. Mamta Verma, IAS

Smt. Mamta Verma, IAS (45) (DIN: 01854315) is a Director of the Company since 5th October, 2015. She is MA with Psychology and has done Post Graduation in Physiology. She is a Senior IAS Officer having rich experience in the field of Management & Administration. She has held various distinguished positions in Government of Gujarat such as Collector, District Development Officer, Additional Industries Commissioner, CEO of Ahmedabad Urban Development Authority and Special Commissioner, Commercial Taxes, Ahmedabad, Director, Municipal Administration, Gandhinagar, CEO of Gujarat Urban Development Corporation.

Presently, she is Industries Commissioner, Government of Gujarat.

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

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

She does not hold any equity shares in the Company. The details of Board Meetings attended by Smt. Mamta Verma, IAS during FY 2016-17 has been provided in the "Report on Corporate Governance" forming part of the Annual Report 2016-17.

Shri Anil Mukim, IAS

Shri Anil Mukim, IAS (57) (DIN: 02842064) is a Director of the Company since 30th September, 2016. He has done Graduation in Commerce and Law. He is a very Senior IAS Officer having rich experience in the field of Finance, Management and Administration. He has held distinguished positions in Government of Gujarat (GoG) and Government of India like Collector, Principal Secretary to Hon'ble Chief Minister (GoG), Principal Secretary, Revenue Department, Additional Chief Secretary, Health & Family Welfare Department, Municipal Commissioner of Ahmedabad, Joint Secretary, Ministry of Commerce & Industry, Government of India, Chief Vigiliance Officer, Housing & Urban Development Corporation, etc.

Presently, he is Additional Chief Secretary, Finance Department, Government of Gujarat.

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

1	Gujarat State Fertilizers & Chemicals Ltd.	Director & Member - Audit Committee
2	Gujarat Alkalies & Chemicals Ltd.	Director & Member - Audit Committee & Chairman - Stakeholders' Relationship Committee
3	Gujarat State Petroleum Corporation Ltd.	Director & Member - Audit Committee
4	Sardar Sarovar Narmada Nigam Ltd.	Director
5	Gujarat State Investments Ltd.	Director & Chairman - Audit Committee
6	Gujarat State Financial Services Ltd.	Director & Member - Audit Committee
7	Metro link Express for Gandhinagar and Ahmedabad (MEGA) Company Ltd.	Director & Chairman - Audit Committee
8	Gujarat International Finance Tech City Ltd. (GIFTCL)	Director & Member - Audit Committee
9	Gujarat State Petronet Ltd.	Director & Member - Audit Committee
10	Gujarat Narmada Valley Fertilizer & Chemicals Ltd.	Director

He does not hold any equity shares in the Company. The details of Board Meetings attended by Shri Anil Mukim, IAS during FY 2016-17 has been provided in the "Report on Corporate Governance" forming part of the Annual Report - 2016-17.

Shri C S Mani

Shri Chandrasekhar Mani (70) (DIN: 00031968) is a Director of the Company since 4th August, 2014. He holds B.Tech. (Chemical) Degree from IIT, Chennai and Master in Engineering (Chemical) from Cornell University, USA. He is a retired Senior Technical Executive. He has served as Director (Technical) at Petronet LNG Ltd., for around 6 years. He has also served as Chief Executive Director of Planning and Projects at Gujarat Alkalies & Chemicals Ltd.

Shri Mani has more than 37 years of experience in Industry, primarily in Chemical and Petrochemical Industries. During his long span of service with various companies, he has worked on most aspects of projects, including conducting viability study, selection of technology and sourcing of knowhow. He has worked with Industrial houses of repute such as Tata Chemicals Ltd., for two decades and rose to a position as one of the Key senior Executives.

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

1	GSPL India Gasnet Ltd.	Director & Member - Audit Committee
2	GSPL India Transco Ltd.	Director & Member - Audit Committee
3	Gujarat Narmada Valley Fertilizers & Chemicals Ltd.	Director & Chairman - Audit Committee & Stakeholders' Relationship Committee

He does not hold any equity shares in the Company. The details of Board Meetings attended by Shri C S Mani during FY 2016-17 has been provided in the "Report on Corporate Governance" forming part of the Annual Report - 2016-17.

Prof. Arvind Sahay

Prof. Arvind Sahay (52) (DIN: 03218334) is a Director of the Company since 4th August, 2014. He holds B.Tech (Chemical Engg.) Degree from IIT, Kharagpur, PGDM (Concentration in Marketing & Finance) IIM, Ahmedabad and Ph.D., University of Texas, Austin, USA.

Presently, he is a professor of Marketing and International Business at IIM, Ahmedabad. He is Head of India Gold Policy Centre at IIM, Ahmedabad, Chair, Asia Pacific Partnership in International Management, M N Vora Chair in Marketing and Entrepreneurship and Chair, Executive Education at IIM, Ahmedabad.

Prior to joining IIM, he was Asstt. Professor at London Business School, UK and has also worked with Hong Kong and Shanghai Banking Corporation. Prof. Sahay is the recipient of University-wide outstanding Dissertation Award from the University of Texas at Austin, the innovation in Teaching Award at London Business School, Dewang Mehta Best Teacher award in Marketing Management and UTV Bloomberg Best Marketing Professor Award in India. He has authored more than 50 cases, published in leading International Journals.

He is a Member of working group on Gold established by the Department of Economic Affairs, Ministry of Finance, Government of India. He has been the visiting faculty at some of the reputed National and International Universities / Educational Institutes.

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

1	Brandscapes Consultancy Private Ltd.	Director
2	IFCI Ltd.	Director & Chairman - Audit Committee
3	Gujarat Narmada Valley Fertilizers & Chemicals Ltd.	Director

He does not hold any equity shares in the Company. The details of Board Meetings attended by Prof. Arvind Sahay during FY 2016-17 has been provided in the "Report on Corporate Governance" forming part of the Annual Report - 2016-17.

DIRECTORS' REPORT

To,

The Members,

Your Directors have great pleasure in presenting this 41st Annual Report on Company's business and operations together with Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended 31st March, 2017.

The year 2016-17 was the year of extraordinary all around performance of your Company. The continued emphasis on higher productivity, energy conservation & efficiency improvement, smart marketing strategies, innovation / cost reduction, environmental & safety consciousness, etc., have substantially contributed in achieving the commendable performance of your Company.

FINANCIAL RESULTS

As a result of the concerted efforts put-in by your Company, ever highest Profit Before Tax (PBT) of Rs.715 Crore and Profit After Tax (PAT) of Rs.521 Crore were achieved, registering an appreciable growth for the year ended 31st March, 2017.

The financial highlights for the year ended 31st March, 2017 are summarized below:

(Rs. in Crores)

Particulars	Standalone	
	2016-17	2015-16
Income from operations	**4,945**	4,846
Other Income	**225**	252
Total Income	**5,170**	5,098
Total Expenditure	**4,292**	4,283
Profit before Depreciation, Finance Cost, Exceptional Item and Tax	**878**	815
Depreciation	**251**	251
Finance Cost	**204**	296
Exceptional Item (Impairment Reversal of TDI-II Assets)	**292**	-
Profit Before Tax	**715**	268
Tax Expense	**194**	95
Net Profit for the year	**521**	173
Re-measurement of Losses on defined employee benefit plans	**6**	8
Balance brought forward from previous year	**157**	42
Amount available for Appropriation	**672**	207
Appropriations :		
Dividend paid	**31**	-
Tax on Dividend	**6**	-
Transferred to General Reserve	**-**	50
Surplus carried to Balance Sheet	**635**	157

INDIAN ACCOUNTING STANDARDS - IMPLEMENTATION

The Ministry of Corporate Affairs (MCA) vide its Notification dated 16th February, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of Companies. Ind AS has replaced the existing Indian Generally Accepted Accounting Principles (IGAAP) prescribed under Section 133 of the Companies Act, 2013, (here-in-after referred to as 'the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. Ind AS is applicable to the Company with effect from 1st April, 2016 with a transition date of 1st April, 2015 and IGAAP as the previous GAAP. Accordingly, the Financial Statements have been prepared in accordance with Ind AS issued under the Companies (Indian Accounting Standards) Rules, 2015.

PERFORMANCE REVIEW

1. Financial Performance :

Your Directors are happy to inform that during the year under review, the company has established ever highest records on standalone basis, which are as follows :

- Profit Before Tax of Rs.715 Crore.
- Single quarter PBT of Rs.314 Crore for Fourth Quarter of FY 2016-17.
- Export of Rs.361 Crore to 55 Countries.
- Repayment of term debt of Rs.780 Crore.
- IT Division turnover of Rs.189 Crore and profit of Rs.51 Crore.
- Market capitalization of Rs.5,015 Crore.
- Dividend of Rs.5/- per equity share @ 50%.

The Company registered total turnover of Rs.4,944.81 Crore for FY 2016-17 as compared to Rs.4,845.85 Crore during previous year, registering a marginal increase of 2.04%. The performance of Chemical Segment was extraordinarily well registering Segment Profit of Rs.818 Crore, despite 140 Nil production days of TDI-II Plant, Dahej. The performance of Fertilizer Segment was also good, with Segment Profit of Rs.109 Crore before one time items / abnormal factors. After accounting of one time items / abnormal factors of Rs.104 Crore, on account of reversal of subsidy, the Company achieved Segment Profit of Rs.5 Crore in Fertilizer Segment for the year under review.

During the year, the Company exported various Industrial Products and achieved ever highest export turnover of Rs.361 Crore compared to Rs.212 Crore in previous year. While the contribution of TDI in the total export turnover was Rs.304 Crore (the main contributor), the other Industrial Products contributed Rs.57 Crore.

The Net Profit on consolidated basis was Rs.528.79 Crore as compared to Rs.179.86 Crore in the previous year.

2. Operational performance :

Your Company has achieved excellent production performance during the year**.** Most plants of the Company performed at high capacity utilization level. Ever highest annual production was achieved in various plants viz. Ammonia 6,45,347 MTs (144.86%), Urea 7,77,555 MTs (122.08%), Formic Acid 21,934 MTs (219.34%), Ammonium Nitrophosphate 2,20,311 MTs (154.60%), TDI-II 33,365 MTs (66.73%). In addition, Acetic Acid and Aniline Plants also operated at over 100% capacity and achieved production of 1,58,512 MTs (158.51%) and 41,454 MTs (118.44%) respectively.

The Directors are happy to inform that TDI-II Plant is currently operating at more than 100% capacity on a consistent basis. With a view to increase safety, reliability and also to achieve sustainable operations of the plant, the Company has initiated necessary actions for implementation of various schemes with an estimated investment of Rs.50 Crore.

SALES

1. Industrial Products :

The Chemical Segment has performed extremely well for FY 2016-17 despite competitive scenario of Chemical business in the country and International Market. Almost all Industrial Products performed well in terms of sales and realization during the year. The Company sold in aggregate 12.55 Lac MTs of Industrial Products during 2016-17 as against 12.06 Lac MTs in the previous year and achieved total sales turnover of Rs.3061.65 Crore as compared to Rs.2704.14 Crore in the previous year. The outstanding performance of Chemical Segment was mainly attributed to smart marketing strategy and dynamic pricing of Company's products.

2. Fertilizer Business:

The year 2016-17 continued to remain challenging for Fertilizer Sector due to weak monsoon and high carried forward stock of last year in the country. Inspite of this, your Company performed well in the Fertilizer business. The Company sold total 10.37 Lac MTs of Urea (Manufactured and Traded) as compared to 8.10 Lac MTs in the previous year. The sale of Ammonium Nitrophosphate (ANP) was marginally lower at 2.16 Lac MTs compared to 2.20 Lac MTs in the previous year. Around 1 Lac MTs of Fertilizers were sold through Company's Narmada Khedut Sahay Kendras (NKSKs) in Gujarat. The Company has decided to expand its network of NKSKs progressively over a period of time.

The Company continued its trading activities in Muriate of Potash (MOP), indigenously sourced Di-Ammonium Phosphate (DAP), Single Super Phosphate (SSP), during the year and total 8500 MTs Fertilizers were sold as a part of trading activities.

3. (n)Code Solutions – IT Division:

(n)Code Solutions - IT Division has also significantly contributed in achieving the splendid performance of your Company during the year. This division has registered ever highest sales turnover of Rs.189 Crore compared to Rs.151 Crore in the previous year and contributed ever highest Profit Before Tax of Rs.51 Crore during the year as compared to Rs.38 Crore in previous year, registering an increase of 34% across all its business segments.

(n)Code Solutions has bagged major prestigious orders from Ahmedabad Janmarg Ltd., Surat Municipal Corporation – BRTS, Maharashtra Sales Tax Department, Mukhya Mantri Amrutam Yojna, etc.

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

Looking to the exponential growth of IT Division of your Company in terms of business and profitability since last more than three years and future growth opportunities in IT Sector and with a view to provide an operational flexibility befitting to its nature of business, which would ultimately pave the way for realizing the full potential of this division and to appropriately reflect its performance, your Directors decided to carve out wholly owned subsidiary of GNFC for its IT business rather than functioning as a division of the Company. Towards this direction, a wholly owned subsidiary of the Company in the name of "Gujarat NCode Solutions Limited" has been incorporated on 28th February, 2017 for hiving off IT business to the said Company.

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

DIVIDEND

The Directors are happy to inform that in view of splendid performance of the Company for FY 2016-17 and to ensure that shareholders get sustained and stable return on their investments, your Directors have recommended ever highest dividend of Rs.5/- per share (50%) on 15,54,18,783 equity shares of Rs.10/- each for FY 2016-17, subject to approval of shareholders at this Annual General Meeting (AGM). The dividend payout would work out to Rs.78 Crore plus dividend tax of Rs.16 Crore and the total outgo works out to around Rs.94 Crore. This amounts to 18% of the Net Profit of the Company.

APPROPRIATIONS

Your Company has earned Net Profit of Rs.521 Crore for FY 2016-17. After deducting therefrom Rs.9 Crore being the re-measurement losses on defined employee benefit plans and adding thereto Rs.153 Crore being the balance of Statement of Profit & Loss brought forward from previous year, an amount of Rs.665 Crore is available for appropriation. Out of this, Rs.37 Crore (inclusive of Tax on Dividend) is appropriated towards payment of dividend for FY 2015-16. The balance amount of Rs.628 Crore is proposed to be carried to Balance Sheet. The Company proposes to transfer Rs.115 Crore to General Reserve upon declaration of Dividend for FY 2016-17.

FERTILIZER INDUSTRY – GOVERNMENT POLICY :

International market of Fertilizer saw a fall in prices during the year. Government of India (GoI) increased subsidy on nitrogen nutrient and decreased subsidy on P&K nutrient covered under Nutrient Based Subsidy Policy for FY 2017-18 resulting into combined effect of reduction or increase in subsidy on finished fertilizers depending upon the content of nutrient.

GoI is slowly but steadily pursuing its initiatives to transfer subsidy directly to the farmers. The pilot project for payment of Fertilizer subsidy as 'Direct Benefit Transfer' (DBT) is under implementation in 19 Districts across the Country, including Narmada District in Gujarat. GoI is planning to roll out DBT across the country very soon.

Recently, GoI has enacted the Central Goods & Service Tax (GST) Act, 2017 in the Parliament and made effective from 1st July, 2017. The applicable GST rate on Fertilizers is 5% which will marginally reduce the cost of Fertilizers across the country except in few states where there was no tax on Fertilizers earlier. This is in the interest of Farmers and also augurs well for the growth of the company.

Due to Government Policy of 100% Neem Coating of Urea, efficiency of Fertilizers has gone up and it has pesticidal effect too. Therefore, the consumption of Urea has been reduced. This has reduced import of Urea, resulting into saving of precious foreign exchange of the country.

As per the directives of GoI to all Fertilizer Companies for opening "Model Fertilizer Retail Shops", your Company has upgraded its 25 Retail Outlets out of total 68 Retail Outlets. And as per the directives to all Chemical Fertilizer suppliers for promoting and marketing City Compost Fertilizers (CCF), your Company has started marketing CCF in Gujarat and sold around 7000 MTs during FY 2016-17.

NEW INITIATIVES

1. Neem Project :

Following the directives of Government of India for 100% Neem coating of Urea, your Company had undertaken an innovative Socio-Economic Neem Project in 2015 and became the first Fertilizer Company in India to implement the Neem Project. During the year, about 11,300 MTs of Neem Seeds were collected through unique network of community based organizations, providing additional income to about 1.25 lac poor rural women and other marginalized communities. During the year under review, the Company has produced around 890 MTs of Neem Oil and 7,000 MTs of Neem Cake.

It was reported last year that the Company is planning to set-up its own production facility of Neem Oil. Your Directors are happy to inform that the Company has established facility for expelling 5,000 MTPA of Neem Seeds to produce high quality Neem Oil at Bharuch. As a forward integration and to promote the use of Neem Oil, facility for manufacturing Neem Soap and Neem Oil (for domestic and personal care use) and pesticides have been developed. Additional facilities are also set-up to manufacture Neem Oil based products such as Hand-wash, Shampoo, Face wash and Hair Oil. Actions have also been initiated to set-up Neem Seeds extraction unit on a large scale to produce about 2,900 MTPA Neem Oil and about 22,000 MTPA Neem Cake.

This innovative Socio-economic Neem Project – the first of its kind in India has won several National and International prestigious awards, the details of which are separately provided in this report under the heading "Awards and Accolades". Ministry of Fertilizers has advised other Fertilizer Companies to replicate Neem Project. Hon'ble Prime Minister was kind enough to praise GNFC's initiative in collecting neem seeds and producing neem oil by providing additional income to Lacs of women, in his interview to CNN IBN in September, 2016.

2. Contributing towards "Digital India" Goal :

It is a matter of proud for all of us that your Company became the first Fertilizer Company in India to have its 100% Cashless Township following the clarion call of Hon'ble Prime Minister of India for "Digital India". This cashless initiative is well recognized at the highest level in Government of India, Government of Gujarat and other States of the Country. The Company is also facilitating the farmers to buy Fertilizers and other Agri-inputs through cashless mode by installing PoS Machines, Mobile App, on-line applications, e-wallets, use of debit / credit cards, RTGs / NEFT, etc. The farmers and retailers are encouraged by offering them various incentives for cashless transactions. GNFC has so far sold 23.17 Lac Bags of Fertilizers to 2.11 Lac farmers amounting to Rs.79.48 Crore through cashless transactions.

Hon'ble Prime Minister was kind enough to praise GNFC's initiatives in Cashless sale of Fertilizers during his National address in "Mann-Ki-Baat" on 25th December, 2016. Under the auspice of NITI Ayog, the Apex Planning Body of India chaired by Hon'ble Prime Minister of India, GNFC's Cashless Township Model has been implemented in 81 Integrated Townships across 12 States of India.

The Company's contribution to this innovative framework of cashless initiatives has been well recognized at National and International Level and won several prestigious awards, the details of which are separately provided in this report under the heading "Awards and Accolades".

3. Di-Calcium Phosphate Project :

The project execution activities for setting-up of 2 Lac MTPA Di-calcium Phosphate (DCP) Project at Dahej are under progress by EcoPhos GNFC India Pvt. Ltd., a Joint Venture Company set-up with EcoPhos s.a. Belgium. The estimated cost of the said project is Rs.538 Crore with an equity investment in the ratio of 15:85 by GNFC and EcoPhos s.a. Belgium respectively. The Company is concentrating on speedy implementation of project as downstream integration of TDI-II Plant and the project is expected to be completed by December, 2018.

With the completion of this project, entire HCl generated as by-product from TDI-II Plant will be consumed for production of DCP, which would help in improving the profitability of TDI business.

4. Solar Power Generation Project :

The Company has entered into a Memorandum of Understanding with a Saudi Arabian Company for setting-up about 40 MW Solar Power Generation facilities at Bharuch and Dahej in order to fulfill the Renewable Purchase Obligations applicable to the Company, in terms of Notification issued by Gujarat Electricity Regulatory Commission. The feasibility study for setting-up of this project is being conducted and further course of actions will be decided based on positive outcome of feasibility study.

5. Coal based Captive Co-generation Power Plant at Dahej:

The Company has set-up 100 MT/hr capacity gas based Boiler at TDI-II Plant, Dahej to meet captive steam requirement, while the power is being sourced from DGVCL Grid. There is a large variation in gas prices. With a view to reduce the cost of steam & power for captive requirement and to improve its reliability, your Company is planning to set up a Coal based Captive Co-generation Power Plant with a capacity to produce 18 MW power and 150 MT/hr steam at Dahej.

6. Lime purification Project :

Post successful outcome of pilot plant trials in previous year, the Company has entered in to a Joint Venture Agreement with M/s Santosh Agrochem LLP (SAC) to establish the facility for purification of by-product Lime generated from ANP Plant to make it more marketable. This will resolve the environmental issues and at the same time add value to the product.

The facility of lime purification will be established at Bharuch Complex in two Phases with total annual capacity of 100,000 MT per annum through a joint venture Company M/s. Calciwell Chemtech Pvt Ltd. (CCPL). The estimated cost of the project is Rs.50 Crore with an equity investment for GNFC and SAC in the ratio of 10:90 respectively. Activities related to project implementation are under progress.

AWARDS & ACCOLADES :

Your Directors are delighted to inform that the Company has won many National and International prestigious Awards from Governments and other renowned Institutions, in recognition of unique work done in the areas of Cashless initiatives and Neem Project, which are listed below :

- Skoch Order of Merit Award for Neem Project.
- Skoch Blue Economy Platinum Sustainability Award-2016.
- Skoch Blue Economy Person of the Year Award to Dr. Rajiv Kumar Gupta, IAS, Managing Director for his exemplary leadership in conceiving, designing and managing the Neem Project.
- Golden Peacock Award-2017 in CSR for Neem Project.
- ABP News Award for Excellence in CSR - Women Empowerment.
- Global CSR Award for Women Empowerment.
- Porter prize for Neem Project which is sponsored and supported by Harvard affiliated Institute for Competitiveness by Michael Porter.
- India CSR Community initiative Award for Women Empowerment.
- Business World Digital India Award for Best implementation of Digital Payments.
- Golden Peacock Product / Service Award – 2017 for Cashless Township.
- Golden Globe Tigers Award for Excellence and Leadership in CSR for e-payment leadership.
- India CSR Leadership Summit Award for Most Innovative Neem Project of the year.
- Skoch Order of Merit Award for Corporate Excellence for innovation - 100% Cashless drive.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Sections 134(3)(c) and 134(5) of the Act, the Directors state that–

(i) in the preparation of Annual Accounts for the financial year ended 31st March, 2017, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any, therefrom had been furnished;

(ii) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;

(iii) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, if any;

(iv) they had prepared Annual Accounts on a going concern basis;

(v) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(vi) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES

The Company has an Associate Company namely Gujarat Green Revolution Co. Ltd. (GGRCL). A Statement containing salient features of Financial Statement of GGRCL is given in Form AOC-1 as an Annexure to the Consolidated Financial Statements and the same has not been repeated here for the sake of brevity.

During the year, a wholly owned subsidiary of the Company in the name of "Gujarat NCode Solutions Limited" (GNSL) was incorporated on 28th February, 2017.

The first Accounting Year of GNSL is from the date of incorporation i.e. from 28th February, 2017 to 31st March, 2018. Therefore, report on performance and financial position in respect of GNSL has not been furnished in this Report.

The first Accounting Year of EcoPhos GNFC India Pvt. Ltd. (EGIL) a Joint Venture Company has ended on 31st March, 2017. The project execution activities have recently commenced and therefore, report on operational performance and financial position of EGIL for FY 2016-17 has not been furnished in this Report.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Act, read with Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has prepared Consolidated Financial Statement in respect of Gujarat Green Revolution Co. Ltd., being an Associate Company for FY 2016-17 and forms part of this Annual Report.

Gujarat NCode Solutions Ltd. (GNSL), a wholly owned subsidiary of the Company and EcoPhos GNFC India Pvt. Ltd. (EGIL), a Joint Venture Company falls within the category of subsidiary. As per Ind AS, the accounts of GGRCL and GNSL are only required to be consolidated. However, GNSL being newly formed entity having financial transactions after 31st March, 2017, only the accounts of GGRCL have been consolidated.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year, the Company made an additional investment of Rs.24.20 Crore in the equity capital of EcoPhos GNFC India Private Ltd., a Joint Venture Company by subscribing 10,07,300 equity shares of Rs.10/- each for cash and 2,32,01,200 equity shares of Rs.10/- each, other than cash by executing an Agreement for sub-letting land to EGIL for setting-up of DCP Project.

The Company has also made an investment of Rs.1 Lac in the equity of Gujarat NCode Solutions Ltd., a wholly owned subsidiary of the Company by subscribing 10,000 equity shares of Rs.10/- each as subscribers to the Memorandum of Association.

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

PARTICULARS OF CONTRACT OR ARRANGEMENT MADE WITH RELATED PARTY

The Policy for Related Party Transactions (RPTs) is available on the Company's website, which deals with review and approval of RPTs. The Audit Committee has granted Omnibus approval for RPTs, which are routine and repetitive in nature, based on criteria approved by the Board of Directors within the overall framework of said policy.

The Company executed an agreement with M/s EcoPhos GNFC India Pvt. Ltd., a joint venture Company for sub-letting of land admeasuring about 130052 sq. mtrs. situated at Dahej for consideration of Rs.23.20 Crore, for setting-up of Di-Calcium Phosphate Project, initially for a period of 20 years, with a right to further extend the same. The said transaction being related party transaction under Section 188(1) of the Act, the Company has made necessary compliance as required under the Act.

During the year, the Company had not entered into any contract or arrangement with related parties, which could be considered "material" (i.e. transaction exceeding 10% of the annual consolidated turnover as per the last Audited Financial Statement entered into individually or taken together with previous transaction during the financial year) according to the Policy on Related Party Transactions. Hence, there is no transaction, which is required to be reported in Form AOC-2. Suitable Related Party disclosure under Ind AS-24 is also reported in the Note No.37 to the Standalone Financial Statement.

Details on RPTs has also been furnished in the 'Report on Corporate Governance' forming part of this report.

MEETINGS OF THE BOARD & COMMITTEES THEREOF

(i) Board Meeting :

Five (5) meetings of the Board were held during the year.

(ii) Committees of the Board :

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

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

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

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

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

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

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Dr. J.N. Singh, IAS was nominated by Govt. of Gujarat as its nominee and appointed Chairman of the Company effective from 31st August, 2016. Shri Anil Mukim, IAS was appointed Additional Director on the Board effective 30th September, 2016, who will hold office up to the date of this AGM. Shri Anil Mukim, IAS being eligible for appointment, a suitable resolution proposing his appointment as Rotational Director is included in the Notice of this AGM for your kind approval.

Prof. Arvind Sahay and Shri C.S. Mani were appointed as Independent Directors (IDs) at the 38th AGM held on 26th September, 2014 for a term of three years up to 30th September, 2017. Accordingly, their term of office will expire on that date. They are eligible for re-appointment as IDs in terms of Section 149(10)(11) of the Act. Therefore, suitable resolutions proposing their re-appointment as IDs are included in the Notice of this AGM for your kind approval.

Retirement by Rotation:

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

Declaration by Independent Directors:

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

Change in Directorate :

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

Your Directors place on record their deep sense of appreciation of the valuable services rendered by the outgoing Directors and take this opportunity to welcome the new Directors.

Key Managerial Personnel :

During the year under review –

(i) Shri Vikram Mathur ceased to be Chief Financial Officer (CFO) w.e.f. 30th September, 2016 and Shri D.V. Parikh was appointed as CFO effective from 1st February, 2017.

(ii) Shri R.B. Panchal ceased to be Company Secretary and Compliance Officer w.e.f. 30th November, 2016 and Shri T.J. Lakhmapurkar was appointed as Company Secretary and Compliance Officer w.e.f. 1st December, 2016.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act 2013, and relevant Rules made thereunder, all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government after the completion of seven years. Accordingly, the Company has transferred unclaimed / unpaid dividend amount to IEPF.

Further, pursuant to the IEPF Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 ('the Rules'), 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 to the demat account opened by the IEPF Authority. The details of such shares are available on Company's website at web link http://www.gnfc.in/PDFandWORD/List-of-Shareholders.pdf.

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

A formal Policy against Sexual Harassment of Women at Workplace is in place as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has constituted Internal Complaints Committee to redress the complaint(s). No complaint was received during the year.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

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

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

EXTRACT OF ANNUAL RETURN

In accordance with Sections 92(3) & 134(3)(a) of the Act, an extract of Annual Return in Form MGT-9 is enclosed as Annexure - I to this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirement of Section 135 of the Act, read with the Companies (CSR Policy) Rules, 2014, the Company has constituted a Corporate Social Responsibility Committee and formulated a CSR Policy. As a responsible corporate, the Company has been undertaking societal activities directly as well as through its CSR arm – Narmadanagar Rural Development Society (NARDES) in the areas covered in CSR Policy and Schedule -VII to the Act. Annual Report on CSR activities for FY 2016-17 is enclosed as Annexure - II to this Report.

VIGIL MECHANISM-CUM-WHISTLE BLOWER POLICY

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

SIGNIFICANT AND MATERIAL ORDERS

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

MANAGEMENT DISCUSSION & ANALYSIS AND REPORT ON CORPORATE GOVERNANCE

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

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

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

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

PARTICULARS OF EMPLOYEES AND REMUNERATION

The required information under Section 197(12) of the Act read with Rule 5(1)(2)&(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed as Annexure - IV & V to this Report.

AUDITORS AND AUDITORS' REPORT

M/s SRBC & Co. LLP, Chartered Accountants, a Member Firm of E&Y India were appointed as Statutory Auditors of the Company at the 40th AGM held on 30th September, 2016 for a term of five consecutive years, until the conclusion of 45th AGM to be held in the year 2021, subject to ratification of their appointment at every AGM held thereafter. A suitable resolution for ratification of their appointment has been included in the Notice of this AGM.

Notes to Financial Statements (Standalone and Consolidated) forming part of Audited Financial Statements for FY 2016-17 are self explanatory and need no further explanation. The Auditors' Reports on Audited Financial Statements (Standalone and Consolidated) do not contain any modified opinions.

COST AUDITOR

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

In accordance with Section 148 of the Act read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to Cost Auditor is subject to ratification by the Shareholders at the AGM. Therefore, a suitable Resolution for ratification of remuneration to Cost Auditor for FY 2017-18 is included in Notice of this AGM for your kind approval.

The Company has e-filed the Cost Audit Report for FY 2015-16 with the Ministry of Corporate Affairs (Cost Audit Branch) on 20th August, 2016. The due date of filing the said report was 30th September, 2016.

SECRETARIAL AUDITOR

As required under Section 204 of the Act and the Rules thereunder, the Board has appointed Shri V.L. Vyas, Practicing Company Secretary as Secretarial Auditor for FY 2016-17. The Secretarial Audit Report in Form MR-3 is enclosed as Annexure – VI, which does not contain any qualification, reservation or adverse remark.

DIVIDEND DISTRIBUTION POLICY

As per Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, Top 500 listed companies are required to formulate Dividend Distribution Policy based on market capitalization (calculated as on 31st March every year). Your company is covered under the top 500 listed companies as per the market capitalization as on 31st March, 2017. Accordingly, the Company has formulated a Dividend Distribution Policy, *inter-alia*, setting-out the parameters and circumstances that will be taken into account in determining the distribution of dividend to the shareholders and / or retaining profits by the Company. This policy is enclosed as Annexure-VII and the same is also available on the Company's website at web link http://www.gnfc.in/aboutus/corporate-policies.html

DETAILS OF FRAUDS, IF ANY, REPORTED BY THE AUDITORS

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

FIXED DEPOSITS

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

INSURANCE

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

INDUSTRIAL RELATIONS

Industrial relations during the year under review have remained extremely cordial and harmonious. Your Directors convey their high sense of appreciation for the significant contribution made by the employees at all levels in achieving excellent all around operational and financial performance of the Company.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors,

Place : Gandhinagar
Date : 19th August, 2017

Dr. J.N. Singh
Chairman

FORM NO. MGT - 9

Annexure - I

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC / HS Code of the Product / Service	% to total turnover of the company
1.	Urea	NIC Code : 20121	18.46 % (including amount of subsidy)
2.	Toluene Di-Isocynate (TDI)	HS Code : 2929102	18.60%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held as at 31.03.2017	Applicable Section
1.	Gujarat Green Revolution Co. Ltd. Fertilizernagar Township PO : Fertilizernagar – 391 750 District – Vadodara, Gujarat	U63020GJ1998PLC035039	Associate	46.87%	Section 2(6)
2.	Gujarat Ncode Solutions Limited 14th Floor, Gift One Tower, Gift City, Gandhinagar – 382 355, Gujarat.	U72900GJ2017PLC095993	Subsidiary	100%	Section 2(87)

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

i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
A	**Promoters**									
1.	**Indian**									
a.	Individual/ HUF	-	-	-	-	-	-	-	-	-
b.	Central Govt.	-	-	-	-	-	-	-	-	-
c.	State Govt(s)	-	-	-	-	-	-	-	-	-
d.	Bodies Corporate	64006213	500*	64006713	41.18	64006213	500*	64006713	41.18	-
e.	Banks/ FIs	-	-	-	-	-	-	-	-	-
f.	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(1):-	**64006213**	**500***	**64006713**	**41.18**	**64006213**	**500***	**64006713**	**41.18**	**-**
2	**Foreign**									
a.	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b.	Other- Individuals	-	-	-	-	-	-	-	-	-
c.	Bodies Corporate	-	-	-	-	-	-	-	-	-
d.	Banks/ FIs	-	-	-	-	-	-	-	-	-
e.	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2) :-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total Shareholding of Promoters (A) = (A)(1)+ (A)(2)	**64006213**	**500***	**64006713**	**41.18**	**64006213**	**500***	**64006713**	**41.18**	**-**

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

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B	**Public Shareholding**									
1.	**Institutions**									
a.	Mutual Funds	3616271	10150	3626421	2.33	7806824	10150	7816974	5.03	2.70
b.	Banks/ FIs	21237520	16506	21254026	13.68	17027067	16506	17043573	10.97	-2.71
c.	Central Govt.	-	-	-	-	-	-	-	-	-
d.	State Govt.(s)	-	-	-	-	-	-	-	-	-
e.	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f.	Insurance Companies	-	-	-	-	-	-	-	-	-
g.	FIIs	16949907	1250	16951157	10.91	418073	1250	419323	0.27	-10.64
h.	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i.	Others (FPIs)	1721418	-	1721418	1.11	20553326	-	20553326	13.22	12.11
	Sub-total (B)(1):-	**43525116**	**27906**	**43553022**	**28.03**	**45805290**	**27906**	**45833196**	**29.50**	**1.46**
2.	**Non- Institutions**									
a.	Bodies Corporate									
	(i) Indian	5734420	32052	5766472	3.71	4248164	29827	4277991	2.75	-0.96
	(ii) Overseas	-	700	700	-	-	700	700	-	-
b.	Individuals									
	(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	22386354	10758515	33144869	21.33	20907910	10494316	31402226	20.20	-1.13
	(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	7687693	217984	7905677	5.09	7931517	217984	8149501	5.24	0.15
c.	Others									
	(i) Trusts	212558	-	212558	0.14	193373	-	193373	0.12	-0.02
	(ii) Co-op Societies	600	351892	352492	0.23	600	351892	352492	0.23	-
	(iii) Clearing Members Pool A/c	217238	-	217238	0.14	944374	-	944374	0.61	0.47
	(iv) Unclaimed Suspense A/c	167802	-	167802	0.11	166977	-	166977	0.11	-
	Sub-total (B)(2)	**36406665**	**11361143**	**47767808**	**30.73**	**34392915**	**11094719**	**45487634**	**29.27**	**-1.47**
	Total Public shareholding (B) = (B)(1) + (B)(2)	**79931781**	**11389049**	**91320830**	**58.76**	**80198205**	**11122625**	**91320830**	**58.76**	**-**
C	**Shares held by Custodian for GDRs**	91240	-	91240	0.06	91240	-	91240	0.06	-
	Grand Total (A+B+C)	**144029234**	**11389549**	**155418783**	**100.00**	**144295658**	**11123125**	**155418783**	**100.00**	**-**

ii) Shareholding of Promoters

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

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

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

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

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Date of Change	Reason	Increase/ Decrease in Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of Shares Decrease	No. of Shares Increase	No. of Shares	% of total Shares of the Company
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	Life Insurance Corporation of India	14083612	9.06	01.04.2016		-	-	14083612	9.06
				03.06.2016	Market Sale	327892	-	13755720	8.85
				10.06.2016	Market Sale	344033	-	13411687	8.63
				24.06.2016	Market Sale	120075	-	13291612	8.55
				12.08.2016	Market Sale	390113	-	12901499	8.30
				19.08.2016	Market Sale	178958	-	12722541	8.19
				26.08.2016	Market Sale	600515	-	12122026	7.80
				02.09.2016	Market Sale	306899	-	11815127	7.60
				09.09.2016	Market Sale	23515	-	11791612	7.59
				31.03.2017	At the end of year	-	-	11791612	7.59
2.	Fidelity Puritan Trust - Low Priced Stock Fund	13541878	8.71	01.04.2016		-	-	13541878	8.71
				04.11.2016	Market Sale	462668	-	13079210	8.42
				11.11.2016	Market Sale	779210	-	12300000	7.91
				31.03.2017	At the end of year	-	-	12300000	7.91
3.	General Insurance Corporation of India	4540053	2.92	01.04.2016		-	-	4540053	2.92
				17.06.2016	Market Sale	50000	-	4490053	2.89
				24.06.2016	Market Sale	50000	-	4440053	2.86
				28.10.2016	Market Sale	99028	-	4341025	2.79
				04.11.2016	Market Sale	25000	-	4316025	2.78
				23.12.2016	Market Sale	40000	-	4276025	2.75
				31.03.2017	At the end of year	-	-	4276025	2.75
4.	Reliance Capital Trustee Co. Ltd. A/c Reliance Mid-Small Cap Fund	2356287	1.52	01.04.2016		-	-	2356287	1.52
				30.04.2016	Market Purchase	-	155914	2512201	1.62
				06.05.2016	Market Purchase	-	462800	2975001	1.91
				03.06.2016	Market Purchase	-	147000	3122001	2.01
				01.07.2016	Market Sale	81826	-	3040175	1.96
				05.08.2016	Market Purchase	-	63700	3103875	2.00
				07.10.2016	Market Purchase	-	56500	3160375	2.03
				28.10.2016	Market Sale	25000	-	3135375	2.02
				04.11.2016	Market Purchase	-	1011	3136386	2.02
				31.03.2017	At the end of year	-	-	3136386	2.02

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Date of Change	Reason	Increase/ Decrease in Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of Shares Decrease	No. of Shares Increase	No. of Shares	% of total Shares of the Company
5.	Fidelity North Star Fund	2000000	1.29	01.04.2016		-	-	2000000	1.29
				11.11.2016	Market Sale	400000	-	1600000	1.03
				31.03.2017	At the end of year	-	-	1600000	1.03
6.	Dolly Khanna	166598	0.11	01.04.2016		-	-	166598	0.11
				30.04.2016	Market Purchase	-	277419	444017	0.29
				06.05.2016	Market Purchase	-	78700	522717	0.34
				13.05.2016	Market Purchase	-	16310	539027	0.35
				20.05.2016	Market Purchase	-	17260	556287	0.36
				27.05.2016	Market Purchase	-	25195	581482	0.37
				03.06.2016	Market Purchase	-	20868	602350	0.39
				08.07.2016	Market Purchase	-	117119	719469	0.46
				15.07.2016	Market Purchase	-	74342	793811	0.51
				22.07.2016	Market Purchase	-	114796	908607	0.58
				29.07.2016	Market Sale	29896	-	878711	0.57
				12.08.2016	Market Purchase	-	4650	883361	0.57
				19.08.2016	Market Purchase	-	28075	911436	0.59
				26.08.2016	Market Purchase	-	50898	962334	0.62
				02.09.2016	Market Purchase	-	20925	983259	0.63
				23.09.2016	Market Purchase	-	77275	1060534	0.68
				30.09.2016	Market Purchase	-	11875	1072409	0.69
				15.10.2016	Market Purchase	-	15195	1087604	0.70
				21.10.2016	Market Purchase	-	55910	1143514	0.74
				28.10.2016	Market Purchase	-	357329	1500843	0.97
				04.11.2016	Market Sale	126568	-	1374275	0.88
				11.11.2016	Market Sale	94932	-	1279343	0.82
				31.12.2016	Market Purchase	-	7000	1286343	0.83
				06.01.2017	Market Purchase	-	6300	1292643	0.83
				13.01.2017	Market Purchase	-	138421	1431064	0.92
				20.01.2017	Market Purchase	-	127205	1558269	1.00
				17.02.2017	Market Purchase	-	13785	1572054	1.01
				03.03.2017	Market Purchase	-	1425	1573479	1.01
				31.03.2017	Market Purchase	-	7620	1581099	1.02
				31.03.2017	At the end of year	-	-	1581099	1.02
7.	DSP Blackrock Small and Mid Cap Fund	0	0.00	01.04.2016		-	-	-	0.00
				28.10.2016	Market Purchase	-	551951	551951	0.36
				04.11.2016	Market Purchase	-	182971	734922	0.47
				11.11.2016	Market Purchase	-	93712	828634	0.53
				25.11.2016	Market Purchase	-	180313	1008947	0.65
				02.12.2016	Market Purchase	-	7465	1016412	0.65
				23.12.2016	Market Purchase	-	270865	1287277	0.83
				31.12.2016	Market Purchase	-	143000	1430277	0.92
				31.03.2017	At the end of year	-	-	1430277	0.92

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year		Date of Change	Reason	Increase/ Decrease in Shareholding during the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of Shares Decrease	No. of Shares Increase	No. of Shares	% of total Shares of the Company
8.	Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Pure Value Fund	0	0.00	01.04.2016		-	-	-	0.00
				28.10.2016	Market Purchase	-	365000	365000	0.23
				04.11.2016	Market Purchase	-	211000	576000	0.37
				23.12.2016	Market Purchase	-	157096	733096	0.47
				27.01.2017	Market Purchase	-	90000	823096	0.53
				10.02.2017	Market Purchase	-	300000	1123096	0.72
				03.03.2017	Market Sale	18500	-	1104596	0.71
				31.03.2017	Market Purchase	-	95000	1199596	0.77
				31.03.2017	At the end of year	-	-	1199596	0.77
9.	The New India Assurance Company Limited	2090613	1.35	01.04.2016		-	-	2090613	1.35
				03.06.2016	Market Sale	25000	-	2065613	1.33
				10.06.2016	Market Sale	109874	-	1955739	1.26
				24.06.2016	Market Sale	159522	-	1796217	1.16
				01.07.2016	Market Sale	205604	-	1590613	1.02
				08.07.2016	Market Sale	45000	-	1545613	0.99
				15.07.2016	Market Sale	164562	-	1381051	0.89
				22.07.2016	Market Sale	90438	-	1290613	0.83
				07.10.2016	Market Sale	85269	-	1205344	0.78
				14.10.2016	Market Sale	109835	-	1095509	0.70
				21.10.2016	Market Sale	304896	-	790613	0.51
				31.03.2017	At the end of year	-	-	790613	0.51
10.	Dimensional Emerging Markets Value Fund	729530	0.47	01.04.2016		-	-	729530	0.47
				29.07.2016	Market Purchase	-	21519	751049	0.48
				05.08.2016	Market Purchase	-	14662	765711	0.49
				16.12.2016	Market Purchase	-	11511	777222	0.50
				31.03.2017	At the end of year	-	-	777222	0.50

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

v) Shareholding of Directors and Key Managerial Personnel:

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

1. Ceased to be CFO w.e.f. 30-09-2016

V) INDEBTEDNESS

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

(Rs in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2259.08	848.78	0.00	3107.86
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	1.22	14.92	0.00	16.14
Total (i + ii + iii)	**2260.30**	**863.70**	**0.00**	**3124.00**
Change in Indebtedness during the financial year				
• Addition	1288.55	2559.93	0.00	3848.48
• Reduction	1991.25	3000.72	0.00	4991.98
Net Change	**(702.70)**	**(440.80)**	**0.00**	**(1143.49)**
Indebtedness at the end of the financial year				
i) Principal Amount	1556.38	407.98	0.00	1964.36
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.87	11.12	0.00	11.99
Total (i + ii + iii)	**1557.26**	**419.10**	**0.00**	**1976.35**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

B. Remuneration to other Directors

No.	Particulars of Remuneration	Name of Directors					Total Amount in ₹
1.	**Independent Directors**	**Shri CS Mani**	**Prof. Arvind Sahay**	**Shri Piruz Khambatta**	**Shri Sunil Parekh**	**Shri HV Patel [1]**	
	Fee for attending board/committee meetings	1,90,000	50,000	-	1,30,000	-	3,70,000
	Commission	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	
	Total (1)	**1,90,000**	**50,000**	**-**	**1,30,000**	**-**	**3,70,000**
2.	**Other Non-Executive Directors**	**Shri G R Aloria*[2]**	**Dr. JN Singh***	**Shri Anil Mukim*[3]**	**Smt. Mamta Verma***	**Shri V D Nanavaty [4]**	
	Fee for attending board/committee meetings	20,000	60,000	20000	30000	50000	1,80,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	**20,000**	**60,000**	**20000**	**30000**	**50000**	**1,80,000**
	Total (B)=(1+2)						**5,50,000**
	Total Managerial Remuneration						**5,50,000**
	Overall Ceiling as per the Act						**Not Applicable**

Notes:

1. Remuneration to other Directors are paid by way of sitting fees only for attending the meetings of the Board of Directors and Committees thereof.

* Amount Deposited in Government Treasury

[1] Ceased to be a Director effective 14.04.2016

[2] Ceased to be a Director effective 24.08.2016

[3] Appointed as Additional Director effective 30.09.2016

[4] Appointed as Director effective 05.04.2016

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				
		CFO[1] Vikram Mathur	CFO[2] D.V.Parikh	CS [3] R.B.Panchal	CS [4] T.J. Lakhmapurkar	Total
1.	Gross salary					
(a)	Salary as per provisions contained in Section 17(1) of Income-Tax Act, 1961	65,59331	2,95,387	59,46,425	6,48,757	1,34,49,900
(b)	Value of perquisites u/s 17(2) of Income Tax Act, 1961	1,81,345	38,290	4,79,664	66,838	7,66,137
(c)	Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	• as % of profit	-	-	-	-	-
	• others, specify.	-	-	-	-	-
5.	Others, please specify					
	PF Contribution	62,364	15,301	80,985	33,772	1,92,422
	Pension Contribution	62,364	-	21,669	-	84,033
	Total	**68,65,404**	**3,48,978**	**65,28,743**	**7,49,367**	**1,44,92,492**

1 Ceased to be CFO w.e.f 30-09-2016

2 Appointed as CFO w.e.f 01-02-2017

3 Ceased to be CS w.e.f 30-11-2016

4 Appointed as CS w.e.f 01-12-2016

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure - II

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2016-17

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

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

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

CSR Policy provides a guideline of the methodologies and areas for choosing and implementing the Company's CSR projects. The major sectors covered under the said policy include Education, Health care, Rural Infrastructure sanitation and self-employment generation, Vocational Skills, Empowerment of women and youth, Environment Sustainability, Protection and development of National Heritage, Art Culture, Public Libraries.

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

2. Composition of the CSR Committee:

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

i. Prof. Arvind Sahay : Chairman (Non Executive and Independent Director)

ii. Shri Sunil Parekh : Member (Non Executive and Independent Director)

iii. Dr. Rajiv Kumar Gupta, IAS : Member / Managing Director (Executive and Non Independent Director)

	Particulars	Amount (Rs. in Crore)
3.	Average Net Profit of the Company for last three Financial Years.	167.80
4.	Prescribed CSR Expenditure (2% of the amount as shown in Item 3 above)	3.36
5.	**Details of CSR spent during the financial year**	
	Total amount to be spent for the financial year	3.36
	(a) Total amount spent for the financial year	6.00
	(b) Amount unspent, if any	Nil

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

Sr. No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs		Amount outlay (Budget) projects or programs wise	Amount spent on the projects or programs		Cumulative expenditure up to the reporting period	Amount spent	
			Local Area or other	State and district where projects or programs was undertaken		Direct expenditure on Projects or programs	Overheads		Direct	Through implementing agency
(1)	(2)	(3)	(4)		(5)	(6)		(7)	(8)	
1.	Toilet Construction Project	Rural Development Preventive Health Care and Sanitation	Local Area	Bharuch District, Gujarat State	6.00	6.00	--	6.00	--	Narmadanagar Rural Development Society (NARDES)
				TOTAL	**6.00**	**6.00**	**--**	**6.00**		

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

During FY 2016-17, the company has spent more than 2% of Average Net Profit of last three financial years i.e. around 3.57%.

7. Responsibility Statement of CSR Committee:

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

Prof. Arvind Sahay
(Chairman - CSR Committee)

Dr. Rajiv Kumar Gupta, IAS
(Managing Director)

Annexure - III

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to Section 134 (3) (m) of The Companies Act, 2013 read with Rule 8 (3) of The Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

I. Steps taken or impact on Conservation of Energy

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

The company also complies the Regulations framed by Bureau of Energy Efficiency (BEE), Ministry of Power under Perform Achieve Trade (PAT) mechanism.

Under PAT Cycle-I, reduction of 1.089 MKCal/MT in specific energy consumption of Urea was achieved against notified target of 0.55 MKCal/MT Urea. Consequently, BEE has given approval for issuing 33557 Nos. of Energy Saving Certificates to the Company.

BEE has included Nitrophosphate Plants in PAT Cycle-II. Base line audit of said plants was carried out in July, 2016.

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

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

- Energy saving scheme in the form of impeller trimming of semi- lean-solution pump, resulting in to annual power saving of 1,92,000 kWh.
- Impeller trimming of Process condensate pump, resulting in to annual power saving of 1,44,000 kW.
- Installation of Variable Frequency Drive (VFD) for lean solution, resulting in to annual power saving of 6,40,000 kW.

(b) Ammonia Plant :

- Heat recovery from heating condensate from LP steam flash drum, resulting in to annual saving of 8000 MT Eq. HPSH steam.

(c) Utility Plant :

- Replacement of Filter water pump, resulting in to annual power saving of 1,12,000 kWh.
- In boiler plant supply of low pressure air instead of high pressure, resulting in to annual power saving of 3,30,000 kWh.

(d) Boiler Plant :

- A separate Split AC was installed at one place in Boiler Plant, which led to less running of bigger package unit, resulting in to annual power saving of 1,57,500 kWh.

(e) Aniline - TDI Plant :

- Replacement of Thermal insulation of HPSH steam piping from Methanol-II plant to Aniline / TDI plant, resulting in to annual saving of 1180 MT HPSH steam.

(f) Formic Acid:

- Replacement of high pressure condensate pump, resulting in to annual Power saving of 35000 kWh.

(g) Electrical System:

- Replacement of old lighting fixtures with energy efficient ones in various plants, resulting into annual power saving of 47377 kWh.

(h) Steam Traps Management:

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

(i) Energy Measures under implementation:

- Installation of new improved design inter stage cooler for Ammonia synthesis compressor will result into saving of 0.45 MT/Hr of Steam.
- Installation of modified Nitrogen compressor in ASGP leading to power saving of 550 KWh.
- Heat recovery from Flue gas in Boilers for heating Boiler Feed Water, will result into steam saving of 2.5 MT/hr.
- Energy conservation turbine in Formic Acid. Steam let down energy will be recovered to generate 200 KWh power.
- Additional cooling water cell in Formic Acid. Lower cooling water supply temperature resulting into reduction in circulation flow saving of 25 KWh pumping power.
- Alternate soil bed technology for Amine effluent treatment will save around Rs.3.5 Crore annually.
- Red water treatment. Stoppage of Incinerator will reduce air pollution & recycling which will result annual saving of 13200 M3 treated water.
- Installation of Ammonia Pre heater in Urea plant will reduce medium pressure steam consumption by 30 kg/ MT of Urea.
- Installation of vortex mixer plus conversion booster will reduce steam consumption by 60 kg/ MT Urea
- Installation of Energy conservation turbine (ECT) in Aniline / TDI Plant, which has potential of 950 KW/hr power generation.
- Heat recovery from Acetic Acid Off-gas will lead to generation of 31860 MT/Year of medium pressure steam.
- Installation of new tube bundle in Ammonia Plant, which will result in steam saving of 8740 MT/Year.
- Replacement of old lighting fixtures by LED energy efficient fixtures, which will result in power saving of 4,65,000 KW/Year.

II. Steps taken by the Company for utilizing alternate sources of energy:

- Solar Photo Voltaic Power Generation Systems, having total capacity of 300 kW was installed at various locations and 3,29,070 kWh of power was generated during the year.
- Total installed capacity of Wind Power Turbo Generators is 21 MW. During the year 3,54,78,436 kWh of power was generated.

III. Capital investment on energy conservation equipments:

The Company made total capital investment of around Rs.68 Lac on energy conservation equipments.

(B) TECHNOLOGY ABSORPTION:

i. Efforts in brief, made towards technology absorption

- Implementation of various modifications schemes in plants for safe and reliable operations, improving the performance of machine / equipment, which resulted in to energy saving.
- The Company also interacted with know how suppliers / consultants for plant problems and its reliability to sustain productivity and improving plant performance.

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

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

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

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

RESEARCH & DEVELOPMENT:

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

- Studies & experiments were carried out to develop an additive to reduce the salt generation and consumption of catalyst, which will increase the production of Methyl Formate. Full scale trial in plant will be conducted.
- R&D has prepared Polyurethane elastomers using TDI and Bio and Synthetic materials. The formulation are comparable and better than PTFE plastic. Castable Polymers are equivalent to PTFE plastic.
- Experiments were undertaken for scale up of Process & Technology to manufacture TDI based Polyurethane Coating & Adhesive products.

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

- In addition to reduction in salt formation, significant benefits will be derived with increase of production of Methyl Formate with the use of R&D developed additive.
- Based on previous R&D studies, successful plant trials were taken with operation of Methyl Formate reactors in series. As a result, increase in production of Methyl Formate and Formic Acid can be achieved without incurring any additional cost of raw material.
- Successful trial for development of process to reduce soluble silica in Ammonium Nitrate solution was achieved.

3. Future Plan of Action:

- Research studies for value added products from Ortho Toluene Diamine (OTD) will be carried out. The experiments are being planned to synthesis of value added products.
- The experiments will be carried out to re-generate the precious metal containing spent catalyst, to be used in place of fresh catalyst.
- Experiment on batch as well as continuous scale is started to develop a Fenton process to treat Red water after recovery of Di-Nitro Toluene.
- Process & Product development for value added products using In-House & Bio resources are planned.

(iv) Expenditure on Research and Development:

(Rs. In Crore)

No.	Nature of Expenditure	2016-17	2015-16
1	Capital Expenditure	**0.00**	0.00
2	Recurring Expenditure	**0.26**	0.23
3	Salaries to R&D Personnel	**1.85**	2.06
4	Power and Fuel	**0.40**	0.06
	Total :	**2.15**	**2.35**
5	Total R&D expenditure as percentage of total turnover	**0.0435%**	0.0485%
6	Gross Turn-over	**4944.81**	4,845.85

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange used and earned:

(Rs. In Crore)

Particulars	2016-17	2015-16
Foreign Exchange used	**281.33**	350.71
Foreign Exchange earned	**117.61**	33.75

Annexure - IV

DISCLOSURE PURSUANT TO RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR FINANCIAL YEAR 2016-17.

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

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

Dr. Rajiv Kumar Gupta, IAS, Principal Secretary to GoG is holding the additional charge of the post of Managing Director of the Company and no remuneration is paid to him for holding the said charge. Therefore, the ratio of remuneration of each Director to the median remuneration of the employees for the financial year 2016-17 is not applicable.</td></tr>
<tr><td>2</td><td>Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any.</td><td>
<table>
<tr><th>Sl No</th><th>Director / KMP</th><th>Title</th><th>% increase in remuneration</th></tr>
<tr><td>1</td><td>Dr. Rajiv Kumar Gupta, IAS</td><td>MD / CEO</td><td>---</td></tr>
<tr><td>2</td><td>Shri Vikram Mathur [1]</td><td>CFO</td><td>303.71*</td></tr>
<tr><td></td><td>Shri D. V.Parikh [2]</td><td>CFO</td><td></td></tr>
<tr><td>3</td><td>Shri R.B.Panchal [3]</td><td>CS</td><td>281.84*</td></tr>
<tr><td></td><td>Shri T. J. Lakhamapurkar [4]</td><td>CS</td><td></td></tr>
</table>
1 Ceased to be CFO w.e.f 30-09-2016

2 Appointed as CFO w.e.f 01-02-2017

3 Ceased to be CS w.e.f 30-11-2016

4 Appointed as CS w.e.f 01-12-2016

* Percentage increase in remuneration of KMP is mainly due to terminal benefits of Gratuity and Leave encashment given to S/Shri RB Panchal, Company Secretary and Vikram Mathur, CFO on their retirement from services of the company.

Non Executive Directors are paid only sitting fees for attending the Board / Committees Meetings.</td></tr>
<tr><td>3</td><td>Percentage increase in the median remuneration of employees.</td><td>2.92%, considering employees who were in employment for the whole of FY 2015-16 & FY 2016-17.</td></tr>
<tr><td>4</td><td>Number of permanent employees on the rolls of Company at the end of the year.</td><td>2395</td></tr>
<tr><td>5</td><td>Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.</td><td>Average percentile increase made in the salary of the employees other than Key Managerial Personnel (KMP) in FY 2016-17 was 2.11% whereas increase in the remuneration of KMP was 295.01%.

Percentile increase in the remuneration of KMP in comparison with remuneration of other employees is due to terminal benefits of Gratuity and Leave encashment to KMP (CS & CFO) upon their retirement from the services of the Company.</td></tr>
<tr><td>6</td><td>Affirmation that the remuneration is as per the remuneration policy of the company.</td><td>The company has various grades for the purpose of remuneration to key managerial personnel, senior management and other employees of the company. The remuneration paid to them is as per the grade in which they are employed and as per the terms of their appointment.</td></tr>
</table>

Annexure - V

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

Sr. No.	Name (S/Shri)	Age (Yrs.)	Qualification	Total Exp.(Yrs.)	Designation	Remuneration Received (Rs.)	Date of Joining	Last Employment held
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

A. Employees who were employed throughout the financial year and was in receipt of remuneration for the year which in the aggregate was not less than Rs.1,02,00,000/-

– None –

B. Employees who were employed for a part of the financial year and were in receipt of remuneration for any part of that year at the rate which in the aggregate was not less than Rs. 8,50,000/- per month

1	A G Patel	60	B. Com.	36	Sr. Officer	3541808	28-12-1981	Tallyman - Kandla Handling Company, Kandla
2	A P Sindha	60	Diploma in Chemical Engg.	41	Sr. Manager	4306784	17-08-1982	Civil Overseer - Panam Water Management, Panchmahal
3	A R Oza	60	B.Com, PGDLP, IPMM, IRPM	37	Sr. Manager (HR)	4386928	14-02-1983	Asst. (Personnel) - Polymer corporation of Gujarat Ltd. - Baroda
4	B C Patel	60	NCTVT Boiler Attendant, First Class Boiler Competency Exam	39	Sr. Operator	2960361	24-10-1979	Attendant Operator Trainee - GSFC Ltd.
5	Babubhai K Parmar	60	ITI - Electrician, NCTVT	37	Sr. Technician (EL)	2664887	06-11-1979	ITI (Electrician Trainee) - GNFC Ltd.
6	Baldevbhai K Parmar	60	ITI - Electrician, NCTVT	38	Sr. Technician(EL)	2512419	01-11-1978	Asst. Technician Electrical -GNFC Ltd.
7	B R Matoria	60	B.Sc (Agriculture)	35	Sr. Marketing Manager	3680670	09-04-1983	Salesman - Rajsthan Co. Op. Society Ltd. - Ganganagar
8	C V Lunagaria	60	B.Sc	37	Sr. Operator	3491824	16-02-1981	Plant Operator Trainee - GNFC Ltd.
9	D C Patel (Late)	53	B.Sc (Agriculture) & MBA (Marketing)	29	Marketing Manager	3235580	01-12-1987	Field Representative Trainee -GNFC Ltd.
10	D S Shah	60	B.Com, English Short Hand, GCC English Typing	37	Personal Secretary	2103437	10-09-1981	Stenographer - Anup Engineering Ltd., Ahmedabad
11	G N Lunavia	60	DERE, BE - E&C	36	Chief Manager	5224611	21-11-1986	Engineer - ISRO Ahmedabad
12	I M Patel	60	B.Sc	38	Sr. Manager	3151703	01-08-1980	Apprenticeship Instrument Technique - Chemical Plant - GSFC Ltd.
13	J B Darji	60	ITI - Fitter, NCTVT	37	Sr. Technician(M)	3044875	01-11-1978	Asst. Technician Fitter Jr. - GNFC Ltd.
14	J G Gohil	60	Std – II	37	Sr. Carpenter	2567830	01-10-1982	Carpenter (Daily Wage) - GNFC Ltd.
15	J M Patel	60	B.Sc, AMIE (Chem.)	36	Manager	3555327	05-10-1984	Plant Operator - Deepak Nitrite Ltd., Baroda
16	J M Shah	60	ITI - Instrument Mechanic	39	Sr. Operator	4309299	23-11-1982	Technician Instrument - GACL, Baroda
17	J R Patel	60	Diploma in Chemical Engg.	35	Sr. Manager	2689958	16-01-1982	Jr. Operator - Trainee - GNFC Ltd.
18	J S Deore	60	BA, Dip. Labour Laws, GCC Typing, GCC Short Hand	36	Manager (Secretariat)	2961893	11-03-1983	Steno Typist - Gujarat Tractor Corporation Ltd. , Baroda
19	K B Garvalia	60	BE – Mechanical	35	Executive Director	4807831	01-10-1982	Engineer Trainee Mechanical - GNFC Ltd.
20	K G Patel	60	ITI – Fitter	37	Foreman	2588680	08-11-1979	ITI Fitter Trainee - GNFC Ltd.
21	K M Thanki	60	BE - Mechanical, Second Class Boiler Proficiency Exam, Dip. in EDP & Computer Mgt.	35	General Manager	5544666	16-09-1982	Engineer Trainee Mechanical - GNFC Ltd.
22	M A Khan	60	B.Com	38	Manager	2304455	28-09-1981	English Section Writer - District Court, Surat
23	M A Patel	60	ITI - Electrician, NCTVT	38	Foreman	2694682	01-11-1978	Trainee - GSFC Ltd.
24	M B Patel	60	ITI - Welder, NCTVT	38	Foreman	2948556	01-11-1978	Trainee - GSFC Ltd.
25	M L Gupta	60	M.Com	38	Sr. Accounts Officer	3281658	17-09-1986	Accountant - MP State Co. Op. Marketing Federation, Bhopal
26	M L Patel	60	ITI - Welder, NCTVT	38	Foreman	2961519	01-11-1978	Trainee - GSFC Ltd.
27	N B Patel	60	ITI – Fitter	37	Sr. Operator	2934449	22-12-1980	Fitter / Operational Trainee - GNFC Ltd.
28	P A Mankad	60	BE (I&C)	37	Executive Director	7007887	25-09-1980	Engineer Trainee Instrument - GNFC Ltd.
29	P I Panchal	60	ITI – Fitter	37	Sr. Operator	2245561	01-12-1980	Fitter / Operational Trainee - GNFC Ltd.
30	P N Mehta	60	ITI - Instrument Mechanic, NCTVT	37	Sr. Technician(I)	2939477	01-12-1980	Instrument / Operational Trainee - GNFC Ltd.
31	P T Patel	60	Diploma in Chemical Engg.	36	Civil Engineer	2241179	31-05-1986	W.C. Addl. Asst. Engineer - Irrigation Dept. Baroda
32	R B Panchal	60	B.Sc, LLB (Spl), LLM, DLP, FCS, ACIS (UK)	31	Company Secretary & Executive Director	5139301	01-06-1995	Company Secretary - Paushak Ltd., Baroda

Sr. No.	Name (S/Shri)	Age (Yrs.)	Qualification	Total Exp.(Yrs.)	Designation	Remuneration Received (Rs.)	Date of Joining	Last Employment held
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
33	R D Tandel	60	ITI - Fitter, NCTVT, ATC	37	Manager	3046064	06-11-1979	ITI - Fitter Trainee - GNFC Ltd.
34	R P Patel	60	BE - Mechanical	34	General Manager	4870952	16-05-1984	GET - GNFC Ltd.
35	R S Mahida	60	BA, GCC English Exam	36	Personal Secretary	2962084	07-04-1986	Steno, Kheda District Panchayat
36	Riaz Ahmad	60	Std - VII	38	Sr. Technician(M)	2441068	02-10-1984	Welder - Techno Engineering
37	S M Bhati	60	M.Sc	35	Sr. Manager	3314152	01-03-1983	Shift Chemist - Khatau Junkar Ltd.
38	S N Patel	60	ITI - Fitter & DME	37	Sr. Shift Engineer	2663941	01-12-1980	Fitter / Operational Trainee - GNFC Ltd.
39	S P Patel	60	NCTVT MMCP, DME	38	Sr. Manager	3922837	01-11-1978	Trainee - GSFC Ltd.
40	S R Gupta	60	B.Com, LLB	39	Sr. Accounts Officer	3906376	07-04-1986	Account Asst. - Hindustan Beverages & Bottling Ltd. Mumbai
41	V B Patel	60	M.Sc	37	Chief Manager	5533122	22-12-1980	Lab. Tech. Trainee - GNFC Ltd.
42	V M Gabani	60	B.Sc	36	Sr. Shift Engineer	3841804	30-10-1984	Shift Supervisor - Gujarat Carbon Ltd., Palej
43	V N Patel	60	M.Sc	35	Sr. Manager	3952206	16-05-1983	Jr. Chemist - Indo - Nippon Chemical Ltd., Baroda
44	Vikram Mathur	60	B.Com., CA	35	General Manager & CFO	6882497	06-08-1985	Manager (Finance) - Vikas Industrial Gases Ltd., Lucknow

NOTES :

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

Top ten employees in terms of remuneration drawn during the year

Sr. No.	Name (S/Shri)	Age (Yrs.)	Qualification	Total Exp.(Yrs.)	Designation	Remuneration Received (Rs.)	Last Employment held
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	G M Varliani	56	B.Sc (Statistics), ICWA	35	General Manager	33,48,043	Chief Consultant - Chase Infotech Ltd. , Ahmedabad
2	G C Shah	58	BE - Chemical	35	Executive Director	26,89,625	GET - GNFC Ltd.
3	M M Patel	58	BBA, Diploma in Import & Export Management, MBA (Marketing)	35	Sr. Manager	25,98,816	Jr. Assistant Trainee - GNFC Ltd.
4	P B Kansara	55	B.Sc, Certificate in Programming Oracle 8idba net & Design	29	Asst. General Manager - APPL. Dev. & ERP	25,36,307	Deputy GM & CEO - Ahmedabad Stock Exchange
5	S C Mehtani	52	BE - Chemical	31	Chief Manager	24,71,740	Graduate Apprentice (Chemical) GNFC Ltd., Bharuch
6	A A Desai	48	BE- E&C & ME- E&C	23	General Manager	24,10,839	Lecturer - Directorate of Technical Education, Gandhinagar
7	Vimal Purohit	51	B.Sc & MCA	28	Asstt. General Mgr. - Quality & Audit	23,50,157	Owner - Purohit & Co., Jamnagar
8	Y B Gandhi	58	BE - Mechanical	36	Executive Director	23,28,082	Engineer Trainee - GNFC Ltd.
9	R M Patel	52	BE - Chemical	31	Chief Manager	22,90,217	Graduate Apprentice (Chemical) GNFC Ltd., Bharuch
10	M S Shah	58	BE - Mechanical, Second Class Boiler Proficiency Exam	36	General Manager	21,84,152	Engineer Trainee (Mechanical) GNFC Ltd.

Annexure - VI

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

My attached report of even date is to be read along with this letter -

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

CS VIJAY L VYAS
Date : 28th June, 2017 **COMPANY SECRETARY IN PRACTICE**
Place : VADODARA FCS NO.: 1602; C.P. No.: 13175

FORM NO. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

I, CS VIJAY L VYAS have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED (CIN: L24110GJ1976PLC002903) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED, ("the Company") for the financial year ended on March 31, 2017 according to the provisions of:-

(1) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(4) Foreign Exchange Management Act, 1999 ('FEMA') and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('SAST');

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

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

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

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

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

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

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

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

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

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

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

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

(ii) Ammonium Nitrate Rules, 2012;

(iii) Petroleum Act, 1934;

(iv) Explosives Act, 1884 and Explosives Rules, 2008;

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

(vi) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016; and

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

I have also examined compliance with the applicable clauses on Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.

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

I am informed that Safety Audit of the TDI-II Plant, Dahej had been conducted as required and the said plant has been restarted after receipt of the approval from the Director of Industrial Safety & Health (DISH).

I further report that-

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Woman Director except that the Company has to appoint one more Independent Director on the Board in-order to fulfil the criteria of having fifty per cent of the Board of Directors as Independent Directors. I am informed that the company is in process of identifying and selecting one more Independent Director having relevant expertise and experience to fulfil the legal requirement. Subject to above, the changes in the composition of the Board of Directors that took place during 2016-17 were carried out in compliance with the provisions of the Act and SEBI (LODR) Regulations.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at-least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

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

(ii) Redemption / Buy-back of securities.

(iii) Merger / Amalgamation / Reconstruction etc.

(iv) Foreign Technical Collaborations.

I further report that during the financial year 2016-17, the Company has not passed any Special Resolution at the 40th Annual General Meeting held on 30th September, 2016.

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

Place : VADODARA
Date : 28th June, 2017

Annexure - VII

DIVIDEND DISTRIBUTION POLICY

INTRODUCTION

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

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

OBJECTIVE AND SCOPE

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

EFFECTIVE DATE AND APPLICABILITY

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

The Policy shall not be applicable in the following circumstances :

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

STATUTORY REQUIREMENTS

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

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

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

FINANCIAL PARAMETERS / INTERNAL AND EXTERNAL FACTORS FOR DECLARATION OF DIVIDEND

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

Financial Parameters :

i) Quantum of anticipated capital expenditure,

ii) Magnitude of realized profits,

iii) Operating cash flow and liquidity,

iv) Investment opportunities,

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

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

vii) Sales volume,

viii) Anticipated expenses,

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

Internal & External Factors :

(a) Cash flow position of the company,

(b) Stability of earnings,

(c) Cost of borrowings,

(d) Number of shareholders,

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

(f) Past dividend trends,

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

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

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

(j) Any other contingency plans.

CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

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

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

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

MANNER OF UTILIZATION OF RETAINED EARNINGS

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

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

PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

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

AMENDMENT IN POLICY

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

CAUTIONARY STATEMENT

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

MANAGEMENT DISCUSSION AND ANALYSIS

1.0 OVERVIEW OF COMPANY :

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

GNFC today is one of the leaders in fertilizer industry. The company is engaged in manufacturing and selling fertilizers such as Urea and Ammonium Nitro-phosphate under the brand name of "NARMADA".

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

During the year, company has developed its neem project with the main objective of women empowerment and uplifting of poor rural masses by providing additional income and employement.

The company provides several cutting-edge IT services and solutions covering System Integration, Aadhaar based one time usage Digital Signature Certificates (e-Sign), regular e-Token based DSC, e-Auction, e-Procurement, e-Governance projects, Data Centres, Cloud storage and CCTV Surveillance Systems etc. under a brand name of (n)code solutions. It continues to remain market leader in Public Key Infrastructure based Digital Signature Certificate business despite tough competition. During the year, it has won system integration project for BRTS-Ahmedabad. The company continues to be preferred partner for cloud based Electronic Procurement services and other E-governance projects like Mukhya Mantri Ammrutam Yojna, Integrated Leasing and Mining Solutions (ILMS) awarded on nomination bases.

2.0 INDUSTRY STRUCTURE AND DEVELOPMENT :

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

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

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

Government has directed Fertilizers companies to open Model Fertilizers Retail Shops all over the country as per announcement in the budget Session 2016-17. Model Fertilizers Retail Shops should facilitate in testing of soil samples to be provided by the farmers at their respective centers.

Government has also made it mandatory for all chemical fertilizers suppliers to promote and market City Compost alongwith chemical fertilizers. For this purpose government has announced a Market Development Assistance of Rs. 1500 PMT on sale of City Compost to fertilizers suppliers.

3.0 OVERVIEW OF PERFORMANCE :

3.1 Production/ Operational Performance :

Chemical & Fertilizers :

- The company was able to do reasonably well in the depressed market conditions, through its operational excellence, higher efficiency and well executed strategies around input sourcing and marketing. The operation strategy of the company was driven by continuous adjustment of manufacturing/ trading pattern based on relative economics.
- During the year 2016-17, total 190 nos of new records were established, out of which 114 nos. of records were established in production.
- The ability to operate at high utilisation levels and switch product slate to suit market conditions enabled the company to capture margin optimisation opportunities in the market. The ability to operate at high utilisation levels is core strength of the company. Most plants of the Company were operated at over 100% capacity utilization:

Plant	Production (MT)	Capacity Utilization (%)
Ammonia	6,45,347	144.86
Urea (including Technical Grade)	7,77,555	122.08
Ammonium Nitrophosphate (ANP)	2,20,311	154.60
Acetic Acid	1,58,512	158.51
Formic Acid	21,934	219.34
Aniline	41,454	118.44
Toluene Di-Isocyanate (TDI-I)	13,407	95.76
Toluene Di-Isocyanate (TDI-II)	33,365	66.73
Ethyl Acetate	50,064	100.13
Weak Nitric Acid (WNA-I)	2,97,871	120.35
Weak Nitric Acid (WNA-II)	1,26,389	126.39
Concentrated Nitric Acid (CNA) – I/II/III	1,13,793	98.10

- During the year 2015-16, the company had been appointed as Fertilizer Marketing Entity (FME) for three years from October, 2015 for handling and distribution of Urea imported by the government of India.
- 50,000 MTPA TDI plant at Dahej, which is in operation since March 2014, was facing operational stabilization problems due to complex technology. By proper synchronization of all related upstream sections, during the year maximum production of TDI was achieved by producing 33,365 MT at 67% capacity utilization level. Further, due to frequent interruptions, cost of production is high. Further, sales prices of TDI is also showing remunerative trend.
- During the year, the company has achieved highest ever production in Ammonia, Urea, Technical Grade Urea, Formic Acid, Methyl Formate, ANP, AN Melt (Section-43), Nitrobenzene, CPSU GT Power Generation & HRSG HPSH Steam Generation, Urea Bagging (Total, Neem Coated & Technical Grade), ANP Bagging, TDI-II/ DNT/ MTD/ OTD/ HCl/ SAC/ CO/ H2 in Dahej plant.
- Following the directive of GoI for 100% neem coating of Urea, innovative socio-economic Neem project was undertaken in the year 2015. About 890 MT of Neem oil and about 7000 MT of Neem cake were produced during the year 2016-17.
- In-house facility for expelling 5000 MT per annum of neem seeds is established to produce high quality Neem oil. As a forward integration, Neem soap, Neem oil (domestic & personal care use) manufacturing and marketing has started using high quality Neem oil. Neem oil based Pesticide Unit is also set up.
- Due to lower sales realization and non availability of Natural Gas at economical rate, production capacities of methanol were operated only when market conditions were favourable.
- The company constantly focuses on technology, product innovation, cost improvements and safe practices. During the year, various modifications & energy saving schemes were implemented resulting into considerable monetary and energy savings. Further, various initiatives in operation and maintenance of plants like use of alternate materials, diversions of excess gases / steams to other potential uses, changes in catalyst design, changes in fuel or raw material mix, change in timings of shutdown have resulted into recurring benefits with added advantage of flexibility in operations and reduced dependencies.

IT Operations :

- The company has maintained its leadership position in DSCs Business with Digital Signature based solutions for secured transactions and Aadhar based biometric authentication.
- During the year, (n)Code Solutions won prestigious project of Ahmedabad BRTS through tender process. Company has made ever highest sales in DSC and e-Procurement collectively, which is highest since the inception of the business.
- Hon'ble Chief Minister of Gujarat inaugurated GNFC Township as cashless township in the country. (n)Code – IT division of the Company and GNFC team jointly identified requirements and successfully contributed in cashless drive. The team has also won very prestigious Golden Peacock Award for Innovative product / service for Cashless Township. GNFC's cashless township model has been implemented in 81 integrated townships across 12 States of the Country.
- The company has maintained its turnkey projects business in area of Data Centre, CCTV surveillance systems Business, E-governance projects amid tough competition.

3.2 Financial Performance :

The Financial Highlights for the year 2016-17 is as under:

(Rs in Crores)

Particulars	**2016-17**	2015-16
Sales Turnover	**4,944.81**	4,845.85
Total Income	**5,169.67**	5,098.22
Earnings before Interest, Depreciation, Exceptional items and Tax	**877.70**	815.24
Exceptional item	**292.23**	-
Profit before Tax (PBT)	**715.05**	267.70
Profit After Tax (PAT)	**521.30**	172.68
Book Value per Share (Rs.)	**244.60**	210.88
Earnings per Share (EPS) (Rs.)	**33.54**	11.11
Return on Capital employed (ROCE) (%)	**18.83**	11.88
Return on Equity (ROE) (%)	**13.71**	5.27

- During the year, the company has made highest ever profit before tax of Rs. 715.05 crore.
- The company has recorded highest ever market capitalisation of Rs. 5015 crore during FY 2016-17.
- During the year, (n) code, the IT Division of the company has made highest ever profit of Rs. 51 crore and highest ever turnover of Rs. 189 crore.

3.3 Marketing Performance :

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

- In fertilizer business, the company has done a very good business even though there was a bad monsoon. The company has ensured sales of quality fertilizers at fair prices in addition to extension activities including soil testing facilities.

- In chemical business more thrust has been given on export. Export turnover has increased to 360.39 Crore in FY 2016-17 from Rs. 212.52 Crore in FY 2015-16. The Company is one of the leading suppliers of TDI in markets of Middle East & Africa. Company's products have been exported to 55 countries. Further the Company has increased its share in the Indian market from 44% to 67%.
- Considering digital transformation drive in the country, (n)Code has identified areas of business in the field of Aadhaar enabled Point of Sales machine (PoS), to operate as Goods and Service Tax (GST) Suvidha Provider, make e-Sign enabled internet based applications and provide training to support cashless drive in rural areas of the country.
- In IT Business, the Company has identified untapped markets for IT Business which mainly includes Education, e- sign solutions, Data Analytics, Smart city consultancy, GIS based solution for various government agencies, Intelligent Transport Management System & Mining and has prepared action plan to foray into them.
- The company has initiated a unique and first of its kind, socio – economic project of collection of neem fruits through the poor rural women and landless labourers to supplement their income and empower them. During current year, 11,300 MT of neem seeds were collected from such sources, providing additional income to about 1 lakh poor rural women and other marginalized communities.

Awards Won during 2016-17 :

- Award from SKOCH Group, GNFC Neem Project awarded for **"Order of Merit Award".**
- Award from SKOCH Group, GNFC Neem Project awarded for **"SKOCH Blue Economy Platinum Sustainability Award-2016".**
- Award from SKOCH Group to **Dr. Rajiv Kumar Gupta IAS MD,** conferred honour of **"SKOCH Blue Economy Person of the Year Award"** for his exemplary leadership in conceptualizing, designing and managing the Neem Project.
- **"Golden Peacock Award in CSR for Neem Project"** from Institute of Directors, Golden Peacock Award, Bengaluru.
- **"GNFC Neem Project for Women Empowerment"** from ABP News Awards, Mumbai.
- **"GNFC Neem Project for Women Empowerment"** from Global CSR Awards, Mumbai.
- Appreciation award to GNFC for making highest payment of Excise Duty of Rs. 220 crores in large scale industries (Chemical Sector) category from Central Excise, Customs & Service Tax Dept., Vadodara.
- **"Golden Peacock Award for Innovation of Cashless Township"** from Institute of Directors, Golden Peacock Award received in Dubai.
- Golden Globe Tiger Award for Excellence & Leadership in CSR in the category of **"E-payment Leadership"** for implementation of digital transactions in its township from World CSR Institute at Malaysia.
- Awarded **"Best Implementation of Digital Payments"** award for Cashless sale of Fertilizers and Cashless Township.
- Won prestigious **"India CSR Leadership Summit Award"** for the most Innovative Project of the Year.
- One of the employees of the company, Shri N.H. Darji, Senior Technician got Prime Minister **"Shram Vir Award" and Government of Gujarat "Shram Ratna Award"** for outstanding contribution and avoiding tripping of Acetic acid plant during power supply failure.

4.0 OUTLOOK :

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

Fertilizers:

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

Chemicals :

The current low per capita consumption in India and strong growth outlook for the key end usage are the key growth drivers for this industry. Market leadership position is maintained in Formic Acid, Acetic Acid, Aniline and TDI. Key concern areas in Chemical business of the company are operation of 50000 MTPA TDI plant at Dahej and tough competition in the sector. Based on growth history of the sector, outlook for company's chemical business is positive. However, operation of 50000 MTPA TDI plant at Dahej is the key anxiety.

Information Technology (IT) :

After demonetization by the Central Government and under the " Digital India " vision of the Central Government, various initiatives have been taken by Central and State Governments to transform process and procedures within various Government bodies and departments. Further, increasing acceptance of digital technologies impacted business models, processes, new products and services offerings, access to new markets, new customer base etc. which has resulted into increased spending on technology. There is an inherent need to provide high quality, reliable and cost effective IT-based solutions for the benefit of the

common man. IT services sector in India has shown a remarkable record of accomplishment in the past two decades and the outlook for company's IT business is positive.

5.0 OPPORTUNITIES AND STRENGTHS :

1. Brand image of company's fertilizers continues to be in the premium segment. This will further help in consolidating markets in the Primary Marketing Zone in the decontrol scenario.
2. Huge gap of demand and supply of various chemicals and Fertilizers offers a business opportunity of trading by the company.
3. Increased capacity in Chemical segment particularly TDI and Ethyl Acetate offer a good opportunity for export.
4. Di-calcium Phosphate project is being set up at Dahej, in a joint venture with M/s. EcoPhos, Belgium, based on Hydrochloric Acid that is generated as by-product from TDI-II plant. Company would be able to monetize it and the issue of its disposal would also be eliminated. This would enhance the profitability of TDI-II Dahej Plant.
5. To reduce cost of steam at Dahej TDI-II unit, setting up of coal based boiler is being considered at Dahej.
6. The ability to operate at high utilisation levels by innovative modifications, production enhancement scheme as well as effective upkeep and maintenance offer benefits of higher business volumes.
7. Oil and other petroleum products are significant inputs in productions of Fertilizer & Chemicals and lower prices may improve profit margins.
8. The company has also entered into long-term/annual contracts for supplies of most of the critical raw materials like oil, Natural Gas, Rock phosphate, Benzene, Coal, Toluene, packing material etc. to ensure continuous production.
9. Under the Socio-economic Neem project, company is collecting over 10,000 MT neem seeds since last two years in Gujarat. Encouraged by the national and international recognition of the project, neem seed collection target for 2017 is increased to about 40,000 MT by replicating Gujarat model in other states including Karnataka, Maharashtra, Madhya Pradesh, Uttar Pradesh and Rajasthan. This has also opened up opportunity for setting up large scale Neem seed expelling / extraction unit to produce about 2,900 MT Neem oil and about 22,000 MT per annum Neem cake.
10. After the successful launch of Neem soap, neem oil and Pesticide, Company is now planning to increase FMCG product range by launching Neem based hand wash, shampoo, Face wash, Hair Oil and other products in the market. Looking at the growing demand, Company has decided to expand retail outlet footprint to other states too.
11. Increased emphasis on E-governance and Internal Security by Government offer a lot of business opportunities for the company in E-governance, Data Centre and CCTV surveillance system projects.
12. (n)Code Solution has a good track record and substantial experience in undertaking projects which require specialized skills and understanding of customer needs especially related to Government departments and large scale enterprises. This continues to remain one of the key strength areas for the division. There are enough opportunities in areas related to e-governance, System Integration Business, Surveillance Services,Smart City consulting, IT consultancy, Business Analytics, Digital Signature Certificates, Cybersecurity consulting and Assurance services etc.
13. Strategic alliance with new partner for managing IT Business offers benefit of innovation and new ideas.
14. Following its policy of growth based diversification; the company has developed a diversified basket of products that helps the company to sail through cyclical changes in business.

6.0 THREATS, RISKS & CONCERNS :

1. Fertilizer being highly controlled and subsidized sector, company's fertilizer business is largely dependent on Government's policies with respect to subsidies, availability and pricing of feedstock, marketing of fertilizers etc. Changes in such policies may impact fertilizer business.
2. Chemical business is largely dependent upon domestic market which is highly competitive.
3. Frequent interruptions in operation of 50000 MTPA TDI plant at Dahej on account of complex technology resulting into higher cost of production is the key anxiety.
4. Availability and pricing of key raw material like Natural Gas, Rock Phosphate and other petroleum based products is limiting factor and have potential to impact profitability and operations.
5. Key raw materials are purchased at import parity prices. Further, Company is largely dependent on foreign vendors for critical machineries, spares and technical services. Therefore, currency fluctuations may impact operations or results of the company.
6. Certain long term contracts entered into by the company contain clauses, which if triggered, have potential of resulting into adverse financial implications to the company.
7. The company has certain litigations, representations and applications etc. pending before Courts, Tribunals, Government Departments and Agencies, Regulators etc. which, if adversely decided, could impact business and operating results.
8. Company's IT Business to a certain extent depend upon ability to compete for firm priced and/or cost plus contracts with tight execution deadlines.
9. Recruitment and retention of talented human resource particularly at senior level is a matter of concern.
10. Changes in the policies of Government, Regulations and Laws which have potential of impacting business in India generally, could also impact business of the company.

7.0 NEW PROJECTS :

1. The company has adopted a very unique multifaceted and people-centric approach in Neem Project. The company has embarked upon the Neem Project as a backward integration project to manufacture its own requirement of Neem oil, selling excess Neem oil and also to make organic Neem cake Fertilizer, with the main objective of women empowerment and uplifting of poor rural masses by providing additional income.

2. It is also planned to set up large scale Neem seed expelling / extraction unit to produce about 2900 MT Neem oil and about 22000 MT per annum Neem cake. To further promote use of Neem, facilities are set up to manufacture neem oil based Hand wash, Shampoo, Face wash, Hair oil etc.

3. The company has entered into a Joint venture Agreement with M/s. EcoPhos SA, Belgium for setting up Di-Calcium Phosphate project, based on Hydrochloric Acid generated as by-product from 50000 MTPA TDI plant at Dahej. This would enhance the profitability of TDI, Dahej plant. Project execution activities by EGIL are in progress and project is expected to be completed by December, 2018.

4. For Lime Purification Project, Joint Venture agreements were signed with M/s. Santosh Agrochem LLP (SAC) to establish the facility for lime purification in two Phase in GNFC premises through a Joint Venture company Calciwell Chemtech Pvt. Ltd. (CCPL). Project will not only solve the problems related to high stock of lime during slack season but also issues related to environment. It will also generate additional revenue for GNFC.

5. Company has set up 100 MT/Hr capacity gas based boiler at Dahej to meet captive steam requirement while power is being sourced from DGVCL grid. There is large variation in gas prices. In order to reduce cost of steam and power and to improve their reliability, a coal based Captive Co-generation Power Plant with a capacity to produce 18 MW power and 150 MT/hr steam is planned.

6. The company is exploring opportunities of projects in countries where there is availability of raw materials like Natural Gas, rock phosphate and other petroleum products at economic prices.

7. To fulfil renewable purchase obligation (RPO) as per Gujarat Electricity Regulatory Commission (GERC) notification dated 01.07.2015, Company has now entered into MoU with a Saudi Arabian company to set up 40 MW Solar power generation facilities at Bharuch and Dahej Complex.

8.0 HUMAN RESOURCE MANAGEMENT :

One of the strengths of your Company lies in its skilled and professional manpower. This could be achieved by adopting good HR policies and undertaking training and development of all employees. The Company makes continuous and concerted efforts to groom its human resources to meet with the present and future challenges in the field of Technology and Management functions in the rapidly changing Industrial scenario. Remaining conscious & focused about the importance of safety, environment and health aspects, the company conducted in-house training programmes on safety awareness, environmental aspects, health awareness etc. during the year. The company's proactive actions have resulted into good, harmonious, cordial and healthy industrial relations throughout the year which has helped in sustaining production levels and economical operations. The total strength of human asset of the company as on 31st March, 2017 was 3075.

9.0 INTERNAL CONTROLS SYSTEM, INTERNAL AUDIT AND ITS ADEQUACY :

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

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

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

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

10.0 CAUTIONARY STATEMENT :

The statements in Management Discussion and Analysis describing the company's objectives, expectations or projections, may be forward looking and it is not unlikely that the actual outcome may differ materially from that expressed, influenced by wide variety of factors affecting the business environment and the company's operations. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS

Composition of the Board

Your Company is managed by a professional Board comprising Nine (9) Directors, of which eight (8) Directors are Non-executive Directors including a Woman Director constituting more than half of the total strength of the Board. Managing Director is the only Executive Director on the Board. The composition of the Board is reviewed from time to time for ensuring that it remains aligned with statutory requirements.

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

Sr. No.	Name of Director	DIN	Category
1	Dr. J.N. Singh, IAS Chairman	00955107	Promoter, Non-Executive, Non-Independent
2	Shri Anil Mukim, IAS	02842064	Non-Executive, Non-Independent
3	Smt. Mamta Verma, IAS	01854315	Non-Executive, Non-Independent
4	Prof. Arvind Sahay	03218334	Non-Executive, Independent
5	Shri C. S. Mani	00031968	Non-Executive, Independent
6	Shri Sunil Parekh	06992456	Non-Executive, Independent
7	Shri Piruz Khambatta	00502565	Non-Executive, Independent
8	Shri V. D. Nanavaty	07431075	Non-Executive, Non-Independent
9	Dr. Rajiv Kumar Gupta, IAS, Managing Director	03575316	Promoter, Executive, Non-Independent

Changes occurred in the Board of Directors since 1st April, 2016.

Sr. No.	Name of Director	Particulars
1	Shri V. D. Nanavaty	Appointed as Additional Director w.e.f 05.04.2016
2	Shri H. V. Patel, IAS (Retd.)	Ceased to be an Independent Director vide resignation w.e.f 14/04/2016
3	Shri G. R. Aloria,IAS (Retd.)	Ceased to be Director and Chairman vide resignation w.e.f. 24/08/2016.
4	Dr. J.N. Singh, IAS	Nominated as Govt. Nominee Director and appointed as Chairman w.e.f. 31/08/2016
5	Shri Anil Mukim, IAS	Appointed as Additional Director w.e.f. 30.09.2016

Number of Board Meetings Held

During FY 2016-17, Five meetings of the Board of Directors were held with a time-gap of not more than 120 days between any two meetings. The dates on which the said meetings were held are : 26.04.2016, 21.07.2016, 30.09.2016, 10.11.2016 and 23.01.2017. Requisite quorum was present for all the meetings.

Directors' Attendance Record

Attendance of Directors at the Board Meetings during FY 2016-17 and at the last Annual General Meeting (AGM) held on 30th September, 2016.

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

1. Appointed as Chairman w.e.f 31.08.2016
2 Appointed as Director w.e.f 30.09.2016
3. Ceased to be Director w.e.f. 24.08.2016
4 Ceased to be Director w.e.f 14.04.2016

Other Directorship / Committee position of Directors

Number of Directorship and Committee position held by the Directors as on 31st March, 2017.

Name of Director	No. of other Directorships*	No. of Committee position held in other Companies**	
		As Chairman	As Member
Dr. J. N. Singh, IAS	9	2	None
Smt. Mamta Verma, IAS	8	None	2
Shri Anil Mukim, IAS	9	3	6
Prof. Arvind Sahay	1	1	None
Shri C. S. Mani	2	None	2
Shri Sunil Parekh	1	None	None
Shri Piruz Khambhatta	None	None	None
Dr. Rajiv Kumar Gupta, IAS	1	None	None
Shri V. D. Nanavaty	1	None	None

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

* Other Directorship include directorship of all public companies whether listed or not and do not include directorship of all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 (here-in-after referred to as 'the Act'); and

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

Notes :

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

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

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

(iv) None of the Directors on the Board are Independent Directors of more than seven listed companies.

Membership / Chairmanship of Committees of the Board

None of the Directors is a Member in more than 10 Committees or Chairman of more than 5 Committees across all Companies in which he/she is a Director. Necessary disclosures regarding Committee positions held in other public limited companies have been made by the Directors.

Information supplied to the Board

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

As required under the Act and Listing Regulations, the Board has constituted mandatory committees viz. Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibilty Committee and Stakeholders Relationship Committee. In addition to this, the Board has also constituted Project Committee and Human Resource Development Committee. These Committees have been delegated powers and duties by the Board for specific purposes. Meetings of the Committees are held, whenever need arises. Minutes of all Committee Meetings are placed before the Board for taking note thereof.

The Board periodically reviews the compliance reports of laws applicable to the Company as also the steps taken to rectify non-compliances, if any.

Disclosure regarding appointment/ reappointment of Director(s)

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

Code of Conduct

The Board has laid down a Code of Conduct for all Board Members *inter alia* incorporating the duties of Independent Directors as laid down in the Act. The Board has also laid down the Code of Conduct for Senior Management Personnel of the Company. These Codes set ethical standards for Directors and Senior Management Personnel. Both the Codes are available on Company's website viz. www.gnfc.in All Board Members and Senior Management Personnel have affirmed their compliance with the said Code of Conduct. A declaration to this effect signed by the Managing Director for FY 2016-17 is annexed to this Report.

AUDIT COMMITTEE

Constitution & Composition

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

Audit Committee presently comprises Three (3) Independent Directors viz. Shri C.S. Mani, Shri Piruz Khambatta and Shri Sunil Parekh. Shri C. S. Mani is the Chairman and Dr. Rajiv Kumar Gupta, IAS, Managing Director is the permanent invitee to the Committee. All Members possess good knowledge of finance and accounts. The Company Secretary acts as Secretary of the Committee.

Terms of Reference

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

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

(ii) Recommendation for appointment, remuneration and terms of appointment of Auditors of the company

(iii) Review of adequacy of Internal Control Systems and procedures;

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

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

Number of Meetings

During FY 2016-17, four Meetings of the Audit Committee were held with a time-gap of not more than 120 days between any two meetings. The dates on which the said meetings were held are : 26.04.2016, 21.07.2016, 10.11.2016, and 23.01.2017. Requisite quorum was present for all the meetings.

Attendance at the Meetings

Statutory Auditors, Internal Auditors and Senior Management Personnel also attend the meetings by invitation. Cost Auditor attend the meeting by invitation, where the Cost Audit Report is discussed. The recommendations of the Audit Committee are placed before the Board for its consideration and approval.

Attendance of each Member at the Audit Committee Meetings held during 2016-17.

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

1. Ceased to be a Member w.e.f. 31.08.2016.
2. Attended meetings as permanent invitee.

Shri CS Mani, Chairman of Audit Committee was present at the last AGM.

NOMINATION AND REMUNERATION COMMITTEE

Constitution & Composition

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

Terms of Reference

The terms of refrence of the Committee, inter-alia, include - (i) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal; and (ii) Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remmuneration of Directors, key managerial personnel and other employees.

Number of Meetings and Attendance

During FY 2016-17, the committee transacted the business by passing two Circular Resolutions on 28.09.2016 and 26.10.2016.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Constitution & Composition

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

Terms of Reference

The terms of reference of the Committee, *inter alia,* include - (i) Formulation and recommendation to the Board a CSR Policy indicating CSR projects / programs / activities to be undertaken falling within the purview of Schedule-VII of the Act; (ii) Developing the process of monitoring CSR projects / programs / activities stated in CSR policy from time to time; and (iii) Ensuring that the company spends on CSR Activities, in every financial year, at least 2% of the average Net Profits made during the three immediately preceding financial years in pursuance of its CSR policy.

Numbers of Meetings & Attendance

During FY 2016-17, the Committee transacted the business by passing two Ciricular Resolutions on 4th May, 2016 and 1st July, 2016.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Constitution & Composition

The Stakeholders Relationship Committee was constitued in compliance with Section 178 of the Act and Regulation 20 of the Listing Regulations. This Committee presently comprises three Directors viz. Shri CS Mani, Smt. Mamta Verma, IAS and Dr. Rajiv Kumar Gupta, IAS. Shri CS Mani is Chairman of the Committee, who is a Non-Executive and Independent Director and Dr. Rajiv Kumar Gupta, IAS is an Executive and Non-Independent Director. Smt. Mamta Verma, IAS who is Non-Executive and Non-Independent Director, has been inducted as Member w.e.f. 4th August, 2017.

Terms of Reference

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

Number of Meetings and Attendance

During FY 2016-17, Nine meetings of the Committee were held. Dates on which the said meetings were held are – 26.04.2016, 31.05.2016, 30.06.2016, 28.07.2016, 16.09.2016, 25.10.2016, 19.01.2017, 13.02.2017 and 16.03.2017. All meetings were attended by Shri C.S. Mani and Dr. Rajiv Kumar Gupta, IAS, Members of the Committee.

COMPLIANCE OFFICER

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

INVESTORS' GRIEVANCE REDRESSAL

Total 41 complaints were received and replied to shareholders during the year under review. As on 31st March, 2017, no complaint was pending redressal, no share transfer was pending registration and no request for dematerialization of shares was pending for confirmation.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors, without the attendance of Non-Independent Directors and Members of Management was held on 20.08.2016 as required under Schedule IV to the Companies Act, 2013 read with Regulation 25(3) of the Listing Regulations.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

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

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

The Board has approved "Nomination, Remuneration & Evaluation Policy" based on the recommendation of Nomination & Remuneration Committee. The said policy, *interalia,* deals with composition and functioning of Nomination & Remuneration Committee, procedure for selection and appointment of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP), remuneration to Directors, KMP and SMP, performance evaluation of Directors, Board Diversity and criteria for performance evalution of Directors.

The Company has in place various grades for the purpose of remuneration to its employees including Senior Executives. KMP and SMP draw the remuneration of their respective grade and as per the terms & conditions of their appointment.

Details of remuneration paid to Directors

Managing Director

Dr. Rajiv Kumar Gupta, IAS, Principal Secretary to Government of Gujarat (GoG), Labour & Employment Department, GoG, is holding additional charge of the post of Managing Director w.e.f. 02.05.2013. No remuneration was paid to him for holding the additional charge of Managing Director for FY 2016-17.

Non-Executive Directors

Remuneration of Non-Executive Directors (NEDs) is decided by the Board. NEDs are paid remuneration by way of Sitting Fees only for attending Board or Committees Meeting(s). They were paid sitting fees @ Rs.10,000/- per meeting attended by them during FY 2016-17. The Board has in its meeting held on 29th May, 2017, revised the amount of Sitting Fees from Rs.10,000/- to Rs.15,000/- per meeting attended by NEDs.

Details of Sitting Fees paid to Non-Executive Directors during FY 2016-17. (Amount in Rs.)

Sr. No.	Name of Director	Sitting Fees paid
1.	Dr. J.N. Singh, IAS[1]	60,000/-*
2.	Shri Anil Mukim, IAS[2]	20,000/-*
3.	Smt. Mamta Verma, IAS	30,000/-*
4.	Shri CS Mani	1,90,000/-
5.	Prof. Arvind Sahay	50,000/-
6.	Shri Sunil Parekh	1,30,000/-
7.	Shri V.D. Nanavaty	50,000/-
8.	Shri Piruz Khambatta	Nil
9.	Shri G.R. Aloria, IAS[3]	20,000/-*

* Amount deposited in Government Treasury

1 Appointed Chairman w.e.f. 31.08.2016

2 Appointed as Director w.e.f. 30.09.2016

3 Ceased to be Director & Chairman w.e.f. 24.08.2016

Equity shares held in the Company by Non-Executive Directors

None of the NEDs was holding company's equity shares as on 31st March, 2017. The Company has not issued any convertible instruments. Besides, the Company has also not granted any stock option to its Directors.

General Body Meetings

(a) Annual General Meeting (AGM)

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

Year & Date of AGM	Time	Special Resolution passed
2015-16 30/9/2016	11:30 AM	None
2014-15 26/9/2015	3.00 PM	Adoption of new set of Articles of Association of the Company in confirmity with the Companies Act, 2013.
2013-14 26/9/2014	2.30 PM	i) Increase in the Borrowing Limits of the Company. ii) Authorization for creation of Mortgage(s) / Hypothecation(s) / Charge(s)

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

(b) Extra-ordinary General Meeting

No Extra-ordinary General Meeting of Members was held during FY 2016-17.

Postal Ballot

No postal ballot was conducted during FY 2016-17. No resolution is proposed to be passed through postal ballot at the forthcoming AGM.

DISCLOSURES

Related Party Transactions

The company has formulated a policy on Related Party Transactions which is available on Company's website and can be accessed at web link - *http://www.gnfc.in/aboutus/corporate-policies.html*

In terms of Section 188(1) of the Act, the Company entered into Related Party Transaction (RPT) with M/s EcoPhos GNFC India Pvt. Ltd., a joint venture company, the details of which have been furnished in the Directors' Report under the heading "Particulars of Contract or Arrangement made with Related Parties" forming part of this Annual Report.

During FY 2016-17, the Company had not entered into any contract / arrangement / transaction with Related Parties, which could be considered material in accordance with the policy on RPTs. In terms of the omnibus approval granted by Audit Committee, a Statement in the summary form of transactions with Related Parties, which are routine and repetitive in nature, in the ordinary course of business and on arm's length basis is periodically placed before the Audit Committee for review and approval. None of the transactions with Related Parties were in conflict with company's interest.

Accounting treatment

The Company has followed Indian Accounting Standards (Ind AS) in the preparation of Financial Statements for accounting periods beginning on or after 1st April, 2016, with comparatives for the periods ending 31st March, 2016 as per the road map announced by the Ministry of Corporate Affairs, Government of India. The significant accounting policies which are consistently applied are set out in the Notes to Financial Statements.

Details of Non-compliance

The Company has complied with the requirements of Regulatory Authorities. No penalty / stricture was imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to capital markets during last three financial years.

Risk Management

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

Reconciliation of Share Capital Audit

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

Code of prevention of Insider Trading Practices

The Company has in place a Code of Conduct for Prevention of Insider Trading under SEBI (Prohibition of Insider Trading) Regulations, 2015. With a view to regulate trading in securities by the designated persons, the Code lays down the guidelines, which advises the designated persons, on the procedures to be followed and disclosures to be made by them, while dealing in Company's shares and cautioning them of the consequences of violations.

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

Vigil Mechanism Cum Whistle Blower Policy

The Company has in place "Vigil Mechanism-cum-Whistle Blower Policy" to provide a formal mechanism to the directors and employees to report their genuine concerns about the unethical behaviour, actual or suspected fraud, etc. The mechanism provides for adequate safeguards against victimization of employees, who use such mechanism. During the year, no employee was denied access to the Audit Committee. The policy is displayed on the Company's website and can be accessed at link http://www.gnfc.in/aboutus/corporate-policies.html

CEO / CFO Certification

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

Subsidiary Company

The Company has incorporated a Wholly Owned Subsidiary (WOS) in the name of "Gujarat NCode Solutions Limited" on 28th February, 2017. The Minutes of Board Meetings of Wholly Owned Subsidiary are placed before the company's Board regularly. The Company does not have any material subsidiary.

Commodity price risk or foreign exchange risk and hedging activities.

During FY 2016-17, the Company managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging (including natural hedging) foreign exchange exposures against imports and exports.

Compliance with Corporate Governance Requirements specified in Listing Regulations

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

The Company has also complied with Corporate Governance requirements speciifed in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance report. A Certificate as to the compliance of conditions of Corporate Governance issued by Practising Company Secretary is appended with this report.

Management Discussion & Analysis

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

Means of Communication

The Company has its own fuctional website viz. www.gnfc.in which provides various information about the Company. A separate dedicated section on "Shareholders" contains useful information and allows the investors to access the same at their convenience. The Quarterly, Half-yearly and Annual Financial Results are regularly submitted to the Stock Exchanges, published in prominent English and Gujarati daily news-papers and are displayed on the Company's Website. The quarterly Shareholding Pattern, Corporate Governance Report, Annual Reports, official press releases and significant development, if any about the company and other information as required to be disclosed under Regulation 30(8) and Regulation 46 of Listing Regulations are also displayed on the Company's Website.

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

COMPLIANCE

Mandatory Requirement

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

Adoption of Discretionary requirements

- Auditors' Reports on Audited Financial Statements (Standalone and Consolidated) for FY 2016-17 do not contain any modified opinions.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Day : Friday

Date : 29th September, 2017

Time : 11:30 AM

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

Financial Year : 1st April to 31st March.

Financial Calendar : (Tentative)

Results for the Quarter ending on	Announced / will be announced by
* 30th June, 2017	: 04th August, 2017
* 30th September, 2017	: 14th November, 2017
* 31st December, 2017	: 14th February, 2018
* 31st March, 2018	: 30th May, 2018

Book Closure :

Closure of Register of Members and Share Transfer Books : Saturday, the 19th August, 2017 to Thursday, 24th August, 2017 (both days inclusive)

Dividend Payment Date : Dividend of Rs.5/- per equity share of Rs.10/- each will be paid on or after 9th October, 2017, subject to the approval by the Shareholders at the Annual General Meeting.

Corporate Identity No.(CIN) : L24110GJ1976PLC002903

Listing :

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

1) National Stock Exchange of India Limited (NSE)
   Exchange Plaza, 5th Floor, Bandra-Kurla Complex, Bandra (E), Mumbai-400051
2) BSE Limited
   PJ Towers, Dalal Street, Mumbai-400001

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

Listing Fees to Stock Exchanges

The Company has paid Annual Listing Fees to NSE and BSE for FY 2017-18.

Custodial Fees to Depositories

The Company has also paid custodial fees to National Securities Depository Ltd., and Central Depository Services (India) Ltd., for FY 2017-18.

OTHER DETAILS

Details of Security

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

Stock Market Price Data

Monthly High & Low of Company's share price on BSE Limited and National Stock Exchange of India Ltd., during FY 2016-17.

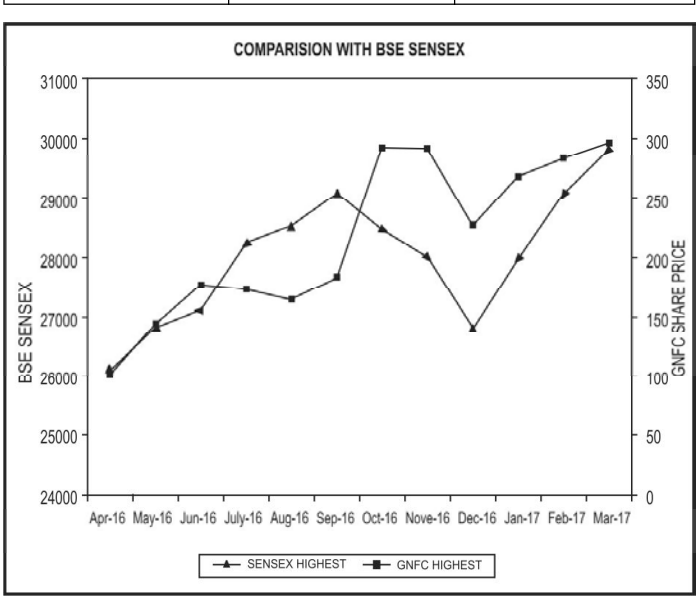
(Amount in Rs.)

MONTH	BSE		NSE	
	HIGH	LOW	HIGH	LOW
April, 2016	101.45	78.45	101.40	78.10
May, 2016	143.40	99.55	143.45	99.00
June, 2016	176.95	124.55	177.50	124.20
July, 2016	174.00	152.50	173.80	152.10
August, 2016	165.25	137.00	165.70	137.65
September, 2016	184.00	146.15	183.90	146.15
October, 2016	292.00	175.40	292.00	175.25
November, 2016	291.60	180.30	291.80	180.00
December, 2016	227.00	198.30	227.05	198.50
January, 2017	267.80	212.75	267.75	213.00
February, 2017	283.55	236.40	283.90	236.35
March, 2017	295.70	253.10	294.90	252.90

Stock Performance : 2016-17

STOCK PERFORMANCE VS BSE INDEX

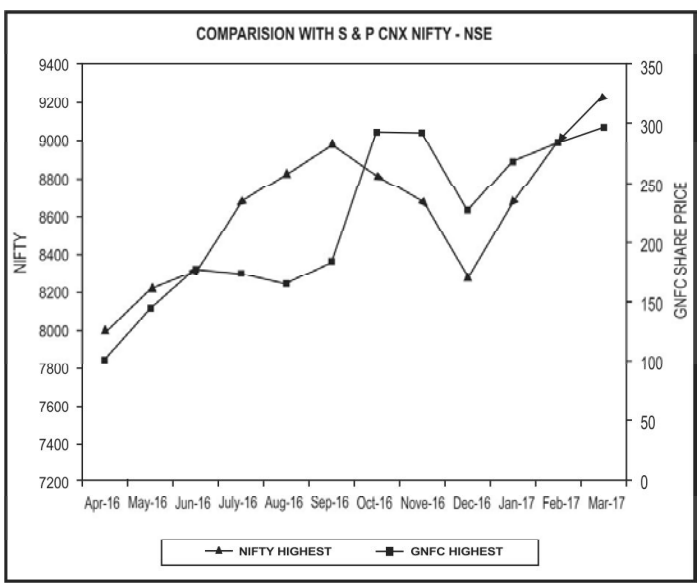
MONTH	SENSEX HIGHEST	GNFC HIGHEST (in Rs.)
April, 2016	26100.54	101.45
May, 2016	26837.20	143.40
June, 2016	27105.41	176.95
July, 2016	28240.20	174.00
August, 2016	28532.25	165.25
September, 2016	29077.28	184.00
October, 2016	28477.65	292.00
November, 2016	28029.80	291.60
December, 2016	26803.76	227.00
January, 2017	27980.39	267.80
February, 2017	29065.31	283.55
March, 2017	29824.62	295.70



Stock Performance : 2016-17

STOCK PERFORMANCE VS S&P CNX NIFTY

MONTH	NIFTY HIGHEST	GNFC HIGHEST (in Rs.)
April, 2016	7992.00	101.40
May, 2016	8213.60	143.45
June, 2016	8308.15	177.50
July, 2016	8674.70	173.80
August, 2016	8819.20	165.70
September, 2016	8968.70	183.90
October, 2016	8806.95	292.00
November, 2016	8669.60	291.80
December, 2016	8274.95	227.05
January, 2017	8672.70	267.75
February, 2017	8982.15	283.90
March, 2017	9218.40	294.90



Investors' Services:

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

Share Transfer System:

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

The Board has delegated the authority for approving transfer / transmission of shares, etc., to Company Secretary. A summary of transfer / transmission of shares, etc., so approved by the Company Secretary is placed before the Stakeholders Relationship Committee. The Company obtains from a Company Secretary in Practice, half yearly Certificate to the effect that all share certificates have been issued within 30 days of the date of lodgment of transfer, sub-division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations and files a copy of the said Certificate with BSE and NSE.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2017

Category of Equity Shares	No. of Share holders	% to total Share holders	No. of Shares	% to Total Equity Capital
1 to 250	2,14,841	91.78	1,48,25,886	9.54
251 to 500	10,717	4.58	40,12,534	2.58
501 to 1000	4,562	1.95	36,07,542	2.32
1001 to 2000	1,988	0.85	30,57,585	1.97
2001 to 3000	624	0.27	15,96,992	1.03
3001 to 4000	284	0.12	10,28,122	0.66
4001 to 5000	241	0.10	11,50,384	0.74
5001 to 10000	387	0.16	28,74,672	1.85
10001 and above	439	0.19	12,32,65,066	79.31
Total	**2,34,083**	**100.00**	**15,54,18,783**	**100.00**

SHAREHOLDING PATTERN OF THE COMPANY AS ON 31ST MARCH, 2017

Sr. No.	Category of Shareholders	Total No. of Shares	% to Total Equity Capital
1	Promoters & Promoters Group	6,40,06,713	41.18
2	Mutual Funds & UTI	78,16,974	5.03
3	Banks / Financial Institutions & Insurance Companies	1,70,43,573	10.97
4	Foreign Institutional Investors (FIIs)	4,19,323	0.27
5	Foreign Portfolio Investors (FPIs)	2,05,53,326	13.22
6	NRIs / OCBs	26,33,774	1.69
7	Bodies Corporate	46,38,941	2.98
8	Co-operative Societies	3,51,892	0.23
9	Indian Public	3,69,18,653	23.76
10	Shares in Pool A/c (As reported by Depositories)	9,44,374	0.61
11	Shares held by Custodians and against which Depository Receipts have been issued	91,240	0.06
	Total	**15,54,18,783**	**100.00**

Dematerialization of Shares & Liquidity:

As on 31st March, 2017, 92.84% of the shares were held in dematerialized form and remaining shares in physical form. The equity shares of the Company are permitted to be traded only in dematerialized form, as notified by SEBI.

Shares held in "Unclaimed Suspense Account" :

In compliance of Regulation 34(3) of the Listing Regulations, the details of shares held in Unclaimed Suspense Account as on 31st March, 2017 are mentioned below:

Sr. No.	Particulars	No. of Shareholders	No. of Shares
(i)	Aggregate number of shareholders and the outstanding shares lying in the Suspense Account at the beginning of the year.	4098	167802
(ii)	Number of shareholders who approached the Company for transfer of shares from Suspense Account during the year.	24	825
(iii)	Number of shareholders to whom shares were transferred from Suspense Account during the year.	24	825
(iv)	Aggregate number of shareholders and the outstanding shares lying in Suspense Account at the end of the year.	4074	166977

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

Outstanding GDRs:

As on 31st March, 2017, 18248 GDRs were outstanding, which represent 91,240 equity shares. There are no other outstanding instruments convertible into equity shares in future.

Plant Locations :

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

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

Address for Correspondence:

All correspondence relating to Company's shares should be forwarded to:

Investor Service Centre
Secretarial & Legal Department
Gujarat Narmada Valley Fertilizers & Chemicals Ltd
'Narmada House', Corporate Office,
P.O. Narmadanagar - 392 015, Dist. Bharuch.
Phone : 02642 247001 / 02 (Extn : 2282, 2240, 2208, 2227)
Telefax : 02642 - 247084, E-mail : investor@gnfc.in

Exclusive E-mail ID for redressal of Investors' Complaints

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

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

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

Sub : Compliance with Code of Conduct - Financial Year 2016-17

In accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with their respective Code of Conduct as adopted by the Board of Directors of the Company, for the Financial Year ended 31st March, 2017.

Place : Gandhinagar
Date : 21st June, 2017

DR. RAJIV KUMAR GUPTA, IAS
MANAGING DIRECTOR

CERTIFICATE BY PRACTICING COMPANY SECRETARY ON COMPLIANCE OF CORPORATE GOVERNANCE TO THE MEMBERS OF GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED

We have examined the compliance of conditions of Corporate Governance by **GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED** ('the company') for the year ended 31st March, 2017 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as 'SEBI Listing Regulations, 2015').

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said SEBI Listing Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that as at 31st March, 2017, no investor grievance was pending for a period of one month against the Company as per the records maintained by the Company and presented to Stakeholders Relationship Committee.

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

For Arvind Gaudana & Company,
(Company Secretaries)

Date : 12th August, 2017
Place : Bharuch

Arvind D. Gaudana
C.P. No. 2183

ADDITIONAL INFORMATION FOR SHAREHOLDERS

Green Initiative

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

Nomination Facility

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

Unclaimed Dividend

In accordance with the provisions of Section 124 and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules made thereunder, the Company has transferred the dividend amount, remaining unclaimed for a period of seven years from the respective date of transfer to "Unpaid Dividend Account" for the Financial Years 1994-95 to 2008- 09 to Investor Education & Protection Fund (IEPF), set up by the Central Government.

Pursuant to IEPF (Accounting, Audit, Transfer & Refund) Amendment Rules, 2017, shareholder may claim unclaimed dividend from IEPF Authority by filing an online application in Form IEPF-5 which is available on IEPF website www.iepf.gov.in and following the prescribed procedures as mentioned therein.

The details relating to the unclaimed and unpaid dividend for the years 2009-10 to 2015-16 have been uploaded on the company's website www.gnfc.in

Transfer of Shares to the Investor Education and Protection Fund (IEPF)

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 shareholders vide our letter dated 24/03/2017, 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 notification issued by MCA.

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

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

Particulars of Dividend	Date of declaration of dividend	Due for transfer to IEPF
27th unpaid dividend - 2009 - 2010	24-09-2010	October, 2017
28th unpaid dividend - 2010 - 2011	17-09-2011	September,2018
29th unpaid dividend - 2011 - 2012	22-09-2012	October, 2019
30th unpaid dividend - 2012 - 2013	21-09-2013	October, 2020
31st unpaid dividend - 2013 - 2014	26-09-2014	October, 2021
32nd unpaid dividend - 2015 - 2016	07-10-2016	October, 2023

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

Furnishing Bank Mandate to the Company

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

E-Voting

Pursuant to Section 108 of the Companies Act, 2013 and Regulation 44 of SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015, the Company is providing facility to its Members to exercise their vote by electronic means through NSDL in respect of the business to be transacted at this AGM. The Company has fixed **22nd September, 2017 as cut-off date** for determining the voting rights of shareholders. The remote e-voting will commence at 9.00 AM on 26-09-2017 and will close at 5.00 PM on 28-09-2017.

FOR MEMBERS' ATTENTION

(I) SOME IMPORTANT NOTES :

1. Members desirous of obtaining information as regards the Accounts are requested to write to the Company at least fifteen (15) days before the date of Meeting, so as to enable the Company to make the information available at the Meeting.

2. Members holding shares in -

   (i) **Physical form** are requested to promptly notify to the company, change in their address, details of Bank Account, Nomination, Power of Attorney, E-Mail address etc.

   (ii) **Dematerialised form** are requested to send their instructions regarding change of address, details of Bank Account, Nomination, Power of Attorney, E-mail address etc. directly to their Depository Participant (DP) with whom the Demat Account is maintained.

3. Non-Resident Indian (NRI) shareholders holding shares in physical form are requested to inform the Company immediately -

   a) the change in Residential status on return to India for permanent settlement along with (i) self attested copies of address proof and PAN Card, (ii) original share certificate(s) for necessary endorsement and (iii) E-mail address.

   b) the particulars of Bank Account maintained in India with complete name of the Bank, branch, Account type, Account Number, 09 Digit MICR Code and address of the Bank, (if not furnished earlier) alongwith a photo copy of cancelled cheque.

4. In case of transfer and transmission of shares, deletion of name of deceased shareholder(s) and transposition of names in respect of shares held in **physical form,** submission of photocopy of PAN Card of transferor(s) and transferee(s), legal heir(s), surviving holder(s) and Joint Holder(s) respectively alongwith necessary documents at the time of lodgement of request for these transactions, has become mandatory.

(II) REGARDING ANNUAL REPORT / ANNUAL GENERAL MEETING

1. The Company has sent to the Members, Attendance Slip along with Annual Report. Kindly bring with you Attendance Slip and handover the same at the entrance of place of Meeting.

2. Arrangement for Buses from ST Depot, Bharuch to the place of Meeting will be made by the Company on the day of Meeting from **9.30 A.M.** onwards as the meeting is scheduled to be held at **11.30 A.M.**

3. Only Members and in their absence, duly appointed proxies will be allowed for the Meeting.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Gujarat Narmada Valley Fertilizers & Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS)specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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. 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 there under. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 we have obtained 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 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 March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 2" to this report;
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 36 to the standalone Ind AS financial statements;
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 20 to the standalone Ind AS financial statements;
      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 Note 41 to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in

accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2016 and March 31, 2015 dated April 26, 2016 and May 28, 2015 respectively, expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

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

per Arpit K Patel
Partner
Membership Number: 34032

Place of Signature: Ahmedabad
Date: May 29, 2017

Annexure 1 referred to in paragraph on Report on Other Legal and Regulatory Requirements of our report of even date of Gujarat Narmada Valley Fertilizers & Chemicals Limited for the year ended March 31, 2017

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

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

(c) According to the information and explanations given by the management, the title deeds of immovable properties, included in property, plant and equipment are held in the name of the Company. In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are yet to be entered in the name of the Company, although the Company is the lessee as per the arrangement.

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

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

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

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

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

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it. The provision of employees' state insurance is not applicable to the Company.

(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 March 31, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited on account of any dispute are as follows:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs. in Crores)	Amount Unpaid (Rs. in Crores)
Central Excise Act, 1944	Excise Duty	CESTAT	1997-2002	1.93	1.19
			2002-2005	0.06	0.01
			2004-2005	0.01	-
			2010-2016	0.99	0.92
		Commissioner Appeals	2015-2017	0.49	0.48
		Supreme Court	2003-2004	11.88	5.59
			2004-2005	0.25	0.10
Finance Act, 1994	Service Tax	CESTAT	2011-2012	10.41	7.80
			2013	7.58	7.06
Customs Act, 1962	Customs Duty	CESTAT	2002-2003	2.28	2.28
			2011-2012	0.94	0.94
			2012-2013	2.54	2.51
		Commissioner Appeals - Customs	2005-2008	116.72	111.72
			2012-2013	0.03	0.03
Central Sales Tax Act, 1994/ Gujarat Value Added Tax Act, 2004	Value Added Tax/Central Sales tax	Gujarat Value added Tax tribunal	2006-2007	11.65	11.15
			2007-2008	16.25	15.75
		Joint Commissioner of Commercial Tax	2008-2009	15.16	14.91
			2009-2010	6.41	0.13
			2010-2011	5.48	3.89
			2012-2013	11.56	4.93

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

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

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

(xi) According to the information and explanations given by the management, the Company has not paid / provided managerial remuneration during the year and hence reporting under clause (xi) of the Order is not applicable to the Company and hence not commented upon.

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

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

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

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

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Arpit K Patel
Partner
Membership Number: 34032

Place of Signature: Ahmedabad
Date: May 29, 2017

Annexure 2 to the Independent Auditor's Report of Even Date on the Standalone Ind AS Financial Statements of Gujarat Narmada Valley Fertilizers & Chemicals Limited

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 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, 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 March 31, 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 S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Arpit K Patel
Partner
Membership Number: 34032

Place of Signature: Ahmedabad
Date: May 29, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

(Rs. in Crores)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
I. Non-current assets				
(a) Property, plant and equipment	4	**4,395.88**	4,340.69	4,524.28
(b) Capital work-in-progress	4	**14.41**	8.97	13.26
(c) Investment property	5	**19.41**	19.84	17.87
(d) Intangible assets	6	**26.93**	25.96	25.53
(e) Financial assets				
(i) Investments	7	**762.44**	709.11	711.84
(ii) Loans and advances	8	**78.22**	79.87	75.40
(iii) Other financial assets	9	**70.86**	371.87	627.54
(f) Other assets	11	**38.77**	57.16	53.54
		5,406.92	5,613.47	6,049.26
II. Current assets				
(a) Inventories	12	**661.79**	701.26	726.60
(b) Financial assets				
(i) Trade receivables	10	**1,111.53**	1,485.22	1,355.24
(ii) Cash and cash equivalents	13	**4.10**	3.29	8.17
(iii) Other bank balances	14	**8.41**	6.60	7.78
(iv) Loans and advances	8	**16.21**	16.76	16.00
(v) Other financial assets	9	**323.37**	428.45	735.42
(c) Other assets	15	**331.54**	253.67	171.72
		2,456.95	2,895.25	3,020.93
Total		**7,863.87**	8,508.72	9,070.19
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	16	**155.42**	155.42	155.42
(b) Other equity	17	**3,646.17**	3,122.12	2,960.01
		3,801.59	3,277.54	3,115.43
Liabilities				
I. Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	**533.41**	1,033.32	1,520.44
(b) Long-term provisions	21	**132.67**	113.01	103.16
(c) Deferred tax liabilities (net)	25	**386.92**	296.13	207.87
(d) Government grants (deferred income)	22	**941.12**	1,003.98	1,064.77
		1,994.12	2,446.44	2,896.24
II. Current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	**1,073.31**	1,425.53	1,644.52
(ii) Trade payables	19	**340.11**	262.41	246.02
(iii) Other financial liabilities	20	**439.82**	854.98	910.73
(b) Other liabilities	23	**74.13**	72.14	74.36
(c) Short-term provisions	24	**40.49**	39.63	37.10
(d) Government grants (deferred income)	22	**76.67**	105.21	136.88
(e) Liabilities for current tax (net)	25	**23.63**	24.84	8.91
		2,068.16	2,784.74	3,058.52
Total		**7,863.87**	8,508.72	9,070.19

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

For and on behalf of the Board of Directors,

D V Parikh	**T J Lakhmapurkar**	**Dr. Rajiv Kumar Gupta**	**Anil Mukim**
Additional General Manager & CFO	Company Secretary	Managing Director	Chairman of the Meeting

Place : Gandhinagar
Date : May 29, 2017

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

per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : May 29, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in Crores)

Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Income			
Revenue from operations	26	**4,944.81**	4,845.85
Other income	27	**224.86**	252.37
Total		**5,169.67**	5,098.22
Expenses			
Cost of raw materials and components consumed	28	**1,836.65**	2,130.91
Purchase of traded goods	29	**315.57**	268.60
Decrease / (Increase) in inventories of finished goods, work-in-progress and traded goods	30	**2.51**	(15.32)
Power, fuel and other utilities		**779.34**	675.54
Excise duty		**356.04**	293.95
Employee benefits expense	31	**374.37**	357.00
Finance costs	32	**203.44**	296.72
Depreciation and amortization expense	33	**251.44**	250.82
Other expenses	34	**627.49**	572.30
Total		**4,746.85**	4,830.52
Profit before exceptional items and tax		**422.82**	267.70
Exceptional item	45	**292.23**	-
Profit before tax		**715.05**	267.70
Tax expense	25		
Current tax		**82.63**	2.62
Tax credit under Minimum Alternate Tax (MAT) (including tax credit of 31.04 crore of earlier years)		**(89.61)**	(2.62)
Deferred tax charge	25	**200.73**	95.02
Total tax expense		**193.75**	95.02
Profit for the year	(A)	**521.30**	172.68
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plans		**(9.28)**	(11.98)
Income tax effect (credit)		**3.21**	4.14
Net gain / (loss) on FVTOCI equity investments		**29.12**	(2.73)
Income tax effect (credit)	25	**17.12**	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**40.17**	(10.57)
Total other comprehensive income for the year, net of tax	(B)	**40.17**	(10.57)
Total comprehensive income for the year, net of tax	(A)+(B)	**561.47**	162.11
Earnings per Share - (Face value of Rs. 10 each) Basic and Diluted (in Rs.)	35	**33.54**	11.11

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

For and on behalf of the Board of Directors,

D V Parikh	**T J Lakhmapurkar**	**Dr. Rajiv Kumar Gupta**	**Anil Mukim**
Additional General Manager & CFO	Company Secretary	Managing Director	Chairman of the Meeting

Place : Gandhinagar
Date : May 29, 2017

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

per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : May 29, 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Crores)

(A) Equity share capital	Note	Amount
Balance as at April 01, 2015		155.42
Changes in equity share capital	16	-
Balance as at March 31, 2016		155.42
Changes in equity share capital	16	-
Balance as at March 31, 2017		**155.42**

(Rs. in Crores)

(B) Other equity

Particulars	Reserve and surplus				Other Comprehensive Income FVTOCI reserve	Total
	Capital reserve	Securities premium	General reserve	Retained earnings		
	Note 17.1	Note 17.1	Note 17.1	Note 17.1	Note 17.2	
Balance as at April 01, 2015	**0.64**	**313.31**	**2,139.76**	**42.54**	**463.76**	**2,960.01**
Profit for the year	-	-	-	172.68	-	172.68
Other comprehensive income for the year	-	-	-	(7.84)	(2.73)	(10.57)
Total comprehensive income for the year	-	-	-	164.84	(2.73)	**162.11**
Transfer from retained earnings	-	-	50.00	(50.00)	-	-
Balance as at March 31, 2016	**0.64**	**313.31**	**2,189.76**	**157.38**	**461.03**	**3,122.12**
Profit for the year	-	-	-	521.30	-	521.30
Other comprehensive income for the year	-	-	-	(6.07)	46.24	40.17
Total comprehensive income for the year	-	-	-	515.23	46.24	**561.47**
Dividend paid during the year (Refer Note 17.3)	-	-	-	(31.09)	-	(31.09)
Dividend distribution tax (Refer Note 17.3)	-	-	-	(6.33)	-	(6.33)
Balance as at March 31, 2017	**0.64**	**313.31**	**2,189.76**	**635.19**	**507.27**	**3,646.17**

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

For and on behalf of the Board of Directors,

D V Parikh	**T J Lakhmapurkar**	**Dr. Rajiv Kumar Gupta**	**Anil Mukim**
Additional General Manager & CFO	Company Secretary	Managing Director	Chairman of the Meeting

Place : Gandhinagar
Date : May 29, 2017

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

per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : May 29, 2017

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

(Rs. in Crores)

Particulars	March 31, 2017	March 31, 2016
Cash flow from operating activities		
Profit before tax as per statement of profit and loss	**715.05**	267.70
Adjustments for:		
Reversal of impairment provision on property, plant & equipment	**(292.23)**	-
Profit on sale / disposal of property, plant & equipment	**(18.62)**	(0.11)
Depreciation and amortization	**251.44**	250.82
Interest income	**(31.58)**	(90.37)
Income from dividend	**(5.93)**	(5.71)
Amortization of grant received (income)	**(98.85)**	(104.50)
Foreign exchange loss	**3.60**	1.34
Finance cost	**203.44**	296.72
Premium on forward contracts	**4.16**	4.56
Provision for doubtful advances (net)	**10.63**	0.60
Operating profit before working capital changes	**741.11**	621.05
Movements in working capital :		
Decrease / (increase) in trade receivables	**370.24**	(130.32)
Decrease / (increase) in inventories	**39.47**	25.33
Decrease / (increase) in financial assets	**406.18**	562.64
Decrease / (increase) in loans and advances and other assets	**(66.62)**	(79.65)
(Decrease) / increase in provision	**20.52**	12.38
(Decrease) / increase in trade payables and other liabilities	**79.69**	14.17
(Decrease) / increase in financial liabilities	**(67.92)**	(17.95)
Cash generated from operations	**1,522.67**	1,007.65
Direct taxes paid (net)	**(77.49)**	(11.40)
Net cash flow from operating activities (A)	**1,445.18**	996.25
Cash flows from investing activities		
Purchase of property, plant & equipment (Including capital work In progress and capital advances)	**(90.88)**	(65.59)
Proceeds from sale of property, plant & equipment	**3.50**	0.43
Investments made	**(1.01)**	-
Change in other bank balances	**(1.81)**	4.88
Interest received	**31.50**	90.38
Income from dividend	**5.93**	5.71
Net cash inflow (used in) investing activities (B)	**(52.77)**	35.81
Cash flows from financing activities		
Proceeds from short term borrowings	**3,298.77**	3,121.30
Repayment of short term borrowings	**(3,650.99)**	(3,323.42)
Repayment of long-term borrowings	**(790.22)**	(528.21)
Finance cost	**(207.59)**	(300.87)
Dividend Paid (Including dividend tax)	**(37.41)**	(1.18)
Premium on forward contracts	**(4.16)**	(4.56)
Net cash used in financing activities (C)	**(1,391.60)**	(1,036.94)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**0.81**	(4.88)
Cash and cash equivalents at the beginning of the year	**3.29**	8.17
Cash and cash equivalents at the end of the year (Refer note-13)	**4.10**	3.29
Notes:		
Component of Cash and Cash equivalents		
Cash on hand	**0.10**	0.17
Balances with bank		
On current accounts	**4.00**	3.12
Total cash and cash equivalents	**4.10**	3.29

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

For and on behalf of the Board of Directors,

D V Parikh	**T J Lakhmapurkar**	**Dr. Rajiv Kumar Gupta**	**Anil Mukim**
Additional General Manager & CFO	Company Secretary	Managing Director	Chairman of the Meeting

Place : Gandhinagar
Date : May 29, 2017

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

per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : May 29, 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

1 Corporate information

The financial statements comprise financial statements of Gujarat Narmada Valley Fertilizers & Chemicals Limited ('the Company') for the year ended March 31, 2017. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at P.O: Narmadanagar-392 015, Dist.: Bharuch, Gujarat.

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

The financial statements were authorized for issue in accordance with a resolution of the directors on May 29, 2017.

2 Basis of preparation

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

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first the Company has prepared in accordance with Ind AS. Refer note 51 for information on how the Company adopted Ind AS.

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

-Derivative financial instruments,

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

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

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

2.2 Summary of significant accounting policies

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

b) Foreign currency transactions :

The Company's financial statements are presented in INR, which is functional currency of the Company. The Company determines the functional currency and items included in the financial statements are measured using that functional currency. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of transaction.

c) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

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

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception stated under note no. 51.1, whereby the Exchange differences arising on long-term foreign currency monetary items related to acquisition of a property, plant and equipment (including funds used for projects work in progress) recognized in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. March 31, 2016 are capitalized / recapitalized to cost of Property, Plant and Equipment and depreciated over the remaining useful life of the asset.

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

d) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value

hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

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

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions (refer note 50 and 3)
- Quantitative disclosures of fair value measurement hierarchy (refer note 50.2)
- Investment in unquoted equity shares (refer note 7)
- Investment properties (refer note 5)
- Financial instruments (including those carried at amortized cost) (refer note 50.1)

e) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Revenue includes excise duty. Sales tax/ value added tax (VAT) is not received by the Company on its own account, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with delivery of goods. Revenue from export sales are recognized based on delivery terms. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable including excise duty, net of returns and allowances, trade discounts and volume rebates.

Urea and ANP product subsidy

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

Urea and ANP freight subsidy

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

Rendering of services (including contracted services)

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

Contracted services

Revenue from construction contracts of Information Technology division is recognized on a percentage completion method, in proportion that the contract costs incurred for work performed up to the reporting date stand to the estimated total contract costs indicating the stage of completion of the project. Contract revenue earned in excess of billing is reflected under the head "Other current assets" and billing in excess of contract revenue is reflected under the head "Other current liabilities" in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen and cost incurred towards future contract activity is classified as project work in progress.

Income from fixed price contract - revenue from development project / services under fixed price contract, where there is no uncertainty as to measurement or collectability of consideration is recognized based on milestones reached under the contract.

Interest income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension,

call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

Dividends

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

Insurance claims

Claims receivable on account of insurance are accounted for to the extent the Company is virtually certain of their ultimate collection.

f) Government grants and export incentives

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

Export incentive

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Income from Energy Savings Certificates

Income from energy savings certificates under the scheme of Government of India through Bureau of Energy Efficiency, Ministry of Power ('BEE') called 'Perform, Achieve and Trade mechanism is accrued in the year in which the certificates are issued by BEE and is measured at its best estimate of the realisable amount.

g) Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax (including Minimum Alternate Tax (MAT)) is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Current income tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse In the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse In the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The Company is eligible and claiming tax deductions available under section 80IA of the Income Tax Act, 1961 for a period of 10 years w.e.f FY 2011-12 in respect of windmill income. In view of Company availing tax deduction under Section 80IA of the Income Tax Act, 1961, deferred tax has been recognized in respect of temporary difference, which will reverse after the tax holiday period in the year in which the temporary difference originate and no deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the temporary difference which originate first are considered to reverse first.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The Company recognizes tax credits in the nature of Minimum Alternate Tax (MAT) credit entitlement only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward, sufficient to utilize the MAT credit entitlement. The carrying amount of tax credit is reviewed at each reporting date as stated above.

h) Property, plant and equipment

Property, plant and equipment (PPE) and capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced

at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Company adjusts exchange differences arising on translation difference/settlement of long term foreign currency monetary items outstanding in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial statements i.e. March 31, 2016 and pertaining to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for the lease hold land which is amortized over the lease term of 99 years. The Identified component of fixed assets are depreciated over their useful lives and the remaining components are depreciated over the life of the principal assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

The group depreciates building component of investment property over 60 years from the date of original purchase.

Though the group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Cost incurred on internally generated intangible assets are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

A summary of the policies applied to the Company's intangible assets is as follows:

Intangible Assets	Method of Amortization	Estimated Useful life
Computer software	on straight line basis	Six years or validity period whichever is lower
Licenses	on straight line basis	Over its useful validity period

j) Borrowing costs

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

k) Leases

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

For arrangements entered into prior to April 01, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

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

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

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

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

Company as a lessor

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

l) Inventories

Inventories of Raw material, Work-in-progress, Finished goods and Stock-in-trade are valued at the lower of cost and net realisable value. However, Raw material and work in-progress held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on Weighted Average Cost basis.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost basis.

All other inventories of stores and consumables (including coal) are valued at weighted average cost.

Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Excise duty wherever applicable is provided on finished goods lying within the factory and bonded warehouse at the balance sheet date.

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

m) Impairment of non-financial assets

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

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

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budget / forecast the company extrapolates cash flow projection in the budget working a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case this growth rate does not exceed the long term average growth rate for the products, industry or the market in which the asset is used.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss as an exceptional item.

n) Provisions

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

o) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

The employee's gratuity fund scheme and post-retirement medical benefit schemes are Company's defined benefit plans. The contributions under the plans are made to separately administered funds. The cost of providing benefits under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets

(excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The Company measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimate that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months as long term compensated absences which are provided for based on actuarial valuation as at the end of the period. The actuarial valuation is done as per projected unit credit method.

p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus in case of financial asset not recorded at fair value through profit and loss, transaction cost that are attributable to the acquisition of the financial assets.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instrument at amortized cost
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost

A Debt instrument is measured at amortized cost if both the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss except where the Company has given temporary waiver of interest not exceeding 12 months period. This category generally applies to trade, loans and other receivables.

Debt instruments at fair value through profit or loss

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

After initial measurement, such financial assets are subsequently measured at fair value with all changes recognized in Statement of profit and loss.

Equity instruments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit or Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement~ and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

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

b) Financial assets that are debt instruments and are measured as at other comprehensive income (FVTOCI)

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

Under the simplified approach the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / (expense) in the statement of profit and loss (P&L). This amount is reflected under the head " Other Expense" in the P&L.

The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives, as appropriate.

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at FVTPL.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Derecognition

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

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value through profit or loss (FVTPL) on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivative financial instrument or on settlement of such derivative financial instruments are recognized in statement of profit and loss and are classified as Foreign Exchange (Gain) / Loss except those relating to borrowings, which are separately classified under Finance Cost.

r) 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.

s) Cash dividend to equity holders of the company

The Company recognizes a liability to make cash to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

t) Earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

3 Significant accounting estimates and assumptions

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

Estimates and assumptions

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

Subsidy Income recognition

During the year, the management used the estimate for the accounting of the subsidy income based on the notified energy norms of urea by Department of Fertilizers (DoF) instead of the actual energy norms achieved by the Company, and has revised earlier period estimation of the subsidy income. Further details on subsidy income recognition are disclosed in note 46.

Taxes

Deferred tax assets are recognized for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in note 25.

Defined benefit plans (gratuity benefits and other post-employment medical benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of these obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates etc. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

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

Further details about gratuity and post-employment medical benefits obligations are given in note 42.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 50 for further disclosures.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Refer note 45 for further disclosures.

Note 4 : Property, plant and equipment (Rs. in Crores)

	Land freehold	Land lease hold	Buildings	Plant and equipment	Furniture and fixture	Vehicles	Office equipment	Roads, culverts and compund wall	Water supply and drainage system	Railway sidings	Total
Cost											
As at April 01, 2015	**111.03**	**222.42**	**415.26**	**6,599.43**	**29.41**	**5.65**	**10.77**	**60.04**	**121.25**	**3.77**	**7,579.03**
Additions	-	-	6.28	54.29	1.62	0.87	0.52	1.30	-	-	64.88
Disposals	-	-	-	(0.09)	(0.40)	(0.56)	(0.05)	-	-	-	(1.10)
As at March 31, 2016	**111.03**	**222.42**	**421.54**	**6,653.63**	**30.63**	**5.96**	**11.24**	**61.34**	**121.25**	**3.77**	**7,642.81**
Additions	-	-	5.20	10.44	1.59	1.80	0.43	2.20	0.22	-	21.88
Disposals	-	(7.73)	-	(2.42)	(0.26)	(0.96)	(0.10)	-	-	-	(11.47)
As at March 31, 2017	**111.03**	**214.69**	**426.74**	**6,661.65**	**31.96**	**6.80**	**11.57**	**63.54**	**121.47**	**3.77**	**7,653.22**
Depreciation / Amortization											
As at April 01, 2015	**-**	**6.99**	**62.11**	**2,581.03**	**14.59**	**2.03**	**8.65**	**15.43**	**27.87**	**3.58**	**2,722.28**
Depreciation for the year	-	2.20	9.93	221.19	1.85	0.61	0.75	4.21	7.42	-	248.16
Disposals	-	-	-	(0.08)	(0.38)	(0.29)	(0.04)	-	-	-	(0.79)
As at March 31, 2016	**-**	**9.19**	**72.04**	**2,802.14**	**16.06**	**2.35**	**9.36**	**19.64**	**35.29**	**3.58**	**2,969.65**
Depreciation for the year	-	2.20	10.11	220.72	2.79	0.69	0.61	4.20	7.43	-	248.75
Adjustment	-	0.23	2.42	35.05	0.20	0.02	-	1.23	3.16	-	42.31
Disposals	-	(0.40)	-	(2.19)	(0.23)	(0.46)	(0.09)	-	-	-	(3.37)
As at March 31, 2017	**-**	**11.22**	**84.57**	**3,055.72**	**18.82**	**2.60**	**9.88**	**25.07**	**45.88**	**3.58**	**3,257.34**
Impairment											
As at April 01, 2015	**-**	**10.53**	**35.71**	**263.98**	**0.80**	**0.08**	**-**	**6.04**	**15.33**	**-**	**332.47**
As at March 31, 2016	**-**	**10.53**	**35.71**	**263.98**	**0.80**	**0.08**	**-**	**6.04**	**15.33**	**-**	**332.47**
Adjustment	-	(0.23)	(2.42)	(35.05)	(0.20)	(0.02)	-	(1.23)	(3.16)	-	(42.31)
Impairment reversal during the year (Refer note 45)	**-**	**(10.30)**	**(33.29)**	**(228.93)**	**(0.60)**	**(0.06)**	**-**	**(4.81)**	**(12.17)**	**-**	**(290.16)**
As at March 31, 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Block											
As at March 31, 2017	**111.03**	**203.47**	**342.17**	**3,605.93**	**13.14**	**4.20**	**1.69**	**38.47**	**75.59**	**0.19**	**4,395.88**
As at March 31, 2016	111.03	202.70	313.79	3,587.51	13.77	3.53	1.88	35.66	70.63	0.19	4,340.69
As at April 01, 2015	111.03	204.90	317.44	3,754.42	14.02	3.54	2.12	38.57	78.05	0.19	4,524.28

Notes :

1. Leasehold Land pertains to the costs incurred for leasehold land in possession of the Company as a Licensee, pending completion of formalities for execution of the lease agreement for a term of 99 years.
2. Feed Stock Conversion Projects from 'LSHS/FO' to 'Gas' acquired under Government's policy for reimbursement of project cost to the company over a period of five years from the date of commercial production, have been capitalized on 01.10.2013. Accordingly, property, plant & equipment includes assets amounting to Rs. 1,300.83 Crores represented by capital grant of Rs. 1,213.06 Crores as contempleted in Note-22.
3. Assets given on lease includes plant and equipment :
   - Cost as at March 31, 2017 is Rs. 9.39 crore (March 31, 2016 Rs. 9.39 crore and April 01, 2015 is Rs. 9.39 crore)
   - Depreciation as at March 31, 2017 is Rs. 8.92 crore (March 31, 2016 Rs. 8.92 crore and April 01, 2015 is Rs. 8.92 crore)
   - Net block as at March 31, 2017 is Rs. 0.47 crore (March 31, 2016 Rs. 0.47 crore and April 01, 2015 is Rs. 0.47 crore)
4. Capital work in progress as at March 31, 2017 is Rs. 14.41 Crore (as at March 31, 2016 - Rs. 8.97 crore and as at April 01, 2015 - Rs. 13.26 crore), which mainly includes costs incurred on development of certain assets at TDI Dahej plant and upgradation of Computer softwares / hardwares.

Note 5 : Investment property

(Rs. in Crores)

Particulars	Building	Total
Cost		
As at April 01, 2015	**23.54**	**23.54**
Additions (subsequent expenditure)	**2.39**	**2.39**
As at March 31, 2016	**25.93**	**25.93**
As at March 31, 2017	**25.93**	**25.93**
Depreciation and impairment		
As at April 01, 2015	**5.67**	**5.67**
Depreciation charge for the year	**0.42**	**0.42**
As at March 31, 2016	**6.09**	**6.09**
Depreciation charge for the year	**0.43**	**0.43**
As at March 31, 2017	**6.52**	**6.52**
Net Block		
As at March 31, 2017	**19.41**	**19.41**
As at March 31, 2016	**19.84**	**19.84**
As at April 01, 2015	**17.87**	**17.87**

Information regarding income and expenditure of Investment property

(Rs. in Crores)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Rental income derived from Investment properties	**9.90**	8.06
Direct operating expenses (including repairs and maintenance) generating rental income	**(3.96)**	(4.19)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	**(0.63)**	(0.96)
Profit arising from investment property before depreciation and indirect expenses	**5.31**	2.91
Less : Depreciation	**(0.43)**	(0.42)
Profit arising from investment property before indirect expenses	**4.88**	2.49

(i) As at March 31, 2017, March 31, 2016 and April 01, 2015 the fair values of the investment property is Rs. 60.05 Crore, Rs. 57.65 Crore and Rs. 51.64 Crore respectively, based on valuations performed by an accredited independent valuer, who is a specialist in valuing these types of investment properties.

(ii) The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iii) Fair value hierarchy disclosure for investment properties have been provided in note 50.2

Note 6 : Intangible assets

(Rs. in Crores)

Particulars	Computer software	Licenses	Total
Cost			
As at April 01, 2015	**18.84**	**34.27**	**53.11**
Additions	2.67	-	2.67
As at March 31, 2016	**21.51**	**34.27**	**55.78**
Additions	1.16	-	1.16
As at March 31, 2017	**22.67**	**34.27**	**56.94**
Amortization			
As at April 01, 2015	**16.74**	**8.53**	**25.27**
Amortization for the year	0.81	1.43	2.24
As at March 31, 2016	**17.55**	**9.96**	**27.51**
Amortization for the year	0.83	1.43	2.26

Note 6 : (Continued)

(Rs. in Crores)

Particulars	Computer software	Licenses	Total
Impairment reversal during the year (Refer note 45)	-	0.24	0.24
As at March 31, 2017	**18.38**	**11.63**	**30.01**
Impairment			
As at April 01, 2015	**-**	**2.31**	**2.31**
As at March 31, 2016	**-**	**2.31**	**2.31**
Impairment reversal during the year (Refer note 45)	**-**	2.31	2.31
As at March 31, 2017	**-**	**-**	**-**
Net Block			
As at March 31, 2017	**4.29**	**22.64**	**26.93**
As at March 31, 2016	3.96	22.00	25.96
As at April 01, 2015	2.10	23.43	25.53

Note 7 : Investments

(Rs. in Crores)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade Investnents			
(i) Investment in Associate at cost (Unquoted)			
Investment In equity instrument-unquoted (In fully paid up equity shares)			
12,50,000 (previous year 12,50,000 and April 01, 2015 - 12,50,000) Equity shares of Gujarat Green Revolution Co. Ltd of Rs. 10/- each	**1.25**	1.25	1.25
Total	**1.25**	1.25	1.25
Non - Trade Investments			
(i) Investments at fair value through other comprehensive income (FVTOCI) [Refer note (a & b)]			
Investment at FVTOCI			
Investments in equity instruments-quoted (In fully paid up equity shares)	-		
A) 75,00,000 (previous year 75,00,000 and April 01, 2015 - 75,00,000) Equity Shares of Gujarat State Fertilizers & Chemicals Ltd of Rs 2/- each	**98.25**	48.19	62.44
B) 17,59,996 (previous year 17,59,996 and April 01, 2015 - 17,59,996) Equity Shares of Gujarat Alkalies & Chemicals Ltd of Rs 10/- each	**71.77**	29.14	28.14
C) 80,00,000 (previous year 80,00,000 and April 01, 2015 - 80,00,000) Equity Shares of Gujarat State Petronet Ltd of Rs 10/- each	**129.20**	113.36	99.24
D) 53,289 (previous year 53,289 and April 01, 2015 - nil) Equity Shares of Gujarat Gas Ltd of Rs 10/- each **	**4.10**	2.94	-
	303.32	193.63	189.82
Investments in equity instruments-unquoted			
A) Nil (previous year nil and April 01, 2015 - 50,000) equity shares of GSPC Gas Co. Ltd of Rs 10/- each **	**-**	-	0.50
B) 2,15,43,200 (previous year 2,15,43,200 and April 01, 2015 - 2,15,43,200) equity shares of Gujarat State Petrolium Corporation Ltd of Rs 1/- each	**73.52**	129.73	174.50
C) 42,000 (previous year 42,000 and April 01, 2015 - 42,000) equity shares of Bharuch Enviro Infrastructure Ltd of Rs 10/- each	**3.72**	2.37	1.50

D) 20,000 (previous year 20,000 and April 01, 2015 - 20,000) equity shares of Gujarat Venture Finance Ltd of Rs 10/- each	**0.22**	0.19	0.15
E) 18,39,60,000 (previous year 18,39,60,000 and April 01, 2015 - 18,39,60,000) equity shares of Gujarat Chemical Port Terminal Co. Ltd of Rs 1/- each	**298.75**	310.89	274.10
F) 2,42,10,000 (previous year 15,000 and April 01, 2015 - nil) equity shares of EcoPhos GNFC Pvt Ltd*** (refer note -37)	**24.21**	-	-
G) 4,92,60,000 (previous year 4,92,60,000 and April 01, 2015 - 4,92,60,000) equity shares of Bhavnagar Energy Co. Ltd of Rs 10/- each	**36.36**	36.55	36.60
H) 10 (previous year nil and April 01, 2015-nil) shares of GESIA IT Association of Rs 10/- each	**- ***	-	-
I) 1,35,30,000 (previous year 1,35,30,000 and April 01, 2015 - 1,35,30,000) equity shares of Bharuch Dahej Railway Co. Ltd of Rs 10/- each	**21.09**	34.50	33.42
	457.87	514.23	520.77
Total	**761.19**	707.86	710.59
(ii) Investment at fair value through profit or loss (FVTPL)			
Investments in mutual fund-quoted			
Nil (previous year nil and April 01, 2015 - 46,200) Units of UTI-Equity Fund of Rs 10/- each	**-**	-	0.07
Less: Provision for diminution in value	**-**	-	(0.07)
Total	**-**	**-**	-
Non-current	**762.44**	709.11	711.84
Current	**-**	-	-
Total investments	**762.44**	709.11	711.84
- Aggregate book value of quoted investments and market value thereof	**303.32**	193.63	189.82
- Aggregate amount of unquoted investments	**459.12**	515.48	522.02

* Amount nullified on conversion to Rs in Crores

** During the previous year ended March 31,2016, the Company had received 53,289 equity shares of Gujarat Gas Ltd. of Rs.10/- each in lieu of 50,000 equity shares of GSPC Gas Co. Ltd. of Rs. 10/- each, pursuant to the composite scheme of amalgamation and arrangement.

*** Shares of EcoPhos GNFC Pvt Ltd are in the process of registration.

(a) The fair value of the quoted equity investments are derived from quoted market prices in active market.

(b) Investments includes investment in unquoted equity shares. Fair value of unquoted investment in equity instrument have been carried out by independent valuer using Net Asset Value model and Comparable Companies model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk, volatility. The probabilities of various estimates within the range can be reasonably assessed and are used in management's estimates of fair value for these unquoted equity instruments.

Reconciliation of Fair value measurement of the investment in equity shares

	As at March 31, 2017	As at March 31, 2016
Opening Balance	**707.86**	710.59
Add : Investment made during the year	**24.21**	-
Fair value Gain /(Loss) recognised in Other Comprehensive Income	**29.12**	(2.73)
Closing Balance	**761.19**	707.86

Note 8 : Loans and advances **(Rs. in Crores)**

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 01, 2015
Loans			
Loans to employees	**96.00**	97.80	90.97
Less: Provision for doubtful recovery	**(1.57)**	(1.57)	(1.57)
	94.43	96.23	89.40
Loan to other companies	**0.40**	0.40	2.00
Less: Provision for doubtful loans	**(0.40)**	-	-
	-	0.40	2.00
Total	**94.43**	96.63	91.40
Non-current	**78.22**	79.87	75.40
Current	**16.21**	16.76	16.00
Total loans and advances	**94.43**	96.63	91.40

Note 9 : Other financial assets

Other financial assets			
Deposits with suppliers	**10.58**	21.27	21.48
Capital grant recoverable from Government of India (*)	**379.08**	768.04	1,339.76
Deposit with original maturity of more than twelve (12) months	**0.01**	0.02	0.03
Fair value of derivative contracts	**-**	9.13	-
Accrued interest	**0.45**	0.36	0.36
Accrued income	**3.89**	1.33	1.33
Other receivables	**0.22**	0.17	-
Total	**394.23**	800.32	1,362.96
Non-current	**70.86**	371.87	627.54
Current	**323.37**	428.45	735.42
Total other financial assets	**394.23**	800.32	1,362.96

(*) Represents the Grant to be disbursed by Government of India for feed stock conversion project from 'LSHS/ FO' to 'Gas' as contemplated in note - 22.

Note 10 : Trade receivables (Unsecured)

Trade receivables			
Unsecured - considered good	**476.27**	323.09	223.99
Unsecured - considered doubtful	**4.33**	0.88	0.54
Subsidy receivables			
Unsecured-considered good	**635.26**	1,162.13	1,131.25
	1,115.86	1,486.10	1,355.77
Less : Provisions for doubtful debts	**(4.33)**	(0.88)	(0.54)
Total	**1,111.53**	1,485.22	1,355.24

Note:
No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person; nor any trade or other receivables are due from firms or private companies in which any director is a partner, a director or a member.

Note 11 : Other non-current assets

Unsecured, considered good			
Capital advances	**0.01**	9.61	11.05
Other receivables	**0.24**	0.24	0.24
Balances with Customs, Central Excise and other Government departments	**12.14**	21.14	17.59
Unamortized employee loan benefit	**26.38**	26.17	24.66
	38.77	57.16	53.54
Unsecured - considered doubtful			
Advances to suppliers	**5.67**	1.89	1.64
Less: Provision for doubtful balance	**(5.67)**	(1.89)	(1.64)
	-	-	-
Balances with Government authority	**5.01**	2.00	2.00
Less: Provision for doubtful balances	**(5.01)**	(2.00)	(2.00)
	-	-	-
Total	**38.77**	57.16	53.54

Note 12 : Inventories (Valued at lower of Cost and Net realisable value)

(Rs. in Crores)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Raw materials			
Raw materials	**129.94**	57.96	100.64
Raw materials In transit	**0.29**	11.31	43.80
Work-in-progress	**21.43**	22.81	19.26
Finished goods	**96.05**	97.28	96.74
Traded goods	**17.80**	17.70	6.47
Stores and spares (Including coal)	**396.28**	494.20	459.69
(Includes in transit **Rs. 3.50 crore**; as on 31.03.2016 Rs. 6.10 crore and as on 01.04.2015 Rs. 2.23 crore)			
Total	**661.79**	701.26	726.60

Note 13 : Cash and cash equivalents

Cash and cash equivalents			
Balances with banks in Current accounts	**4.00**	3.12	8.00
Cash on hand	**0.10**	0.17	0.17
Total	**4.10**	3.29	8.17

Note 14 : Other bank balances

Balances with banks			
Unpaid dividend accounts	**6.64**	6.59	7.78
Deposit with original maturity of Less than twelve (12) months (Pledged with Government authorities)	**1.77**	0.01	-
Total	**8.41**	6.60	7.78

Note 15 : Other current assets

Balances with Customs, Central Excise and other Government departments	**139.40**	137.87	125.83
Advance to suppliers	**114.77**	105.63	38.33
Energy savings certificates	**36.81**	-	-
Unbilled revenue	**20.96**	-	-
Receivable from others	**15.63**	5.75	3.54
Unamortized employee loan benefit	**3.97**	4.42	4.02
Total	**331.54**	253.67	171.72

Note 16 : Share capital

(Rs. in Crores)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised share capital						
Equity shares of Rs.10 each	25,00,00,000	250.00	25,00,00,000	250.00	25,00,00,000	250.00
	25,00,00,000	**250.00**	25,00,00,000	250.00	25,00,00,000	250.00
Issued, subscribed and fully paid up						
Equity shares of Rs.10 each subscribed and fully paid up	15,54,18,783	155.42	15,54,18,783	155.42	15,54,18,783	155.42
Total issued, subscribed and fully paid up share capital	**15,54,18,783**	**155.42**	15,54,18,783	155.42	15,54,18,783	155.42

Note 16.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

(Rs. in Crores)

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
At the beginning of the year	**15,54,18,783**	**155.42**	15,54,18,783	155.42
Issued/reduction, if any during the year	**-**	**-**	-	-
Outstanding at the end of the year	**15,54,18,783**	**155.42**	15,54,18,783	155.42

Note 16.2. Terms/rights attached to the equity shares

Rights preferences and restrictions attached to equity shares:

The company has only one class of equity shares having par value of Rs 10 per share, i.e. equity shares which rank pari passu in all respects. Each holder of equity share is entitled to one vote per share.

For the current financial year 2016-17, the Company has proposed dividend of Rs 5 per equity share to equity shareholder (declared for the previous financial year dividend of Rs 2 per equity share).The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 16.3. Number of Shares held by each shareholder holding more than 5% Shares in the Company

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	% of share-holding	No. of shares	% of share-holding	No. of shares	% of share-holding
Gujarat State Investments Ltd.	**3,32,27,546**	**21.38**	3,32,27,546	21.38	3,32,27,546	21.38
Gujarat State Fertilizers & Chemicals Ltd	**3,07,79,167**	**19.80**	3,07,79,167	19.80	3,07,79,167	19.80
Life Insurance Corporations of India	**1,17,91,612**	**7.59**	1,40,83,612	9.06	1,40,83,612	9.06
Fidelity Puritan Trust - Fidelity Low Priced Stock Fund	**1,23,00,000**	**7.91**	1,35,41,878	8.71	1,35,41,878	8.71

Note 17 : Other equity

Note 17.1 Reserves and Surplus

(Rs. in Crores)

Particulars	Capital reserve	Securities Premium	General reserve	Retained earnings	Total
As at April 01, 2015	**0.64**	**313.31**	**2,139.76**	**42.54**	**2,496.25**
Profit for the year				172.68	172.68
Re-measurement losses on defined benefit plans				(7.84)	(7.84)
Transfer of profit for the year to General reserve	**-**	**-**	50.00	(50.00)	-
As at March 31, 2016	**0.64**	**313.31**	**2,189.76**	**157.38**	**2,661.09**
Profit for the year				**521.30**	**521.30**
Re-measurement losses on defined benefit plans				**(6.07)**	**(6.07)**
Balance available for appropriation				**672.61**	**3,176.32**
Dividend paid				**(31.09)**	**(31.09)**
Tax on dividend paid				**(6.33)**	**(6.33)**
As at March 31, 2017	**0.64**	**313.31**	**2,189.76**	**635.19**	**3,138.90**

Securities Premium:

Securities premium reserve is used to record the premium on issue of shares. This reserve is utilized in accordance with the provision of section 52 (2) (c) of the Companies Act, 2013.

Note 17.2 Other Comprehensive Income (OCI) **(Rs. in Crores)**

Particulars	Net gain / (loss) on FVTOCI equity Investments	Total
As at April 01, 2015	**463.76**	**463.76**
Other comprehensive income during the year		
Net loss on FVTOCI equity investments for the year	(2.73)	(2.73)
Income tax effect	-	-
As at March 31, 2016	**461.03**	**461.03**
Other comprehensive income during the year		
Net gain on FVTOCI equity investments for the year	**29.12**	**29.12**
Income tax effect	**17.12**	**17.12**
As at March 31, 2017	**507.27**	**507.27**

Note 17.3 Dividend distribution made and proposed **(Rs. in Crores)**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Cash dividends on equity shares declared and paid		
Final dividend for year ened March 31, 2016 : Rs. 2 per share (March 31, 2015: NIL per share)	**31.09**	-
Dividend distribution tax on final dividend	**6.33**	-
	37.42	**-**
Proposed dividends on equity shares		
Final cash dividend proposed for the year ended March 31, 2017: Rs. 5 per share (March 31, 2016: Rs. 2 per share)	**77.71**	31.09
Dividend distribution tax on proposed dividend	**15.82**	6.33
	93.53	37.42

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at balance sheet date.

Note 18 : Borrowings **(Rs. in Crores)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non-current interest bearing borrowings			
Secured			
Term loans			
Rupee term loans from banks	**470.02**	784.57	1,101.77
Foreign currency term loan from bank	**63.39**	98.75	118.67
Unsecured			
Term loans			
Rupee term loans from others	**-**	150.00	300.00
	533.41	1,033.32	1,520.44
Current interest bearing borrowings			
Secured			
Term loans			
Rupee term loans from banks	**177.96**	338.55	333.20
Foreign currency term loan from bank	**24.24**	33.95	33.52
Unsecured			
Term loans			
Rupee term loans from others	**150.00**	270.00	300.00
Regrouped with other current financial liabilities (refer note 20)	**352.20**	642.50	666.72

a) Security details

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

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

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

b) Repayment details

(i) Rupee term loans from banks of Rs. 1,154.53 crore carries interest at ranging from 10.60% to 11.50% p.a. (floating) payable on monthly basis. The loan is repayable in quarterly installments starting from 30.09.2012 and ending on 30.06.2017. Outstanding amount as at March 31, 2017 is Rs. 57.60 crore (Rs. 288.14 crore as at March 31, 2016 and Rs. 518.65 crore as at April 01, 2015.)

(ii) Rupee term loans from banks of Rs. 1036.00 crore carries interest at ranging from 9.55% to 9.70% p.a. (floating) payable on monthly basis. The loan is repayable in quarterly installments starting from 31.12.2013 and ending on 30.09.2021. Outstanding amount as at March 31, 2017 is Rs. 590.38 crore (Rs. 834.98 crore as at March 31, 2016 and Rs. 916.32 crore as at April 01, 2015.)

(iii) Foreign currency term loan from bank carries interest at 6 month Euribor plus 1.98% payable on half yearly basis. The loan is repayable in half yearly installments starting from 01.10.2014 and ending on 01.04.2020. Outstanding amount as at March 31, 2017 is Rs. 87.63 crore (Rs. 132.70 crore as at March 31, 2016 and Rs. 152.19 crore as at April 01, 2015.)

(iv) Unsecured rupee term loan from other of Rs. 300 crore carries interest at 8.50% p.a. (floating) payable on quarterly basis. The outstanding loan of Rs. 150 crore is repayable on 09.03.2018.

Short-term interest bearing borrowings **(Rs. in Crores)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Secured			
Loan repayable on demand			
From Bank - Cash credit and overdraft accounts	**568.84**	887.71	574.02
PCFC export credit in foreign currency	**-**	9.42	-
Other loans & advancs from banks	**247.46**	100.00	-
Unsecured			
Loan repayable on demand from others	**3.05**	3.05	3.05
Short term deposit from others	**-**	200.00	300.00
Other loans & advances			
From Banks	**-**	**-**	600.00
Commercial papers	**124.03**	149.62	96.95
Buyers' credit in foreign currency from banks	**129.93**	75.73	70.50
	1,073.31	1,425.53	1,644.52
Total	**1,958.92**	3,101.35	3,831.68

Security details

Short term borrowings from banks as cash credit and overdraft accounts of Rs.568.84 crore (31-03-2016 Rs. 887.71 crore and 01-04-2015: Rs. 574.02 crore), Short-Term Loans and Advances from Banks of Rs. 247.46 crore (31-03-2016: Rs. 100 crore & 01-04-2015: Rs. Nil) and PCFC Export Credit in Foreign Currency from Banks of Rs. Nil (31-03-2016: Rs. 9.43 crore & 01-04-2015: Rs. Nil) are secured by first charge by way of hypothecation of inventories and trade receivables and all other movables, both present and future and further secured by second charge by way of mortgage on all immovable properties. These charges are ranking pari-passu among the working capital lenders.

Interest rate details for short term borrowings:

(i) Working capital demand loan carries interest rate ranging from 7.65% to 7.95% p.a.

(ii) Cash credit accounts carrier interest rates ranging from 8.35% to 9.75% p.a.

(iii) PCFC carries Interest rate of 6 months LIBOR+2% p.a.

(iv) Other loans & advances from banks carries interest rate of 1.75% p.a.

(v) Commercial papers carries interest at ranging from 6.25% to 7.80% p.a.

(vi) Buyers credit carries interest at ranging from 1.30% to 1.82% p.a.

Note 19 : Trade payables **(Rs. in Crores)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade payables	**340.11**	262.41	246.02
Total	**340.11**	262.41	246.02

As per the provisions of "The Micro, Small and Medium Enterprises Development Act, 2006", the principal amount payable to Micro, Small and Medium enterprises is Rs. 6.65 crores (March 31, 2016: Rs. 6.47 crores and April 01, 2017: Rs. 8.14 crores) The payments to Micro, Small and Medium Enterprises have been made within the prescribed time limit/ date agreed upon with supplier and hence no interest is payable for delayed payments. These amounts have been included in Trade Payables.

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

Note 20 : Other current financial liabilities

Other financial liabilities at amortised cost			
Current maturities of long-term borrowings (Refer Note 18)	**352.20**	642.50	666.72
Interest accrued but not due on borrowings	**11.99**	16.14	20.29
Deposits from customers / vendors	**49.25**	123.86	134.67
Payable for capital goods	**13.09**	65.89	75.31
Unclaimed dividends#	**6.64**	6.59	7.78
Fair value of derivative contracts	**6.65**	-	5.96
Total	**439.82**	854.98	910.73

Not due for credit to "Investors Education and Protection Fund"

Note 21 : Long-term provisions

Provision for leave encashment	**111.30**	98.32	93.31
Provision for post retirement medical benefit	**21.37**	14.69	9.85
Total	**132.67**	113.01	103.16

Note 22 : Government grant (Deferred Income)

Grant from Government of India (refer note (a))	**1,000.77**	1,063.77	1,124.55
Government grant of EPCG (refer note (b))	**16.02**	44.42	76.10
Other Government grant	**1.00**	1.00	1.00
	1,017.79	1,109.19	1,201.65
Non-current	**941.12**	1,003.98	1,064.77
Current	**76.67**	105.21	136.88
Total	**1,017.79**	1,109.19	1,201.65

(a) Movement in Grant from Government of India

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening	**1,063.77**	1,124.55
De-recognised on final assessment completed	**(2.68)**	-
Released to statement of profit and loss	**(60.32)**	(60.78)
Closing	**1,000.77**	1,063.77

The capital grant from Government of India, Ministry of Chemicals & Fertilizers, Department of Fertilizers for feed stock conversion project from 'LSHS/FO' to 'Gas' vide sanction letter no 14023/22/2007-FP dated 14.12.2009 has accrued since the conditions attached to the grant have been fulfilled by the Company. Accordingly the grant of Rs. 1215.74 crore was recorded as contemplated under Para 7 & 12 of Ind AS - 20 on 'Accounting for Government Grants and Disclosure of Government Assistance'. The Government agreed to reimburse the above grant over a period of 5 Years. The scrutiny of project cost is completed by the Government appointed team during the year ended March 31, 2017 and the Grant to be disbursed is finalised at Rs. 1,213.06 crore. Accordingly Rs. 2.68 crore is derecognised during the year.

(b) Movement in Government grant of EPCG

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening	**1,063.77**	1,124.55
As at April 1	**44.42**	76.10
De-recognised on final assessment completed	-	-
Released to statement of profit and loss	**(28.40)**	(31.68)
Closing	**16.02**	44.42

Note 23 : Other current liabilities **(Rs. in Crores)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advances from customers	**26.07**	28.88	35.15
Statutory and other liabilities	**12.39**	7.59	3.54
Other current liabilties	**35.67**	35.67	35.67
Total	**74.13**	72.14	74.36

Note 24 : Short-term provisions

Provision for gratuity (Refer Note 42)	**-**	2.98	-
Provision for leave encashment	**39.44**	35.92	36.68
Provision for post retirement medical benefit (Refer Note 42)	**1.05**	0.73	0.42
Total	**40.49**	39.63	37.10

Note 25 : Income Tax

The major component of income tax for the year ended March 31, 2017 and March 31, 2016 are as under

a) Profit and Loss Section **(Rs. in Crores)**

	Year ended March 31, 2017	Year ended March 31, 2016
Current Income tax		
Current tax charges	**82.63**	2.62
Tax (credit) under Minimum Alternate tax (current year amount includes Rs. 31.04 crore pertaining to earlier years)	**(89.61)**	(2.62)
Deferred Tax		
Relating to origination and reversal of temporary differences	**200.73**	95.02
Tax Expense reported in the Statement of Profit and Loss	**193.75**	95.02
Other Comprehensive Income ('OCI') Section		
Deferred tax related to items recognised in OCI during the year		
Remeasurement losses on defined benefit plans, credit	**3.21**	4.14
Unrealised gain / (loss) on FVTOCI equity investments, credit	**17.12**	**-**
	20.33	4.14

b) Balance Sheet Section **(Rs. in Crores)**

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for Income Tax	1,655.29	1,572.67	1,570.76
Advance tax and tax deducted at source	(1,631.66)	(1,547.83)	(1,561.85)
Net Tax Provision Outstanding	**23.63**	24.84	8.91

c) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2016

	Year ended March 31, 2017		Year ended March 31, 2016	
	%	Amount (Rs. in Crores)	%	Amount (Rs. in Crores)
Profit Before tax		**715.05**		267.70
Tax using domestic tax rate for Company	**34.61**	**247.46**	34.61	92.65
Tax Effect of:				
Income exempted from tax	**(0.29)**	**(2.05)**	(0.74)	(1.97)
Deduction u/s 80IA	**(1.01)**	**(7.20)**	-	-
Expenses with weighted deduction in tax	**(0.10)**	**(0.74)**	(0.26)	(0.69)
Non-deductible expenses	**0.29**	**2.08**	0.42	1.13
Sale of assets	**(0.90)**	**(6.46)**	(0.01)	(0.04)
MAT credit entitlement of earlier years	**(4.34)**	**(31.04)**	-	-
Income taxable under long term capital gain tax	**0.31**	**2.24**	-	-
Adjustment in depreciation net book value of assets	**(0.80)**	**(5.71)**	(7.66)	(20.50)
Other adjustments	**(0.68)**	**(4.83)**	9.13	24.44
Effective tax rate and tax	**27.10**	**193.75**	35.50	95.02
Tax expenses as per Books		**193.75**		95.02

d) Deferred Tax Liability (net) **(Rs. in Crores)**

	Balance Sheet as at			Statement of Profit and Loss	
	March 31,2017	March 31,2016	April 01,2015	**Year ended March 31,2017**	Year ended March 31,2016
(Liability) on Accelerated depreciation for tax purpose	**(902.82)**	(811.78)	(797.94)	**91.04**	13.84
Assets on provision for Leave encashment	**49.44**	42.03	40.56	**(7.41)**	(1.47)
Assets on carry forward losses and unabsorbed depreciation	**-**	96.29	143.76	**96.29**	47.47
Assets on deferred government grant of ASGP	**346.36**	368.15	389.19	**21.79**	21.04
Assets on deferred government grant of EPCG	**5.54**	15.37	26.33	**9.83**	10.96
Assets on Provision for doubtful debts and advances	**9.70**	6.02	6.02	**(3.68)**	-
(Liability) on equity investment FVTOCI	**(47.24)**	(67.57)	(71.71)	**(20.33)**	(4.14)
Assets / (liability) on other adjustments	**2.92**	(4.21)	(1.03)	**(7.13)**	3.18
	(536.10)	(355.70)	(264.82)	**180.40**	90.88

e) Deferred tax liabilities reflected in the balance sheet as follows

	March 31, 2017	March 31, 2016	April 01, 2015
Deferred tax liabilities	**536.10**	355.70	264.82
Less :Tax credit entitlement under MAT	**(149.18)**	(59.57)	(56.95)
Deferred tax liabilities (net)	**386.92**	296.13	207.87

f) Reconciliation of deferred tax liabilities (net)

	March 31, 2017	March 31, 2016
Tax (expenses) during the period recognised in statement of profit and loss	**(200.73)**	(95.02)
Tax credit during the period recongnised in OCI	**20.33**	4.14
	(180.40)	(90.88)

g) The Company made tax provision as per Minimum Alternate Tax (MAT) as per provisions of section 115 JB of the Income Tax Act, 1961. Based on this, the Company has made provision of Rs. 82.63 crore (previous year Rs. 2.62 crore) for current taxation based on its book profit for the financial year 2016-17 and has recognised MAT credit of Rs. 89.61 crore (including Rs. 30.99 crore for the financial year 2013-14 and Rs. 0.05 crore for the financial year 2015-16) (previous year Rs. 2.62 crore) as the management believes, in view of improved projected future profitability for the Company, it is possible that the MAT credit will be utilized in the future period w.e.f. financial year 2017-18.

h) The Company has following unutilised MAT credit under the Income Tax Act, 1961 for which deferred tax assets has been recongnised in the Balance Sheet at.

Financial Year	**Amount (Rs. in Crores)**	**Year of expiry**
2013-14	87.94	2028-29
2015-16	2.67	2030-31
2016-17	58.57	2031-32
Total	**149.18**	

i) During the year ended March 31, 2017, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity. (refer note 17.3).

Note 26 : Revenue from operations **(Rs. in Crores)**

Particulars	**Year ended March 31, 2017**	Year ended March 31, 2016
Sale of products		
Own products	**4,434.96**	4,453.85
Traded products	**385.48**	310.31
	4,820.44	4,764.16
Rendering of services	**112.54**	68.83
Other operating revenue		
Recovery of administrative charges (Fly Ash)	**6.71**	5.63
Export incentive	**2.43**	1.03
Sale of scrap / unserviciable materials	**1.98**	2.28
Sale of surplus material	**0.71**	3.92
	11.83	12.86
Total	**4,944.81**	4,845.85

Note 27 : Other income

Grant income	**98.85**	104.50
Energy savings certificate income	**36.81**	-
Interest income	**31.58**	90.37
Profit on sales of property, plant & equipments (net of losses) (refer note-37)	**18.66**	0.11
Rent income	**10.39**	8.68
Excess provision of doubtfull debt / expenses of previous period written back	**6.18**	0.26
Dividend income	**5.93**	5.71
Miscellaneous income	**16.08**	7.88
Insurance claim received	**0.38**	34.86
Total	**224.86**	**252.37**

Note 28 : Cost of raw materials and components consumed

Inventory at the beginning of the year	**69.27**	144.44
Add : Purchases	**1,897.61**	2,055.74
	1,966.88	2,200.18
Less : Inventory at the end of the year	**130.23**	69.27
Total	**1,836.65**	2,130.91

Note 29 : Purchase of traded goods

Purchases of traded goods	**315.57**	268.60
Total	**315.57**	268.60

Note 30 : Changes in inventories of finished goods, work-in-progress and traded goods

Inventory at the beginning of the year		
Work-in-progress	**22.81**	19.26
Finished goods	**97.28**	96.74
Traded goods	**17.70**	6.47
	137.79	122.47
Inventory at the end of the year		
Work-in-progress	**21.43**	22.81
Finished goods	**96.05**	97.28
Traded goods	**17.80**	17.70
	135.28	137.79
Total	**2.51**	(15.32)

Note 31 : Employee benefits expense

Salaries and wages	**279.00**	265.21
Contribution to provident and pension fund	**32.01**	31.44
Contribution and provision towards gratuity	**8.79**	7.91
Employees' welfare expenses	**54.57**	52.44
Total	**374.37**	357.00

Note 32 : Finance costs **(Rs. in Crores)**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest expense	**199.00**	293.11
Other borrowing costs	**1.51**	0.98
Bank charges and commission	**2.93**	2.63
Total	**203.44**	296.72

Note 33 : Depreciation and amortization expense

Depreciation on Property, plant and equipment	**248.75**	248.16
Depreciation on investment property	**0.43**	0.42
Amortization on intangible assets	**2.26**	2.24
Total	**251.44**	250.82

Note 34 : Other expenses

Stores, chemicals and catalysts		**69.01**		85.50
Packing expenses		**92.81**		80.08
Insurance		**13.78**		22.68
Repairs and maintenance :				-
- Building	**11.99**		13.33	
- Plant and machinery	**117.70**		118.87	
- Others	**4.64**	**134.33**	4.63	136.83
Materials handling expenses at factory		**9.98**		8.54
Purchase of services for IT division		**37.09**		30.66
Outward freight and other charges		**155.28**		113.83
Sales promotion expenses		**1.81**		1.63
Selling commission		**0.64**		0.54
Rates & taxes		**15.12**		15.50
Rent		**12.50**		11.40
Printing, stationery, postage, telegrams and telephones		**7.45**		5.43
Traveling and conveyance expenses		**4.12**		3.77
Fire fighting, safety and security expenses		**7.30**		7.35
Processing charges to contractors		**2.11**		1.94
Electricity charges		**3.25**		3.50
Professional and consultation charges		**6.28**		5.02
Payment for contract services		**11.85**		12.93
Exchange variance on monetary items		**3.60**		1.35
Director's sitting fees		**0.05**		0.07
Payment to auditors (refer Note (a) below)		**0.57**		0.47
Donations & contributions towards CSR (refer Note 40)		**6.00**		3.26
Premium on forward contracts		**4.16**		4.56
Provision for doubtful debts/ advances		**10.63**		0.60
Assets written off		**0.05**		-
Miscellaneous expenses		**17.72**		14.87
Total		**627.49**		572.30

(a) Payment to auditors includes following:
(Net of Service Tax Input Credit, where applicable)

As auditor:		
(i) Statutory Audit Fees	**0.10**	0.23
(ii) Limited review Fees	**0.08**	0.04
In other capacity:		
(i) Certification fees	**0.28**	0.10
(ii) Tax audit fees	**0.03**	0.03
(iii) Others	**0.06**	0.04
Reimbursement of Expenses	**0.02**	0.03

The above includes Rs. 0.23 crores paid to previous auditor during the year ended March 31, 2017.

Note 35 : Earning per share **(Rs. in Crores)**

Particulars	Unit	Year ended March 31, 2017	Year ended March 31, 2016
Net profit after tax	**Rs. in Crore**	**521.30**	172.68
Weighted average number of equity shares of nominal value of Rs. 10 each in calculating basic Earnings Per Share	**Nos.**	**15,54,18,783**	15,54,18,783
Basic and diluted earnings per share	**Rs.**	**33.54**	11.11

Note 36 : Contingent liabilities and other commitments
(to the extent not provided for) **(Rs. in Crores)**

(A) Contingent Liabilities	As at March 31, 2017	As at March 31, 2016
(i) Claims against the Company not acknowledged as debts	**311.09**	287.51
(ii) Income tax assessment orders contested	**14.44**	17.97
(iii) Demands in respect of Central Excise Duty, Custom Duty, Service Tax and VAT as estimated by the Company	**223.90**	201.09
Total contingent liabilities	**549.43**	506.57

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

(B) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**29.13**	**7.73**
(C) Other commitments		
(i) The Company is committed to grant subordinate debt to Bhavnagar Energy Co. Ltd (BECL) in the manner and in the form as may be finalized by the promoters with BECL	**5.40**	5.40
(ii) Export obligation on account of benefit of concessional rate of Custom duty availed under EPCG license scheme on imports of capital goods.	**101.28**	269.24
Total other commitments	**106.68**	274.64

Note 37 :Related party disclosures:

Related party disclosures, as required by Ind AS-24, "Related Party Disclosures", are given below:

(i) Related parties with whom transactions have taken place during the period:

Associate :	Gujarat Green Revolution Company Limited
Key Management Personnel and their relatives :	Dr J N Singh, IAS, Chairman & Director* Dr. Rajiv Kumar Gupta, IAS, Managing Director Shri G R Aloria, IAS, Chairman & Director** Smt. Mamta Verma, IAS, Director Shri Anil Mukim, IAS, Director*** Prof. Arvind Sahay, Independent Director Shri C S Mani, Independent Director Shri Sunil Parekh, Independent Director Shri Piruz Khambatta, Independent Director Shri V D Nanavaty, Director Shri H V patel, IAS# Shri D J Pandian, IAS, Director @

* Appointed as chairman w.e.f 31.08.2016.
** Ceased to be Director & chairman w.e.f 24.08.2016
*** Appointed as director w.e.f 30.09.2016.
# Ceased to be director w.e.f 14.04.2016
@ Ceased to be a Director w.e.f. 05.06.2015

Entities over which Key Management Personnel having significant influence : EcoPhos GNFC India Private Limited

(ii) Aggregate of transactions for the year with these parties have been given below:

(Rs. in Crores)

Name of the Company	Nature of Transactions	Year ended March 31, 2017	Year ended March 31, 2016
Gujarat Green	Sale of goods & servicers	**0.14**	0.12
Revolution Co. Ltd.	Receipts towards outstanding	**0.16**	0.12
	Receivable	**-**	0.01
EcoPhos GNFC	Sale of leasehold land#	**23.20**	-
India Pvt Ltd.	Reimbursement towards expenses	**1.61**	-
	Receivable	**0.60**	-

During the year Ecophos GNFC India Private Limited has issued 2,32,01,200 shares of face value Rs 10 each at the value of Rs 10 each against the sublease of land at Dahej, amounting to Rs 23.20 crore as non-cash consideration.

(Amount in Rs.)

Name of the Person	Nature of Transactions	Year ended March 31, 2017	Year ended March 31, 2016
Dr. Rajiv Kumar Gupta, IAS	Sitting Fees	**-**	-
Shri G R Aloria *	Sitting Fees	**20,000**	40,000
Dr J N Singh, IAS *	Sitting Fees	**60,000**	50,000
Shri Anil Mukim, IAS *	Sitting Fees	**20,000**	-
Smt. Mamta Verma, IAS *	Sitting Fees	**30,000**	-
Shri C S Mani	Sitting Fees	**1,90,000**	1,50,000
Prof Arvind Sahay	Sitting Fees	**50,000**	50,000
Shri Sunil Parekh	Sitting Fees	**1,30,000**	1,20,000
Shri V D Nanavaty	Sitting Fees	**50,000**	-
Shri D J Pandian, IAS *	Sitting Fees	**-**	20,000
Shri H V Patel, IAS	Sitting Fees	**-**	1,50,000

* Amount deposited in Government Treasury

Note 38 : Research and development expenses

The statement of profit and loss includes following items of research & development expenses in the respective heads:

(Rs. in Crores)

	Year ended March 31, 2017	Year ended March 31, 2016
Personnel expenses	**1.85**	2.06
Consumables and spares	**0.26**	0.23
Power and fuel consumption	**0.04**	0.05
Total research & development expenses	**2.15**	2.34

Note 39 : Pursuant to Ind AS-17 - 'Leases', the following information is disclosed:

(i) The Company has taken various warehouses, godowns, guesthouses and office premises under operating lease or rental agreements. These are generally cancellable having a term of one year extendable for further one year on the discretion of the Company and are of rental nature. Payments are recognised in the statement of profit and loss under Note 34 - Other expenses.

(ii) Rent income also includes lease rentals received towards office premises. Such operating lease is generally for a period of three to four years. There are no restrictions imposed by lease arrangements.

(Rs. in Crores)

Particulars	As at March 31, 2017	As At March 31, 2016
Future minimum lease payments receivables:		
Not later than one years	-	0.19
Later than one year not later than five years	-	-
Later than Five years	-	-
Total	**-**	**0.19**

Note 40 : Corporate social responsibility (Rs in Crores)

Particulars			Year ended March 31, 2017	Year ended March 31, 2016
a)	**Gross amount required to be spent by the Company during the year:**		**3.36**	4.67
b)	**Amount spent during the year ended on March 31, 2017**	**In Cash**	**Yet to be paid in cash**	**Total**
	(i) Construction/acquisition of any asset	6.00	-	6.00
	(ii) On purpose other than (i) above	-	-	-
c)	**Amount spent during the year ended on March 31, 2016**			
	(i) Construction/acquisition of any asset	-	-	-
	(ii) On purpose other than (i) above	3.26	1.41	4.67

Note 41: Disclosure of specified bank note

Schedule III of the Companies Act, 2013 was amended by Ministry of Corporate Affairs vide Notification G.S.R. 308(E) dated 30th March, 2017. The said amendment requires the Company to disclose the details of Specified Bank Notes ("SBNs") held and transacted during the period from November 08, 2016 to December 30, 2016. For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8th November, 2016.

Details of Specified Bank Notes held and transacted during the period from November 08, 2016 to December 30, 2016 are as follows:

(Rs in Crores)

Particulras	SBNs	Other denomination notes	Total
Closing cash in hand as on November 08, 2016	0.45	0.05	0.50
Add: Permitted receipts	-	8.37	8.37
Less: Permitted payments	-*	0.27	0.27
Less: Amount deposited in banks	0.45	8.06	8.51
Closing cash in hand as on December 30, 2016	-	0.09	0.09

* Amount nullified on conversion to crores

Note 42 : Gratuity and other post employment benefit plans:

A. Defined contribution plans:

Amount of Rs. **32.01 Crores** (March 31, 2016: Rs. 31.44 Crores) is recognised as expenses and included in note no. 31 "Employee benefits expense"

(Rs. in Crores)

	Year ended March 31, 2017	Year ended March 31, 2016
Provident fund	**17.95**	17.80
Contributory pension scheme	**14.06**	13.64
	32.01	**31.44**

B. Defined benefit plans:

The Company has following post employement benefits which are in the nature of defined benefit plans:

(a) Gratuity

(b) Post retirment medical benefit

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity as per payment of Gratuity Act, 1972. The Scheme is funded with Gratuity Trust, which in turn makes contribution to Life Insurance Corporation of India (LIC) in the form of qualifying insurance policy for future payment of gratuity to the employees.

Each year the management reviews the level of funding in the gratuity fund. Such review includes the asset - liability matching strategy. The management decides its contributions based on the results of this review. The management aim to keep annual contributions relatively stable at a level such that no plan deficit (based on valuation performed) will arise.

The plan for the Post retirement medical benefit is unfunded.

The following table summarises the components of net benefit expense recognised in statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

March 31, 2017 : Changes in defined benefit obligation and plan assets **(Rs. in Crores)**

		Cost charged to statement of profit and loss				Remeasurement gains/(losses) in other comprehensive income						
	April 01, 2016	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	**March 31, 2017**
Gratuity												
Defined benefit obligation	**191.54**	8.54	15.77	24.31	(19.62)	-	-	9.91	(7.27)	**2.64**	**-**	**198.87**
Fair value of plan assets	**188.56**	-	15.52	15.52	(19.62)	(0.48)	-	-	-	**(0.48)**	**15.62**	**199.60**
Benefit liability / (Assets)	**2.98**	**8.54**	**0.25**	**8.79**	**-**	**0.48**	**-**	**9.91**	**(7.27)**	**3.12**	**15.62**	**(0.73)**
Post retirement medical benefit												
Defined benefit obligation	**15.42**	0.87	1.28	**2.15**	(1.31)	-	-	6.16	-	**6.16**	**-**	**22.42**
Fair value of plan assets	**-**	-	-	**-**	-	-	-	-	-	**-**	**-**	**-**
Benefit liability / (Assets)	**15.42**	**0.87**	**1.28**	**2.15**	**(1.31)**	**-**	**-**	**6.16**	**-**	**6.16**	**-**	**22.42**

March 31, 2016 : Changes in defined benefit obligation and plan assets **(Rs. in Crores)**

		Cost charged to statement of profit and loss				Remeasurement gains/(losses) in other comprehensive income						
	April 01, 2015	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2016
Gratuity												
Defined benefit obligation	**181.76**	7.91	14.49	**22.40**	(19.79)	-	-	8.75	(1.58)	**7.17**	**-**	191.54
Fair value of plan assets	**181.85**	-	14.49	**14.49**	(19.79)	0.05	-	-	-	**0.05**	**11.96**	188.56
Benefit liability / (Assets)	**(0.09)**	**7.91**	**-**	**7.91**	**-**	**(0.05)**	**-**	**8.75**	**(1.58)**	**7.12**	**(11.96)**	**2.98**
Post Retirment Medical Benefit												
Defined benefit obligation	**10.27**	0.61	0.82	**1.43**	(1.14)	-	-	4.86	-	**4.86**	**-**	15.42
Fair value of plan assets	**-**	-	-	**-**	-	-	-	-	-	**-**	-	-
Benefit liability / (Assets)	**10.27**	**0.61**	**0.82**	**1.43**	**(1.14)**	**-**	**-**	**4.86**	**-**	**4.86**	**-**	**15.42**

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	**March 31, 2017**	March 31, 2016
Insurance fund with LIC*	100%	100%

* As the gratuity fund is managed by LIC, details of fund invested by insurer are not available with the Company.

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	**Gratuity**		**Post retirement medical benefit**	
	Year ended March 31, 2017	Year ended March 31, 2016	**Year ended March 31, 2017**	Year ended March 31, 2016
Discount rate	**7.38%**	8.23%	**7.54%**	8.30%
Future salary increase	**4.00%**	4.00%	**N.A**	N.A
Medical Inflation Rate	**N.A**	N.A	**4.00%**	4.00%
Expected rate of return on plan assets	**7.38%**	8.23%	**N.A**	N.A
Employee Turnover Rate	**1.00%**	1.00%	**1.00%**	1.00%
Mortality rate during employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	**N.A**	N.A	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)

A quantitative sensitivity analysis for significant assumption is as shown below: **(Rs. in Crores)**

Particulars	**Sensitivity level**	**(increase) / decrease in defined benefit obligation (Impact)**			
		Gratuity		**Post retirement medical benefit**	
		Year ended March 31, 2017	Year ended March 31, 2016	**Year ended March 31, 2017**	Year ended March 31, 2016
Discount rate	1% increase	**(11.56)**	(10.98)	**(2.37)**	(1.60)
	1% decrease	**12.98**	12.27	**2.89**	1.94
Salary increase	1% increase	**13.30**	12.68	**N.A**	N.A
	1% decrease	**(12.03)**	(11.51)	**N.A**	N.A
Medical Cost Inflation	1% increase	**N.A**	N.A	**2.92**	1.97
	1% decrease	**N.A**	N.A	**(2.40)**	(1.62)
Employee turnover	1% increase	**3.10**	3.70	**(1.00)**	(0.55)
	1% decrease	**(3.43)**	(4.06)	**1.18**	0.72

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	**Year ended March 31, 2017**	Year ended March 31, 2016
Gratuity	**8 years**	8 years
Post retirement benefit obligation	**14 years**	13 years

The followings are the expected future benefit payments for the defined benefit plan: **(Rs. in Crores)**

Particulars	Gratuity		Post retirement medical benefit	
	Year ended March 31, 2017	Year ended March 31, 2016	**Year ended March 31, 2017**	Year ended March 31, 2016
Within the next 12 months (next annual reporting period)	**20.12**	20.20	**1.05**	0.73
Between 2 and 5 years	**79.81**	74.05	**4.98**	3.53
Between 6 and 10 years	**105.88**	111.33	**8.17**	6.02
Total expected payments	**205.81**	205.58	**14.20**	10.28

The followings are the expected contributions to planned assets for the next year: **(Rs. in Crores)**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Gratuity	**8.50**	11.52
Post retirement medical benefit	-	-

NOTE: 43 Investments in Associates

Name of Entity	Relationship	Place of Business	Ownership	
			March 31, 2017	March 31, 2016
Gujarat Green Revolution Company Limited	Associate	India	46.87%	46.87%

Note: Method of accounting of investment in associate entity is cost.

NOTE: 44

The Scheme of Arrangement and Demerger for transfer of V-SAT/ISP Gateway Business of the Company to ING Satcom Ltd., an unlisted Company against cash consideration of Rs. 6 crore, was sanctioned by Hon'ble High Court of Gujarat vide its Common Oral Order dated June 15, 2012.

The "Appointed Date" of the Scheme is 1st April, 2010.

Subsequent to the Order passed by the Hon'ble High Court of Gujarat, sanctioning the Scheme of Demerger, two separate applications for transfer of V-SAT and ISP Gateway Licences standing in the name of the Company to the name of Transferee Company viz. ING Satcom Limited were submitted to Department of Telecommunications (DOT) on January 31, 2013 which are still pending for approval before DOT.

As per the legal opinion obtained from legal consultant, though the Scheme has been sanctioned by the Hon'ble High Court of Gujarat and has become effective, the scheme is subject to and conditional upon the approval of the Government Authorities for transfer of Licences from the Company to ING Satcom Limited.

During the year 2014-15, an agreement-Cum-Indemnity Bond was executed on 12.04.2014 between the Company and ING Satcom Limited whereby, pending transfer of Licences, the assets of demerged business (other than Licences) have been handed over to ING Satcom Limited subject to certain terms and conditions, inter alia, including the terms of settling the transaction under different eventualities of rejection of transfer applications / non-transfer of Licences by 31.12.2014.

Since disposal of applications for transfer of Licences in the name of ING Satcom Limited by the competent authorities as well as settlement of transaction between the Company and ING Satcom Limited are still pending, no accounting treatment is given in the books of account of the Company since 2014-15 till the financial year ended 31.03.2017.

Necessary accounting treatment will be given in the books of accounts of the Company either on disposal of applications for transfer of Licences in the name of ING Satcom Limited by the competent authorities or on finalization of settlement of transaction with ING Satcom Limited.

NOTE: 45 - Reversal of impairment provision - Exceptional item

During the year ended March 31, 2015, the Company had accounted an impairment loss of Rs. 330 Crore in respect of Toluene Di-Isocynate ("TDI") plant at Dahej being a separate Cash Generating Unit ("CGU"), considering the issue of gas emmision, teething problem in bringing the plant at effective utilisation level and significantly low realisable value of finished goods.

Consequent to improved international scenario of TDI products over the past one year and forecast of their continuance at substantially higher levels than have prevailed in the past few years and also achievement of sustained production levels, the management has reviewed and reassessed the value in use of the TDI Plant at Dahej.

As the TDI Dahej plant is operating at higher capacity level and due to favourable market conditions, there is a change in assumptions / estimates applied for calculating the impairment loss during FY 2014-15. Based on such assessment, the Company has reversed the amount of Rs. 292.23 crore consisting of impairment loss of Rs. 330 Crore, net off the depreciation for the 2 years (aggregating Rs. 37.77 crores), which would have been otherwise charged , if there was not an impairment loss. The reversal is disclosed as an exceptional item in the statement of profit and loss of the year ended March 31, 2017.

The recoverable amount of the relevant CGU has been determined on the basis of their value in use considering the pre tax discounting rate of 16.98% which is the same as considered in the previous estimate of value in use at the time of impairment provision. Further, the underlying assumption i.e. realisable value of products, exchange rate variation and operating parameters that would impact future cash flows for determining the TDI Plant value in use will continue to be monitored on a periodic basis by the Management.

NOTE: 46 - Subsidy income recognision

(A) On conversion of feed stock based Ammonia Plant from LSHS to Natural Gas for production of Urea, the Company has recognised Urea subsidy Income in the books during October, 2013 till March, 2016 based on actual energy consumption norms during the operation of the plant, which varied from 6.771 GCAL/MT to 6.965 GCAL/MT. The energy consumption norms, as per Department of Fertilizer (DoF) is 6.301 GCAL/MT of Urea, which, as per managment, is based on Draft Feasibility Report (DFR) of Project and Development India Limited (PDIL) issued in the month of July, 2009. DoF vide its notification dated October 15, 2015 has concluded the energy consumption norms at 6.301 GCAL/MT for the Company. However, till the year ended March 31, 2016, the Company, through various representation made to the DoF, supported by updated reports of PDIL, continued to recognise Urea subsidy based on the actual energy norms as achieved till March 31, 2016.

In the current year, the management has revised the accounting of the subsidy income based on the notified energy norms of 6.301 GCAL/MT of urea instead of the actual energy norms achieved by the Company, and has revised earlier period estimation of the subsidy income. Due to such change in the estimate, Urea subsidy receivable / revenue for the year is adjusted negatively by Rs. 216.04 Crores for the period from October, 2013 to March, 2016 and this change will also effect urea subsidy / revenue income of the current year and subsequent period.

Further, the estimation made to compute the cost of the energy consumed, i.e. Natural Gas, between the Urea production and power generation utilities has been revised, whereby the cost of raw material consumed for Urea and cost of the utilities has also been effected in the books. This has also resulted in change in segment reporting for the year.

(B) Subsidy on Ammonium Nitro Phosphate (ANP) is allowed by Government of India (GoI) under Nutrient Based Subsidy (NBS) Scheme w.e.f. 01-04-2010 for Nitrogen, Phosphorus, and Potassium (NPK) fertilizers at the rate prescribed by GoI. A separate additional compensation on ANP was also allowed by GoI for FY 2010-11 and 2011-12 to the Company and two other companies producing complex fertilizers from Naphtha / Fuel Oil / LSHS based Ammonia to compensate the higher cost of production of Nitrogen "N". The Company has requested to the GoI for extension of additional compensation on ANP for three more years. Considering the request, the GoI has initiated a study through the Tariff Commission for determining additional compensation for complex fertilizers produced by using high cost feed stock. The Company has, from time to time, submitted the data as requested and has been making regular follow up with the GoI. Considering the fact that in similar case, one of the other fertilizer production companies has received the additional compensation for an extended period, the Company is confident that the GoI will consider the Company's case favourably for allowing the additional compensation for which revenue has been recognised in the books of account in FY 2013-14. The amount of accrual for such subsidy is Rs. 74 Crore.

Note: 47 Segment Information

Operating Segments

The identified reportable segments are Fertilizers, Chemicals and Others in terms of the requirements of Ind AS 108 "Operating Segments" as notified under section 133 of the Companies Act, 2013. Other Segment mainly includes Information Technology division activities.

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108."

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure and unallocable income.

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter Segment transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the Company level.

Summary of segment information is given below:

47.1 : Financial information about the primary business segment's Revenue & Results :

(Rs. in Crores)

		Fertilizers		Chemicals		Others		Total	
		2016-17	2015-16	**2016-17**	2015-16	**2016-17**	2015-16	**2016-17**	2015-16
A	**REVENUE:**								
	External sales revenue	**1,685.12**	1,977.95	**3,061.65**	2,704.14	**198.04**	163.76	**4,944.81**	4,845.85
	Intersegment Revenue	**-**	-	**-**	-	**-**	-	**-**	-
	Total Revenue	**1,685.12**	1,977.95	**3,061.65**	2,704.14	**198.04**	163.76	**4,944.81**	4,845.85
B	**RESULT:**								
	Segment result - profit / (loss)	**5.50**	99.46	**525.66**	310.78	**43.64**	32.50	**574.80**	442.74
	Reversal of impairment provision (Refer not 45)	**-**	-	**292.23**	-	**-**	-	**292.23**	0.00
	Unallocable Income							**89.20**	147.88
	Unallocable Expenses							**(37.74)**	(26.20)
	Operating profit							**918.49**	564.42
	Finance Costs							**(203.44)**	(296.72)
	Profit before tax							**715.05**	267.70

47.2: Financial information about the primary business segment's assets & liabilities : **(Rs. in Crores)**

Assets & Liabilities	**Fertilizer**			**Chemical**			**Others**			**Total**		
	As At			**As At**			**As At**			**As At**		
	31-03-2017	**31-03-2016**	**01-04-2015**	**31-03-2017**	**31-03-2016**	**01-04-2015**	**31-03-2017**	**31-03-2016**	**01-04-2015**	**31-03-2017**	**31-03-2016**	**01-04-2015**
Segment assets	**3,013.19**	3,890.01	4,355.24	**3,053.32**	2,675.21	2,807.92	**169.20**	112.93	93.70	**6,235.71**	6,678.15	7,256.86
Segment liabilities	**(1,117.98)**	(1,106.61)	(1,142.91)	**(159.56)**	(192.72)	(294.18)	**(90.48)**	(86.64)	(76.09)	**(1,368.02)**	(1,385.97)	(1,513.18)
Other unallocable corporate assets	**-**	-	-	**-**	-	-	**-**	-	-	**1,628.16**	1,830.57	1,813.33
Other unallocable corporate liabilities	**-**	-	-	**-**	-	-	**-**	-	-	**(2,694.26)**	(3,845.21)	(4,441.58)
Total capital employed	**1,895.21**	2,783.40	3,212.33	**2,893.76**	2,482.49	2,513.74	**78.72**	26.29	17.61	**3,801.59**	3,277.54	3,115.43
Capital assets/ expenditure incurred during the year:	**2016-17**	2015-16	2014-15	**2016-17**	2015-16	2014-15	**2016-17**	2015-16	2014-15	**2016-17**	2015-16	2014-15
Capital assets including capital work in progress	**2.82**	35.95	24.13	**12.52**	17.99	92.74	**0.98**	4.57	0.13	**16.32**	58.51	117.00
Other unallocable capital expenditures	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	12.16	7.13	108.14
Total	**2.82**	35.95	24.13	**12.52**	17.99	92.74	**0.98**	4.57	0.13	**28.48**	65.64	225.14

Note: 48 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below.

(Rs. in Crores)

Particulrs	**FVTOCI Reserve**		**Retained Earnings**		**Total**	
	Year Ended March 31, 2017	Year Ended March 31, 2016	**Year Ended March 31, 2017**	Year Ended March 31, 2016	**Year Ended March 31, 2017**	Year Ended March 31, 2016
Re-measurement losses on defined benefit plans (net of tax)	-	-	**(6.07)**	(7.84)	**(6.07)**	(7.84)
Net gain / (loss) on FVTOCI on equty Investments (net of tax)	**46.24**	(2.73)	**-**	-	**46.24**	(2.73)
	46.24	(2.73)	**(6.07)**	(7.84)	**40.17**	(10.57)

Note 49 : Details of hedged and unhedged exposure in foreign currency denominated monetary items :

(a) Exposure in foreign currency - Hedged

(i) Amounts Payable in Foreign Currency :

Particulars	Hedged against	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Rs. in Crore	Amount in FC	Rs. in Crore	Amount in FC	Rs. In Crore	Amount in FC
External Commercial Borrowings	Interest rate swaps	89.33	Euro 1,29,00,000	135.62	Euro 1,80,60,000	156.76	Euro 2,32,20,000
Buyers credit	Forward Contract	129.93	USD 2,00,38,832	75.73	USD 14,15,948	70.50	USD 1,12,64,000
Interest accrued but not due	Forward Contract	0.41	USD 63,205	0.24	USD 35,564	0.05	USD 8,287
Payables for import	Forward Contract	23.04	USD 35,35,000	0.30	USD 44,625	-	USD -
Interest accrued but not due in External Commercial Borrowings	Interest rate swaps	0.87	Euro 1,25,958	1.22	Euro 1,62,721	1.53	Euro 2,26,272

(ii) Interest rate swaps :

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Notional amount Rs. In Crore	Notional Amount in FC	Notional amount Rs. In Crore	Notional Amount in FC	Notional amount Rs. In Crore	Notional Amount in FC
Hedge against exposure to variable interest outflow on loan. Swap to pay fixed interest @ ranging from 9.52% p.a. to 9.74% p.a. and receive a variable interest @ 6 month EURIBOR plus 1.98% on notional amount	**87.92**	**Euro 1,29,00,000**	123.90	Euro 1,80,60,000	158.26	Euro 2,32,20,000

(b) Exposure in foreign currency - Unhedged

(i) Amounts payable in foreign currency :

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Rs. in Crore	Amount in FC	Rs. in Crore	Amount in FC	Rs. In Crore	Amount in FC
Payables for Import	**32.32**	**Euro 46,29,387**	18.08	Euro 23,87,151	29.36	Euro 23,87,151
Payables for Import	**0.13**	**USD 20,596**	3.13	USD 4,70,221	0.96	USD 1,52,824
Payables for Import	**-**	**JPY -**	-	JPY -	1.91	JPY 3,67,40,154
Payables for Import	**0.01**	**GBP 1,315**	0.01	GBP 1,315	0.01	GBP 1,315
Payables for Import	**0.35**	**CHF 54,213**	0.38	CHF 55,275	0.17	CHF 25,561
Payables for PCFC Export Credit	**-**	**USD -**	9.43	USD 14,20,730	-	USD -

(ii) Amounts receivable in foreign currency :

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Rs. in Crore	Amount in FC	Rs. in Crore	Amount in FC	Rs. In Crore	Amount in FC
Receivables for export	**3.28**	**USD 5,05,200**	9.61	USD 14,59,358	0.22	USD 35,500
Receivables for export	**-**	**AED -**	1.87	AED 10,50,000	-	AED -

Note 50 : Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management

50.1 Category-wise classification of financial instruments: **(Rs. in Crores)**

Particulars	Refer Note	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
As at March 31, 2017					
Financial assets					
Cash and cash equivalents	13	-	-	4.10	4.10
Other bank balances	14	-	-	8.41	8.41
Investments in equity shares (other than investment in associate entity)	7	761.19	-	-	761.19
Investments in unquoted equity shares of associate entity	7	-	-	1.25	1.25
Trade receivables	10	-	-	1,111.53	1,111.53
Loans and advances	8	-	94.43	-	94.43
Other financial assets	9	-	-	394.23	394.23
Total		**761.19**	**94.43**	**1,519.52**	**2,375.14**

50.1 Category-wise classification of financial instruments (Contd...): **(Rs. in Crores)**

Particulars	Refer Note	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
As at March 31, 2017					
Financial liabilities					
Borrowings (including current maturities)	18 & 20	-	-	1,958.92	1,958.92
Trade payables	19	-	-	340.11	340.11
Derivative instruments not designated as hedge	20	-	6.65	-	6.65
Other financial liabilities	20	-	-	80.97	80.97
Total		**-**	**6.65**	**2,380.00**	**2,386.65**
As at March 31, 2016					
Financial assets					
Cash and cash equivalents	13	-	-	3.29	3.29
Other bank balances	14	-	-	6.60	6.60
Investments in equity shares (other than investment in associate entity)	7	707.86	-	-	707.86
Investments in unquoted equity shares of associate entity	7	-	-	1.25	1.25
Trade receivables	10	-	-	1,485.22	1,485.22
Loans and advances	8	-	96.63	-	96.63
Derivative instruments not designated as hedge	9	-	9.13	-	9.13
Other financial assets	9	-	-	791.19	791.19
Total		**707.86**	**105.76**	**2,287.55**	**3,101.17**
Financial liabilities					
Borrowings (including current maturities)	18 & 20	-	-	3,101.35	3,101.35
Trade payables	19	-	-	262.41	262.41
Other financial liabilities	20	-	-	212.48	212.48
Total		**-**	**-**	**3,576.24**	**3,576.24**
As at April 01, 2015					
Financial assets					
Cash and cash equivalents	13	-	-	8.17	8.17
Other bank balances	14	-	-	7.78	7.78
Investments in equity shares (other than investment in associate entity)	7	710.59	-	-	710.59
Investments in unquoted equity shares of associate entity	7	-	-	1.25	1.25
Trade receivables	10	-	-	1,355.24	1,355.24
Loans and advances	8	-	91.40	-	91.40
Other financial assets	9	-	-	1,362.96	1,362.96
Total		**710.59**	**91.40**	**2,735.40**	**3,537.39**
Financial liabilities					
Borrowings (including current maturities)	18 & 20	-	-	3,831.68	3,831.68
Trade payables	19	-	-	246.02	246.02
Derivative instruments not designated as hedge	20	-	5.96	-	5.96
Other financial liabilities	20	-	-	238.05	238.05
Total		**-**	**5.96**	**4,315.75**	**4,321.71**

50.2 Fair value measurements:

a) Quantitative disclosures of fair value measurement hierarchy for financial assets and financial liabilities

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities: **(Rs. in Crores)**

Particulars	As at March 31, 2017				As at March 31, 2016				As at April 01, 2015			
	Significant observable inputs (Level 1*)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)	Total	Significant observable inputs (Level 1*)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)	Total	Significant observable inputs (Level 1*)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)	Total
Financial assets measured at fair value												
Investment in quoted equity investments measured at FVTOCI (refer note 7)	303.32	-	-	303.32	193.63	-	-	193.63	189.82	-	-	189.82
Investment in unquoted equity investments measured at FVTOCI (refer note 7)	-	-	457.87	457.87	-	-	514.23	514.23	-	-	520.77	520.77
Loans and advances	-	-	94.43	94.43	-	-	96.63	96.63	-	-	91.40	91.40
Derivative instruments	-	-	-	-	-	9.13	-	9.13	-	-	-	-
Total	**303.32**	**-**	**552.30**	**855.62**	**193.63**	**9.13**	**610.86**	**813.62**	**189.82**	**-**	**612.17**	**801.99**
Financial liabilities measured at fair value												
Derivative instruments	-	6.65	-	6.65	-	-	-	-	-	5.96	-	5.96
Total	**-**	**6.65**	**-**	**6.65**	**-**	**-**	**-**	**-**	**-**	**5.96**	**-**	**5.96**
Asset for which fair values are disclosed												
Investment properties (note 5)	**-**	**-**	**60.05**	**60.05**	**-**	**-**	**57.65**	**57.65**	**-**	**-**	**51.64**	**51.64**

*The fair value of the quoted equity investments are derived from quoted market prices in active market.

b) Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2017, March 31, 2016 and April 01, 2015 are as shown below:

Particulars	Valuation technique	Significant unobservable inputs	Range - weighted average	Sensitivity of the input to fair value
FVTOCI assets in unquoted equity shares (Gujarat Chemical Port Terminal Company Ltd)	Comparable companies	Market Multiple Discount	31 March 2017 : 17.50% - 22.50% (20%) 31 March 2016 : 17.50% - 22.50% (20%); April 01, 2015 : 17.50% - 22.50% (20%)	2.5% increase (decrease) in the market multiple discount would result in decrease (increase) in fair value as of March 31, 2017 by Rs. 9.75 crore (Rs. 9.75 crore) [Rs. 10.67 crore (9.20 crore) as of March 31, 2016, Rs. 8.28 crore (9.75 crore) as of April 01, 2015]
		EBITDA (Rs. Crores)	31 March 2017 : Rs 207.90 crores - Rs. 218.50 crores (Rs. 213.20 crores) 31 March 2016 : Rs 186.4 crores - Rs. 195.8 crores (Rs. 191.10 crores); April 01, 2015 : Rs 149.00 crores - Rs. 156.60 crores (Rs. 152.80 crores)	Rs. 5.3 crore increase (decrease) in the EBITDA would result in increase (decrease) in fair value as of March 31, 2017 by Rs. 7.91 crore (Rs. 7.91 crore) [Rs. 4.7 crore increase (decrease) in the EBITDA would result in increase (decrease) in fair value of March 31, 2016 by Rs. 7.17 Crore (8.75 crore)] [Rs. 3.8 crore increase (decrease) in the EBITDA would result in increase (decrease) in fair value of April 01, 2015 by Rs. 7.91 Crore (6.44 crore)]
FVTOCI assets in unquoted equity shares (Gujarat State Petrolium Corporation Ltd)	Discounted free cash flow method	Gas trading margin	Decreasing the Gas trading margin by 25% would change the fair value by Rs. 18.43 crore 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.	
FVTOCI assets in unquoted equity shares (Bhavnagar Energy Co. Ltd)	Net asset value	Share holders fund (Rs. Crores)	31 March 2017 : Rs 791.20 crores - Rs. 874.50 crores (Rs. 832.85 crores)	Rs. 41.65 crore increase (decrease) in the shareholders fund would result in increase (decrease) in fair value as of March 31, 2017 by Rs. 1.82 crore (Rs. 1.82 crore)
		Discount to Book Value	31 March 2017 : 20% - 30% (25%) 31 March 2016 : 20% - 30% (25%); April 01, 2015 : 20% - 30% (25%)	5% increase (decrease) in the discount to book value would result in decrease (increase) in fair value as of March 31, 2017 : Rs. 2.41 crore (Rs. 2.46 crore) [Rs. 2.41 crore (Rs. 2.46 crore) as of March 31, 2016, Rs. 2.41 crore (Rs. 2.46 crore) as of April 01, 2015]
FVTOCI assets in unquoted equity shares (Gujarat Venture Finance Ltd.)	Net asset value	Share holders fund (Rs. Crores)	31 March 2017 : Rs 14.50 crores - Rs. 16.00 crores (Rs. 15.25 crores)	Rs. 0.75 crore increase (decrease) in the shareholders fund would result in increase (decrease) in fair value as of March 31, 2017 by Rs. 0.01 crore (Rs. 0.01 crore)
		Discount to Book Value	31 March 2017 : 15% - 25% (20%) 31 March 2016 : 15% - 25% (20%); April 01, 2015 : 15% - 25% (20%)	5% increase (decrease) in the discount to book value would result in decrease (increase) in fair value as of March 31, 2017 : Rs. 0.01 crore (Rs. 0.01 crore) [Rs. 0.01 crore (Rs. 0.01 crore) as of March 31, 2016, Rs. 0.01 crore (Rs. 0.01 crore) as of April 01, 2015]
FVTOCI assets in unquoted equity shares (Bharuch Enviro Infrastructure Ltd)	Comparable companies	Market Multiple Discount	31 March 2017 : 17.50% - 22.50% (20%) 31 March 2016 : 17.50% - 22.50% (20%); April 01, 2015 : 17.50% - 22.50% (20%)	5% increase (decrease) in the market multiple discount would result in decrease (increase) in fair value as of March 31, 2017 : Rs. 0.12 crore (Rs. 0.12 crore) [Rs. 0.07 crore (Rs. 0.08 crore) as of March 31, 2016, Rs. 0.05 crore (Rs. 0.05 crore) as of April 01, 2015]
		Consolidated PAT (Rs. Crores)	31 March 2017 : Rs 24.00 crores - Rs. 25.20 crores (Rs. 24.60 crores)	Rs. 0.60 crore increase (decrease) in the consolidated PAT would result in increase (decrease) in fair value as of March 31, 2017 : Rs. 0.09 crore (Rs. 0.09 crore)
FVTOCI assets in unquoted equity shares (Bharuch Dahej Railway Co Ltd)	Comparable companies	Market Multiple Discount	31 March 2017 : 22.50% - 27.50% (25%) 31 March 2016 : 22.50% - 27.50% (25%); April 01, 2015 : 22.50% - 27.50% (25%)	2.5% increase (decrease) in the market multiple discount would result in decrease (increase) in fair value as of March 31, 2017 : Rs. 1.16 crore (Rs. 1.18 crore) [Rs. 2.64 crore (Rs. 0.50 crore) as of March 31, 2016, Rs. 0.39 crore (Rs. 2.53 crore) as of April 01, 2015]
		EBITDA (Rs. Crores)	31 March 2017 : Rs 39.10 crores - Rs. 41.10 crores (Rs.40.10 crores)	Rs. 1.00 crore increase (decrease) in the EBITDA would result in (decrease) increase in fair value as of March 31, 2017 : Rs. 0.88 crore (Rs. 0.88 crore)
FVTOCI assets in unquoted equity shares (Ecophos GNFC India Pvt Ltd)	Net asset value	The investee company is in start up phase, hence sensitivity impact is immaterial.		

c) Financial Instrument measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

50.3 Financial Risk objective and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations/projects. The Company's principal financial assets include loans, investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

In the ordinary course of business, the Company is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. The Company's senior management oversees the management of these risks. It manages its exposure to these risks through derivative financial instruments by hedging transactions. It uses derivative instruments such as interest rate swaps and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favourable and unfavourable fluctuations.

The Company's risk management activities are subject to the management, direction and control of the management of the Company under the guideline of the Board of Directors of the Company. The management ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Company is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in management's judgment, are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

Further, all currency and interest risk as identified above is measured on a daily basis by monitoring the mark to market (MTM) of open and hedged position. The MTM is derived basis underlying market curves on closing basis of relevant instrument quoted on Bloomberg/Reuters. For year ends, the MTM for each derivative instrument outstanding is obtained from respective banks. All gain / loss arising from MTM for open derivative contracts and gain / loss on settlement / cancellation / roll over of derivative contracts is recorded in the statement of profit and loss.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2017 and March 31, 2016.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2017.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017 and March 31, 2016.

(i) Interest rate risk

The Company is exposed to changes in market interest rates due to financing, investing and cash management activities. The Company's exposure to the risk of changes in market interest rates relates primarily to The Company's long-term debt obligations with floating interest rates and period of borrowings. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company enters into interest rate swap contracts or interest rate future contracts to manage its exposure to changes in the underlying benchmark interest rates.

Interest rate sensitivity

The following details demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended March 31, 2017 would decrease / increase by Rs. 7.99 crore (previous year Rs. 16.21 crore). This is mainly attributable to interest rates on variable rate long term borrowings.

(ii) Foreign currency risk

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR), have an impact on the Company's operating results. The Company manages its foreign currency risk by entering into currency swap for converting INR loan into other foreign currency for taking advantage of lower cost of borrowing in stable currency environment. The Company also enters into various foreign exchange contracts to mitigate the risk arising out of foreign exchange rate movement on foreign currency borrowings or trade payables. Further, to hedge foreign currency future transactions in respect of which firm commitment are made or which are highly probable forecast transactions (for instance, foreign exchange denominated income) the Company has entered into foreign currency forward contracts as per the policy of the Company.

The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

The above table represents total exposure of the Company towards foreign exchange denominated liabilities (net). The details of exposures hedged using forward exchange contracts are given as a part of note 49 and the details of unhedged exposures are given as part of note 49.

The Company is mainly exposed to changes in USD and EURO. The below table demonstrates the sensitivity to a 5% increase or decrease in the respective foreign currency rates against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

(Rs. in Crores)

Particulars	Impact on Profit before tax		Impact on Pre-tax Equity	
	For the year ended		For the year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
USD Sensitivity				
RUPEES / USD – Increase by 5%	(7.69)	(3.82)	(7.69)	(3.82)
RUPEES / USD – Decrease by 5%	7.69	3.82	7.69	3.82
EURO Sensitivity				
RUPEES / EURO – Increase by 5%	(4.52)	(6.78)	(4.52)	(6.78)
RUPEES / EURO – Decrease by 5%	4.52	6.78	4.52	6.78

(III) Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data.

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's management. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Concentrations of Credit Risk form part of Credit Risk

Considering that the Company manufactures fertilizer products and industrial products and rendering IT services , the Company is significantly dependent on subsidy claims receivables from Government for manufacture of fertilizers. Out of total revenue, the Company earns Rs. 1,685.12 crore of revenue during the year ended March 31, 2017 (previous year Rs. 1,977.95 crore) from fertilizer manufacturing and trading which constitute 34.08% (previous year 40.82%). Accounts receivable on account of subsidy claim receivable from Government approximated Rs. 635.26 crore as at March 31, 2017 and Rs. 1,162.13 crore as at March 31, 2016. A loss of these customer could adversely affect the operating result or cash flow of the Company.

c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and bank balances. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analysis derivative and non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(Rs. in Crores)

Particulars	Refer Note	On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
As at March 31, 2017						
Borrowings (including current maturities)	18 & 20	571.89	853.62	533.41	-	1,958.92
Trade payables	19	-	340.11	-	-	340.11
Derivatives Instruments not designated as hedge	20	-	6.65	-	-	6.65
Other financial liabilities	20	-	80.97	-	-	80.97
Total		**571.89**	**1,281.35**	**533.41**	**-**	**2,386.65**
As at March 31, 2016						
Borrowings (including current maturities)	18 & 20	890.76	1,177.27	1,033.32	-	3,101.35
Trade payables	19	-	262.41	-	-	262.41
Other financial liabilities	20	-	212.48	-	-	212.48
Total		**890.76**	**1,652.16**	**1,033.32**	**-**	**3,576.24**
As at April 01, 2015						
Borrowings (including current maturities)	18 & 20	577.07	1,734.17	1,461.92	58.52	3,831.68
Trade payables	19	-	246.02	-	-	246.02
Derivatives Instruments not designated as hedge	20	-	5.96	-	-	5.96
Other financial liabilities	20	-	238.05	-	-	238.05
Total		**577.07**	**2,224.20**	**1,461.92**	**58.52**	**4,321.71**

50.4 Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity. The primary objective of the Company's capital management is to maximize shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is net debt (total debt less cash and bank balance) divided by total capital plus net debt.

(Rs. in Crores)

Particulars	March 31 2017	March 31 2016	April 01 2015
Total Borrowings (refer note 18 and 20)	1,958.92	3,101.35	3,831.68
Less: Cash and bank balances (refer note 13 and 14)	12.51	9.89	15.95
Net Debt (A)	**1,946.41**	**3,091.46**	**3,815.73**
Total Equity (B)	**3,801.59**	**3,277.54**	**3,115.43**
Total Equity and Net Debt (C = A + B)	**5,748.00**	**6,369.00**	**6,931.16**
Gearing ratio	34%	49%	55%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

51 First-time adoption of Ind-AS

These financial statements, for the year ended March 31, 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 annual financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for the year ending on March 31,2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2015, the Company's date of transition to Ind AS and financial statements as at and for the year ended March 31, 2016.

51.1 Exemptions availed on the first time adoption of Ind AS 101

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) The Company has elected to avail exemption under Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding and recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

(b) Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

(c) Estimates :

The estimates at April 01, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

> FVTOCI – quoted and unquoted equity shares

> Impairment of financial assets based on the risk exposure and application of ECL model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2015, the date of transition to Ind AS and as of March 31, 2016.

(d) Fair value measurement of financial assets or liabilities:

The Company has applied provision of Ind AS 109 for financial assets or liabilities measured at fair value prospectively to transactions occurring on or after the date of transition to Ind AS.

51.2 In the quarterly unaudited financial results published by the Company for the period ended June 30, 2016 , September 30, 2016 and December 31, 2016, the Company had elected to avail exemption under Ind AS 101 to use India GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment, investment property and intangible assets as per the statement of financial position prepared in accordance with previous GAAP.

However in its first Ind AS financial statements, the company has accounted its property, plant and equipment, investment property and intangible asset, being measured at cost in accordance with Ind AS-16 - "Property, Plant and Equipment", Ind AS-40 - "Investment Property" and Ind AS-38 - "Intangible Asset", respectively. This change does not have material impact on profit and loss.

51.3 The Company's management had previously issued its audited financial results for the year ended March 31, 2016 on April 26, 2016, that were all prepared in accordance with the recognition and measurement principles of the Companies (Accounting Standards) Rules, 2006 prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and other accounting principles generally accepted in India ('Previous GAAP'). The Company's management has now prepared the Ind AS Financial Statements for the year ended March 31, 2017 in accordance with the recognition and measurement principles laid down by the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

The Company has prepared a reconciliation of the amounts of net profit as reported under the Previous GAAP to those computed as per Ind AS and the same is given in note no. 51.4 and 51.5 below.

51.4 Effect of Ind AS adoption on Balance Sheet as at April 01, 2015 and March 31, 2016 **(Rs. in Crores)**

Particulars	Explanatory notes	March 31, 2016 (Last period presented under IGAAP)			April 01, 2015 (Date of transition)		
		IGAAP	Effects of transition to Ind As	Ind AS	IGAAP	Effects of transition to Ind As	Ind AS
ASSETS							
I. Non-current assets							
(a) Property, plant and equipment	(a) (b) (c)	4,257.52	83.17	4,340.69	4,442.58	81.70	4,524.28
(b) Capital work-in-progress		8.97	-	8.97	13.26	-	13.26
(c) Investment property	(c)	-	19.84	19.84	-	17.87	17.87
(d) Intangible assets		25.96	-	25.96	25.53	-	25.53
(e) Financial assets							
(i) Investments	(d)	145.36	563.75	709.11	145.36	566.48	711.84
(ii) Loans and advances	(j)	206.72	(126.85)	79.87	197.38	(121.98)	75.40
(iii) Other financial assets	(j)	-	371.87	371.87	-	627.54	627.54
(f) Other assets	(j)	352.30	(295.14)	57.16	607.90	(554.36)	53.54
		4,996.83	**616.64**	**5,613.47**	**5,432.01**	**617.25**	**6,049.26**
II. Current assets							
(a) Inventories	(a)	731.66	(30.40)	701.26	749.77	(23.17)	726.60
(b) Financial assets							
(i) Trade receivables	(j)	1,492.51	(7.29)	1,485.22	1,355.24	-	1,355.24
(ii) Cash and cash equivalents		3.29	-	3.29	8.17	-	8.17
(iii) Other bank balances		6.60	-	6.60	7.78	-	7.78
(iv) Loans	(j)	299.44	(282.68)	16.76	203.18	(187.18)	16.00
(v) Others financial assets	(j)	-	428.45	428.45	-	735.42	735.42
(c) Other assets	(j)	408.46	(154.79)	253.67	731.88	(560.16)	171.72
		2,941.96	**(46.71)**	**2,895.25**	**3,056.02**	**(35.09)**	**3,020.93**
Total assets		**7,938.79**	**569.93**	**8,508.72**	**8,488.03**	**582.16**	**9,070.19**

51.4 Effect of Ind AS adoption on Balance Sheet as at April 01, 2015 and March 31, 2016 (Contd...) **(Rs. in Crores)**

Particulars	Explanatory notes	March 31, 2016 (Last period presented under IGAAP)			April 01, 2015 (Date of transition)		
		IGAAP	Effects of transition to Ind As	Ind AS	IGAAP	Effects of transition to Ind As	Ind AS
EQUITY AND LIABILITIES							
Equity							
Equity share capital		155.42	-	155.42	155.42	-	155.42
Other equity		2,513.71	608.41	3,122.12	2,324.76	635.25	2,960.01
Total equity		**2,669.13**	**608.41**	**3,277.54**	**2,480.18**	**635.25**	**3,115.43**
Liabilities							
I. Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	(h)	1,037.32	(4.00)	1,033.32	1,526.85	(6.41)	1,520.44
(b) Long-term provisions		113.01	-	113.01	103.16	-	103.16
(c) Deferred tax liabilities (net)	(e) (i)	329.55	(33.42)	296.13	329.55	(121.68)	207.87
(d) Government grants (deferred income)	(j)	1,068.24	(64.26)	1,003.98	1,125.98	(61.21)	1,064.77
		2,548.12	**(101.68)**	**2,446.44**	**3,085.54**	**(189.30)**	**2,896.24**
II. Current liabilities							
(a) Financial liabilities							
(i) Borrowings	(h)	1,425.91	(0.38)	1,425.53	1,647.57	(3.05)	1,644.52
(ii) Trade payables	(j)	302.26	(39.85)	262.41	296.44	(50.42)	246.02
(iii) Other financial liabilities	(j)	-	854.98	854.98	-	910.73	910.73
(b) Other liabilities	(j)	891.49	(819.35)	72.14	932.29	(857.93)	74.36
(c) Short-term provisions	(j)	101.88	(62.25)	39.63	46.01	(8.91)	37.10
(d) Government grants (deferred income)	(j)	-	105.21	105.21	-	136.88	136.88
(e) Liabilities for current tax (net)		-	24.84	24.84	-	8.91	8.91
		2,721.54	**63.20**	**2,784.74**	**2,922.31**	**136.21**	**3,058.52**
Total liabilities		**5,269.66**	**(38.48)**	**5,231.18**	**6,007.85**	**(53.09)**	**5,954.76**
Total equity and liabilities		**7,938.79**	**569.93**	**8,508.72**	**8,488.03**	**582.16**	**9,070.19**

51.5 Effect of Ind AS adoption on profit and loss for year ended March 31, 2016 **(Rs. in Crores)**

Particulars	Explanatory notes	IGAAP	Effects of transition to Ind AS	Ind AS
Income				
Revenue from operations	(k)	4,548.30	297.55	4,845.85
Other income	(l)	113.23	139.14	252.37
Total income		**4,661.53**	**436.69**	**5,098.22**
Expenses				
Cost of raw materials and components consumed		2135.11	(4.20)	2,130.91
Purchase of traded goods		268.60	-	268.60
Decrease / (Increase) in inventories of finished goods, work-in-progress and traded goods		(15.32)	-	(15.32)
Power, fuel and other utilities		675.54	-	675.54
Excise duty	(k)	-	293.95	293.95
Employee benefits expense	(f)	362.51	(5.51)	357.00
Finance costs	(h)	245.75	50.97	296.72
Depreciation and amortization expense	(a) (b) (l)	189.28	61.54	250.82
Other Expenses		573.70	(1.40)	572.30
Total Expenses		**4,435.17**	**395.35**	**4,830.52**
Profit before tax		**226.36**	**41.34**	**267.70**
Tax expense:				
Current tax		2.62	-	2.62
Tax credit under Minimum Alternate Tax (MAT)		(2.62)	-	(2.62)
Deferred tax charge	(e) (i)	-	95.02	95.02
Income tax expense		**-**	**95.02**	**95.02**
Profit for the year		**226.36**	**(53.68)**	**172.68**
Other Comprehensive Income	(g)			
Items that will not be reclassified to profit and loss in subsequent period				
Re-measurement losses on defined benefit plans	(f)	-	(11.98)	(11.98)
Income tax effect	(e)	-	4.14	4.14
Net loss on FVTOCI equty investments	(d)	-	(2.73)	(2.73)
Other comprehensive income for the year		**-**	**(10.57)**	**(10.57)**
Total comprehensive income for the year		**226.36**	**(64.25)**	**162.11**

51.6 Reconciliation of total equity:-

Nature of adjustments	As at March 31, 2016	As at April 01, 2015
Equity as per Previous GAAP	**2669.13**	**2480.18**
i) Increase in fair value of investments recorded as fair value through OCI	563.75	566.48
ii) Provision for dividend declared including distribution tax	37.41	0
iii) Recording of capital grant for the EPCG scheme	40.12	12.87
iv) Impact of recognition of property, plant & equipment in accordance with Ind AS 16	(12.53)	1.50
v) Other Ind AS adjustments	5.81	(10.33)
vi) Deferred tax impact on above adjustments (Net)	(26.15)	64.73
Equity as per Ind AS	**3,277.54**	**3,115.43**

Explanatory notes to the transition from previous GAAP to Ind AS :

(a) Cost determined in accordance with Ind AS 16 – The Company has recomputed the cost of Property, Plant and Equipment in accordance with Ind AS 16 and have adjusted value of PPE to make it compliant under Ind AS 16.

(b) Export Promotion Capital Goods (EPCG) as Property, Plant & Equipment (PPE): The Company has availed EPCG benefit for duty free import of capital goods for construction of its plant. The same was disclosed as commitments in the previous GAAP. In Ind AS, the company has capitalized the amount of duty saved under EPCG licences.

(c) Investment property :As per Para 7 of Ind As 40 - " Investment Property",properties held to earn rentals or for capital appreciation or both is to be classified as investment property. Accordingly Company has distinguished investment property from owner-occupied property.

(d) Fair valuation of equity instruments : Under Indian GAAP, the Company accounted for long term investments in quoted and unquoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount (after adjusting the provision for diminution in value of investment) has been recognised as a separate component of equity, in the FVTOCI reserve, net of related deferred taxes. The reversal of provision for diminution in value of investment is adjusted in the retained earnings.

(e) Deferred tax : 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. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

(f) Remeasurement cost of net defined liability : 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, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

(g) Other comprehensive income : Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

(h) Borrowings (part of financial liabilities) : Under Indian GAAP, transaction costs incurred in connection with 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.

(i) Deferred tax asset on carry forward losses and unabsorbed depreciation : As per Ind AS Deferred tax asset is recognised on carry forward losses and unabsorbed depreciation based on the probability of the Company's ability to utilise the carried forward losses and unabsorbed depreciation in future years, which under previous GAAP was based on virtual certainty.

(j) Classification and fair value measurement of financial assets and financial liabilities: The Company has assessed the classification and fair valuation impact of financial assets and liabilities under Ind AS 32 / Ind AS 109 on the basis of the facts and circumstances at the transition date. Impact of fair value changes as on date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of profit and loss or other comprehensive income, as the case may be.

(k) 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.

(l) Measurement of Government Grant as Deferred Income: The government grant release during the year in the profit or loss, related to property, plant and equipment was netted off with the depreciation under the previous GAAP. Under Ind AS it is shown separately as other income.

(m) Statement of cash flows: The transition from Indian GAAP to Ind AS does not have material impact on the statement of cash flows.

Note 52 : Exposure Drafts and Accounting Standards not yet notified

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

(a) Amendments to Ind AS 7, Statement of Cash Flows: The amendments to Ind AS 7 requires an entity 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. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after April 01, 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

(b) Amendments to Ind AS 102, Share-based Payment: The MCA has issued amendments to Ind AS 102 that address three main areas

i) the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction,

ii) the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and

iii) accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after April 01, 2017.

These amendments does not have material impact on Company's financial statements. The Company will adopt these amendments from their applicability date.

Note 53 : Event occurred after the Balance Sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 29, 2017, there were no material subsequent events to be recognized or reported that are not already previously disclosed.

For and on behalf of the Board of Directors,

D V Parikh	**T J Lakhmapurkar**	**Dr. Rajiv Kumar Gupta**	**Anil Mukim**
Additional General Manager & CFO	Company Secretary	Managing Director	Chairman of the Meeting

Place : Gandhinagar
Date : May 29, 2017

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

per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : May 29, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Gujarat Narmada Valley Fertilizers &Chemicals Limited(hereinafter referred to as "the Company")and its associate, comprising of the consolidated Balance Sheet as at March 31, 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 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 Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("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 consolidated statement of changes in equity of the Company including its associate in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The Board of Directors of the Company and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and of its associate 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 Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated 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 accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other 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, 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 Company and its associate as at March 31, 2017, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

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 unaudited financial statements and the other unaudited financial information of the associate, as noted in the 'other matter' paragraph 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 purpose of our audit of the aforesaid consolidated Ind AS financial statements;

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

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statementscomply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

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

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Company, refer to our separate report in "Annexure 1" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the separate unaudited financial statements as also the other unaudited financial information of the associate, as noted in the 'Other matter' paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Company and its associate – Refer Note 36to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 20 to the consolidated Ind AS financial statements in respect of such items as it relates to the Company and (b) the Company's share of net profit in respect of its associate;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, its associate incorporated in India during the year ended March 31, 2017.

iv. The Company has provided requisite disclosures in Note 41 to these consolidated Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management of the Company.

Other Matter

(a) The comparative financial information of the Group including its associate for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2016 and March 31, 2015 dated April 26,2016and May 28,2015respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

(b) The consolidated Ind AS financial statements also include the Company's share of net profit of Rs 7.49 crores for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of an associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Company.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements and other financial information certified by the Management.

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

per Arpit K Patel
Partner
Membership Number: 34032

Place of Signature: Ahmedabad
Date: May 29, 2017

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED

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

In conjunction with our audit of the consolidated financial statements of Gujarat Narmada Valley Fertilizers & Chemicals Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Gujarat Narmada Valley Fertilizers & Chemicals Limited (hereinafter referred to as the "Company") and its associate company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 information furnished to us by the management, is sufficient and appropriate to provide a basis for our audit opinion on the 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, the Company, its associate company which is a company incorporated in India, have, maintained 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 March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Group, insofar as it relates to one associate company which is a company incorporated in India, is based on the information furnished to us by the management for such associate incorporated in India.

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

per Arpit K Patel
Partner
Membership Number: 34032

Place of Signature: Ahmedabad
Date: May 29, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(Rs. in Crores)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
I. Non-current assets				
(a) Property, plant and equipment	4	**4,395.88**	4,340.69	4,524.28
(b) Capital work-in-progress	4	**14.41**	8.97	13.26
(c) Investment property	5	**19.41**	19.84	17.87
(d) Intangible assets	6	**26.93**	25.96	25.53
(e) Financial assets				
(i) Investments	7	**816.08**	755.26	750.81
(ii) Loans and advances	8	**78.22**	79.87	75.40
(iii) Other financial assets	9	**70.86**	371.87	627.54
(f) Other assets	11	**38.77**	57.16	53.54
		5,460.56	5,659.62	6,088.23
II. Current assets				
(a) Inventories	12	**661.79**	701.26	726.60
(b) Financial assets				
(i) Trade receivables	10	**1,111.53**	1,485.22	1,355.24
(ii) Cash and cash equivalents	13	**4.10**	3.29	8.17
(iii) Other bank balances	14	**8.41**	6.60	7.78
(iv) Loans and advances	8	**16.21**	16.76	16.00
(v) Other financial assets	9	**323.37**	428.45	735.42
(c) Other assets	15	**331.54**	253.67	171.72
		2,456.95	2,895.25	3,020.93
Total		**7,917.51**	8,554.87	9,109.16
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	16	**155.42**	155.42	155.42
(b) Other equity	17	**3,699.81**	3,168.27	2,998.98
		3,855.23	3,323.69	3,154.40
Liabilities				
I. Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	**533.41**	1,033.32	1,520.44
(b) Long-term provisions	21	**132.67**	113.01	103.16
(c) Deferred tax liabilities (net)	25	**386.92**	296.13	207.87
(d) Government grants (deferred income)	22	**941.12**	1,003.98	1,064.77
		1,994.12	2,446.44	2,896.24
II. Current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	**1,073.31**	1,425.53	1,644.52
(ii) Trade payables	19	**340.11**	262.41	246.02
(iii) Other financial liabilities	20	**439.82**	854.98	910.73
(b) Other liabilities	23	**74.13**	72.14	74.36
(c) Short-term provisions	24	**40.49**	39.63	37.10
(d) Government grants (deferred income)	22	**76.67**	105.21	136.88
(e) Liabilities for current tax (net)	25	**23.63**	24.84	8.91
		2,068.16	2,784.74	3,058.52
Total		**7,917.51**	8,554.87	9,109.16

The accompanying notes are an integral part of the consolidated financial statements.

For and on behalf of the Board of Directors,

D V Parikh	**T J Lakhmapurkar**	**Dr. Rajiv Kumar Gupta**	**Anil Mukim**
Additional General Manager & CFO	Company Secretary	Managing Director	Chairman of the Meeting

Place : Gandhinagar
Date : May 29, 2017

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

per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : May 29, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Rs. in Crores)

Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Income			
Revenue from operations	26	**4,944.81**	4,845.85
Other income	27	**224.86**	252.37
Total		**5,169.67**	5,098.22
Expenses			
Cost of raw materials and components consumed	28	**1,836.65**	2,130.91
Purchase of traded goods	29	**315.57**	268.60
Decrease / (Increase) in inventories of finished goods, work-in-progress and traded goods	30	**2.51**	(15.32)
Power, fuel and other utilities		**779.34**	675.54
Excise duty		**356.04**	293.95
Employee benefits expense	31	**374.37**	357.00
Finance costs	32	**203.44**	296.72
Depreciation and amortization expense	33	**251.44**	250.82
Other expenses	34	**627.49**	572.30
Total		**4,746.85**	4,830.52
Profit before exceptional items and tax		**422.82**	267.70
Exceptional item	45	**292.23**	-
Profit before tax		**715.05**	267.70
Tax expense	25		
Current tax		**82.63**	2.62
Tax credit under Minimum Alternate Tax (MAT) (including tax credit of 31.04 crore of earlier years)		**(89.61)**	(2.62)
Deferred tax charge	25	**200.73**	95.02
Total tax expense		**193.75**	95.02
Profit for the year after tax and before share in profit of Associate		**521.30**	172.68
Share in profit of Associate		**7.49**	7.18
Profit for the year attributable to the shareholders of the Company	(A)	**528.79**	179.86
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plans		**(9.28)**	(11.98)
Income tax effect (credit)		**3.21**	4.14
Net gain / (loss) on FVTOCI equity investments		**29.12**	(2.73)
Income tax effect (credit)	25	**17.12**	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**40.17**	(10.57)
Total other comprehensive income for the year, net of tax	(B)	**40.17**	(10.57)
Total comprehensive income for the year, net of tax	(A)+(B)	**568.96**	169.29
Earnings per Share - (Face value of Rs. 10 each) Basic and Diluted (in Rs.)	35	**34.02**	11.57

The accompanying notes are an integral part of the consolidated financial statements.

For and on behalf of the Board of Directors,

D V Parikh	**T J Lakhmapurkar**	**Dr. Rajiv Kumar Gupta**	**Anil Mukim**
Additional General Manager & CFO	Company Secretary	Managing Director	Chairman of the Meeting

Place : Gandhinagar
Date : May 29, 2017

AS PER OUR REPORT OF EVEN DATE
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per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : May 29, 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Crores)

(A) Equity share capital	**Note**	**Amount**
Balance as at April 01, 2015		155.42
Changes in equity share capital	16	-
Balance as at March 31, 2016		155.42
Changes in equity share capital	16	-
Balance as at March 31, 2017		**155.42**

(Rs. in Crores)

(B) Other equity

Particulars	**Reserve and surplus**				**Other Comprehensive Income FVTOCI reserve**	**Total**
	Capital reserve	**Securities premium**	**General reserve**	**Retained earnings**		
	Note 17.1	**Note 17.1**	**Note 17.1**	**Note 17.1**	**Note 17.2**	
Balance as at April 01, 2015	**0.64**	**313.31**	**2,139.76**	**81.51**	**463.76**	**2,998.98**
Profit for the year	-	-	-	179.86	-	179.86
Other comprehensive income for the year	-	-	-	(7.84)	(2.73)	(10.57)
Total comprehensive income for the year	-	-	-	172.02	(2.73)	**169.29**
Transfer from retained earnings	-	-	50.00	(50.00)	-	-
Balance as at March 31, 2016	**0.64**	**313.31**	**2,189.76**	**203.53**	**461.03**	**3,168.27**
Profit for the year	-	-	-	528.79	-	528.79
Other comprehensive income for the year	-	-	-	(6.07)	46.24	40.17
Total comprehensive income for the year	-	-	-	522.72	46.24	**568.96**
Dividend paid during the year (Refer Note 17.3)	-	-	-	(31.09)	-	(31.09)
Dividend distribution tax (Refer Note 17.3)	-	-	-	(6.33)	-	(6.33)
Balance as at March 31, 2017	**0.64**	**313.31**	**2,189.76**	**688.83**	**507.27**	**3,699.81**

The accompanying notes are an integral part of the consolidated financial statements.

For and on behalf of the Board of Directors,

D V Parikh	**T J Lakhmapurkar**	**Dr. Rajiv Kumar Gupta**	**Anil Mukim**
Additional General Manager & CFO	Company Secretary	Managing Director	Chairman of the Meeting

Place : Gandhinagar
Date : May 29, 2017

AS PER OUR REPORT OF EVEN DATE
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per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : May 29, 2017

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

(Rs. in Crores)

Particulars	March 31, 2017	March 31, 2016
Cash flow from operating activities		
Profit before tax as per statement of profit and loss	**715.05**	267.70
Adjustments for:		
Reversal of impairment provision on property, plant & equipment	**(292.23)**	-
Profit on sale / disposal of property, plant & equipment	**(18.62)**	(0.11)
Depreciation and amortization	**251.44**	250.82
Interest income	**(31.58)**	(90.37)
Income from dividend	**(5.93)**	(5.71)
Amortization of grant received (income)	**(98.85)**	(104.50)
Foreign exchange loss	**3.60**	1.34
Finance cost	**203.44**	296.72
Premium on forward contracts	**4.16**	4.56
Provision for doubtful advances (net)	**10.63**	0.60
Operating profit before working capital changes	**741.11**	621.05
Movements in working capital :		
Decrease / (increase) in trade receivables	**370.24**	(130.32)
Decrease / (increase) in inventories	**39.47**	25.33
Decrease / (increase) in financial assets	**406.18**	562.64
Decrease / (increase) in loans and advances and other assets	**(66.62)**	(79.65)
(Decrease) / increase in provision	**20.52**	12.38
(Decrease) / increase in trade payables and other liabilities	**79.69**	14.17
(Decrease) / increase in financial liabilities	**(67.92)**	(17.95)
Cash generated from operations	**1,522.67**	1,007.65
Direct taxes paid (net)	**(77.49)**	(11.40)
Net cash flow from operating activities (A)	**1,445.18**	996.25
Cash flows from investing activities		
Purchase of property, plant & equipment (Including capital work In progress and capital advances)	**(90.88)**	(65.59)
Proceeds from sale of property, plant & equipment	**3.50**	0.43
Investments made	**(1.01)**	-
Change in other bank balances	**(1.81)**	4.88
Interest received	**31.50**	90.38
Income from dividend	**5.93**	5.71
Net cash inflow (used in) investing activities (B)	**(52.77)**	35.81
Cash flows from financing activities		
Proceeds from short term borrowings	**3,298.77**	3,121.30
Repayment of short term borrowings	**(3,650.99)**	(3,323.42)
Repayment of long-term borrowings	**(790.22)**	(528.21)
Finance cost	**(207.59)**	(300.87)
Dividend Paid (Including dividend tax)	**(37.41)**	(1.18)
Premium on forward contracts	**(4.16)**	(4.56)
Net cash used in financing activities (C)	**(1,391.60)**	(1,036.94)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**0.81**	(4.88)
Cash and cash equivalents at the beginning of the year	**3.29**	8.17
Cash and cash equivalents at the end of the year (Refer note-13)	**4.10**	3.29
Notes:		
Component of Cash and Cash equivalents		
Cash on hand	**0.10**	0.17
Balances with bank		
On current accounts	**4.00**	3.12
Total cash and cash equivalents	**4.10**	3.29

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

For and on behalf of the Board of Directors,

D V Parikh	**T J Lakhmapurkar**	**Dr. Rajiv Kumar Gupta**	**Anil Mukim**
Additional General Manager & CFO	Company Secretary	Managing Director	Chairman of the Meeting

Place : Gandhinagar
Date : May 29, 2017

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

per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : May 29, 2017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

1 Corporate information

The consolidated financial statements comprise financial statements of Gujarat Narmada Valley Fertilizers & Chemicals Limited ('the Company') and its associates, collectively known as 'the Group' for the year ended March 31, 2017. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at P.O: Narmadanagar-392 015, Dist.: Bharuch, Gujarat.

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

The consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 29, 2017.

2 Basis of preparation

2.1 The consolidated financial statements of the Group has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

For all periods up to and including the year ended March 31, 2016, the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first the Group has prepared in accordance with Ind AS. Refer note 51 for information on how the Group adopted Ind AS.

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

-Derivative financial instruments,

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

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

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

2.2 Summary of significant accounting policies

a) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

c) Foreign currency transactions :

The Group's financial statements are presented in INR, which is functional currency of the Group. The Group determines the functional currency and items included in the financial statements are measured using that functional currency. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of transaction.

d) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

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

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception stated under note no. 51.1, whereby the Exchange differences arising on long-term foreign currency monetary items related to acquisition of a property, plant and equipment (including funds used for projects work in progress) recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. March 31, 2016 are capitalised / decapitalised to cost of Property, Plant and Equipment and depreciated over the remaining useful life of the asset.

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

e) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions (refer note 50 and 2.3)
- Quantitative disclosures of fair value measurement hierarchy (refer note 50.2)
- Investment in unquoted equity shares (refer note 7)
- Investment properties (refer note 5)
- Financial instruments (including those carried at amortised cost) (refer note 50.1)

f) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Revenue includes excise duty. Sales tax/ value added tax (VAT) is not received by the Group on its own account, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognision criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with delivery of goods. Revenue from export sales are recognized based on delivery terms. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable including excise duty, net of returns and allowances, trade discounts and volume rebates.

Urea and ANP product subsidy

Urea Subsidy under the New Pricing Scheme-III (extension) and ANP Subsidy under Nutrient Based Subsidy (NBS) Scheme w.e.f.

01-04-2010 is allowed by the Government of India (GoI) for the quantity received at the destination, as per the rate prescribed by GoI, at the time of dispatch in case of Urea and at the time of receipt in case of ANP. Urea Subsidy is further adjusted for input price escalation/ de-escalation as estimated by the Management based on the prescribed norms. The Group accounts for the same on sales quantity basis.

Urea and ANP freight subsidy

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

Rendering of services (including contracted services)

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

Contracted services

Revenue from construction contracts of Information Technology division is recognized on a percentage completion method, in proportion that the contract costs incurred for work performed up to the reporting date stand to the estimated total contract costs indicating the stage of completion of the project. Contract revenue earned in excess of billing is reflected under the head "Other current assets" and billing in excess of contract revenue is reflected under the head "Other current liabilities" in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen and cost incurred towards future contract activity is classified as project work in progress.

Income from fixed price contract - revenue from development project / services under fixed price contract, where there is no uncertainty as to measurement or collectability of consideration is recognized based on milestones reached under the contract.

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

Dividends

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

Insurance claims

Claims receivable on account of insurance are accounted for to the extent the Group is virtually certain of their ultimate collection.

g) Government grants and export incentives

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

Export incentive

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Income from Energy Savings Certificates

Income from energy savings certificates under the scheme of Government of India through Bureau of Energy Efficiency, Ministry of Power ('BEE') called 'Perform, Achieve and Trade mechanism is accrued in the year in which the certificates are issued by BEE and is measured at its best estimate of the realisable amount.

h) Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax (including Minimum Alternate Tax (MAT)) is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Current income tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse In the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The Group is eligible and claiming tax deductions available under section 80IA of the Income Tax Act, 1961 for a period of 10 years w.e.f FY 2011-12 in respect of windmill income. In view of Group availing tax deduction under Section 80IA of the Income Tax Act, 1961, deferred tax has been recognized in respect of temporary difference, which will reverse after the tax holiday period in the year in which the temporary difference originate and no deferred

tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the temporary difference which originate first are considered to reverse first.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The Group recognizes tax credits in the nature of Minimum Alternate Tax (MAT) credit entitlement only to the extent that it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward, sufficient to utilise the MAT credit entitlement. The carrying amount of tax credit is reviewed at each reporting date as stated above.

i) Property, plant and equipment

Property, plant and equipment (PPE) and capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Group adjusts exchange differences arising on translation difference/settlement of long term foreign currency monetary items outstanding in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial statements i.e. March 31, 2016 and pertaining to the acquisition of a depreciable asset to the cost of asset and depreciates the same over the remaining life of the asset.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for the lease hold land which is amortised over the lease term of 99 years. The Identified component of fixed assets are depreciated over their useful lives and the remaining components are depreciated over the life of the principal assets. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The group depreciates building component of investment property over 60 years from the date of original purchase.

Though the group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

j) Intangible assets

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

A summary of the policies applied to the Group's intangible assets is as follows:

Intangible Assets	Method of Amortization	Estimated Useful life
Computer software	on straight line basis	Six years or validity period whichever is lower
Licenses	on straight line basis	Over its useful validity period

k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are 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.

l) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if 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.

For arrangements entered into prior to April 01, 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

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

Finance leases are 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 Group's general policy on the borrowing costs.

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

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

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is 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.

m) Inventories

Inventories of Raw material, Work-in-progress, Finished goods and Stock-in-trade are valued at the lower of cost and net realisable value. However, Raw material and work in-progress held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on Weighted Average Cost basis.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted Average Cost basis.

All other inventories of stores and consumables (including coal) are valued at weighted average cost.

Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Excise duty wherever applicable is provided on finished goods lying within the factory and bonded warehouse at the balance sheet date.

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

n) Impairment of non-financial assets

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

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

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budget / forecast the Group extrapolates cash flow projection in the budget working a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case this growth rate does not exceed the long term average growth rate for the products, industry or the market in which the asset is used.

Impairment losses including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss as exceptional item.

o) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

p) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

The employee's gratuity fund scheme and post-retirement medical benefit schemes are Group's defined benefit plans. The contributions under the plans are made to separately administered funds. The cost of providing benefits under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

- Net interest expense or income

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefits. The Group measures the expected cost of such absence as the additional amount that is expected to pay as a result of the unused estimate that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months as long term compensated absences which are provided for based on actuarial valuation as at the end of the period. The actuarial valuation is done as per projected unit credit method.

q) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus in case of financial asset not recorded at fair value through profit and loss, transaction cost that are attributable to the acquisition of the financial assets.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instrument at amortised cost
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A Debt instument is measured at amortised cost if both the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The category is most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 profit or loss. The losses arising from impairment are recognised in the profit or loss except where the Group has given temporary waiver of interest not exceeding 12 months period. This category generally applies to trade, loans and other receivables.

Debt instruments at fair value through profit or loss

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

After initial measurement, such financial assets are subsequently measured at fair value with all changes recognised in Statement of profit and loss.

Equity instruments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit or Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement~ and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained

substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

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

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

b) Financial assets that are debt instruments and are measured as at other comprehensive income (FVTOCI)

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

Under the simplified approach the Group does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contracted cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / (expense) in the statement of profit and loss (P&L). This amount is reflected under the head " Other Expense" in the P&L.

The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives, as appropriate.

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at FVTPL.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Derecognition

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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

r) Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value through profit or loss (FVTPL) on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivative financial instrument or on settlement of such derivative financial instruments are recognised in statement of profit and loss and are classified as Foreign Exchange (Gain) / Loss except those relating to borrowings, which are separately classified under Finance Cost.

s) Cash and cash equivalents

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

t) Cash dividend to equity holders of the Group

The Group recognises a liability to make cash to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

u) Earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.For the purpose of calculating diluted earnings per share, the profit the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3 Significant accounting estimates and assumptions

The preparation of the Group's Ind AS Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acGrouping 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.

Estimates and assumptions

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

Subsidy Income recognition

During the year, the management used the estimate for the accounting of the subsidy income based on the notified energy norms of urea by Department of Fertilizers (DoF) instread of the actual energy norms achieved by the Group, and has revised earlier period estimation of the subsidy income. Further details on subsidy income recognition are disclosed in note 46.

Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in note 25.

Defined benefit plans (gratuity benefits and other post-employment medical benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of these obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates etc. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity and post-employment medical benefits obligations are given in note 42.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 50 for further disclosures.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Refer note 45 for further disclosures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

Note 4 : Property, plant and equipment (Rs. in Crores)

	Land freehold	Land lease hold	Buildings	Plant and equipment	Furniture and fixture	Vehicles	Office equipment	Roads, culverts and compund wall	Water supply and drainage system	Railway sidings	Total
Cost											
As at April 01, 2015	**111.03**	**222.42**	**415.26**	**6,599.43**	**29.41**	**5.65**	**10.77**	**60.04**	**121.25**	**3.77**	**7,579.03**
Additions	-	-	6.28	54.29	1.62	0.87	0.52	1.30	-	-	64.88
Disposals	-	-	-	(0.09)	(0.40)	(0.56)	(0.05)	-	-	-	(1.10)
As at March 31, 2016	**111.03**	**222.42**	**421.54**	**6,653.63**	**30.63**	**5.96**	**11.24**	**61.34**	**121.25**	**3.77**	**7,642.81**
Additions	-	-	5.20	10.44	1.59	1.80	0.43	2.20	0.22	-	21.88
Disposals	-	(7.73)	-	(2.42)	(0.26)	(0.96)	(0.10)	-	-	-	(11.47)
As at March 31, 2017	**111.03**	**214.69**	**426.74**	**6,661.65**	**31.96**	**6.80**	**11.57**	**63.54**	**121.47**	**3.77**	**7,653.22**
Depreciation / Amortization											
As at April 01, 2015	**-**	**6.99**	**62.11**	**2,581.03**	**14.59**	**2.03**	**8.65**	**15.43**	**27.87**	**3.58**	**2,722.28**
Depreciation for the year	-	2.20	9.93	221.19	1.85	0.61	0.75	4.21	7.42	-	248.16
Disposals	-	-	-	(0.08)	(0.38)	(0.29)	(0.04)	-	-	-	(0.79)
As at March 31, 2016	**-**	**9.19**	**72.04**	**2,802.14**	**16.06**	**2.35**	**9.36**	**19.64**	**35.29**	**3.58**	**2,969.65**
Depreciation for the year	-	2.20	10.11	220.72	2.79	0.69	0.61	4.20	7.43	-	248.75
Adjustment	-	0.23	2.42	35.05	0.20	0.02	-	1.23	3.16	-	42.31
Disposals	-	(0.40)	-	(2.19)	(0.23)	(0.46)	(0.09)	-	-	-	(3.37)
As at March 31, 2017	**-**	**11.22**	**84.57**	**3,055.72**	**18.82**	**2.60**	**9.88**	**25.07**	**45.88**	**3.58**	**3,257.34**
Impairment											
As at April 01, 2015	**-**	**10.53**	**35.71**	**263.98**	**0.80**	**0.08**	**-**	**6.04**	**15.33**	**-**	**332.47**
As at March 31, 2016	**-**	**10.53**	**35.71**	**263.98**	**0.80**	**0.08**	**-**	**6.04**	**15.33**	**-**	**332.47**
Adjustment	-	(0.23)	(2.42)	(35.05)	(0.20)	(0.02)	-	(1.23)	(3.16)	-	(42.31)
Impairment reversal during the year (Refer note 45)	**-**	**(10.30)**	**(33.29)**	**(228.93)**	**(0.60)**	**(0.06)**	**-**	**(4.81)**	**(12.17)**	**-**	**(290.16)**
As at March 31, 2017	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Block											
As at March 31, 2017	**111.03**	**203.47**	**342.17**	**3,605.93**	**13.14**	**4.20**	**1.69**	**38.47**	**75.59**	**0.19**	**4,395.88**
As at March 31, 2016	111.03	202.70	313.79	3,587.51	13.77	3.53	1.88	35.66	70.63	0.19	4,340.69
As at April 01, 2015	111.03	204.90	317.44	3,754.42	14.02	3.54	2.12	38.57	78.05	0.19	4,524.28

Notes :

1. Leasehold Land pertains to the costs incurred for leasehold land in possession of the Company as a Licensee, pending completion of formalities for execution of the lease agreement for a term of 99 years.
2. Feed Stock Conversion Projects from 'LSHS/FO' to 'Gas' acquired under Government's policy for reimbursement of project cost to the company over a period of five years from the date of commercial production, have been capitalized on 01.10.2013. Accordingly, property, plant & equipment includes assets amounting to Rs. 1,300.83 Crores represented by capital grant of Rs. 1,213.06 Crores as contempleted in Note-22.
3. Assets given on lease includes plant and equipment :
   - Cost as at March 31, 2017 is Rs. 9.39 crore (March 31, 2016 Rs. 9.39 crore and April 01, 2015 is Rs. 9.39 crore)
   - Depreciation as at March 31, 2017 is Rs. 8.92 crore (March 31, 2016 Rs. 8.92 crore and April 01, 2015 is Rs. 8.92 crore)
   - Net block as at March 31, 2017 is Rs. 0.47 crore (March 31, 2016 Rs. 0.47 crore and April 01, 2015 is Rs. 0.47 crore)
4. Capital work in progress as at March 31, 2017 is Rs. 14.41 Crore (as at March 31, 2016 - Rs. 8.97 crore and as at April 01, 2015 - Rs. 13.26 crore), which mainly includes costs incurred on development of certain assets at TDI Dahej plant and upgradation of Computer softwares / hardwares.

Note 5 : Investment property

(Rs. in Crores)

Particulars	Building	Total
Cost		
As at April 01, 2015	**23.54**	**23.54**
Additions (subsequent expenditure)	**2.39**	**2.39**
As at March 31, 2016	**25.93**	**25.93**
As at March 31, 2017	**25.93**	**25.93**
Depreciation and impairment		
As at April 01, 2015	**5.67**	**5.67**
Depreciation charge for the year	**0.42**	**0.42**
As at March 31, 2016	**6.09**	**6.09**
Depreciation charge for the year	**0.43**	**0.43**
As at March 31, 2017	**6.52**	**6.52**
Net Block		
As at March 31, 2017	**19.41**	**19.41**
As at March 31, 2016	**19.84**	**19.84**
As at April 01, 2015	**17.87**	**17.87**

Information regarding income and expenditure of Investment property

(Rs. in Crores)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Rental income derived from Investment properties	**9.90**	8.06
Direct operating expenses (including repairs and maintenance) generating rental income	**(3.96)**	(4.19)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	**(0.63)**	(0.96)
Profit arising from investment property before depreciation and indirect expenses	**5.31**	2.91
Less : Depreciation	**(0.43)**	(0.42)
Profit arising from investment property before indirect expenses	**4.88**	2.49

(i) As at March 31, 2017, March 31, 2016 and April 01, 2015 the fair values of the investment property is Rs. 60.05 Crore, Rs. 57.65 Crore and Rs. 51.64 Crore respectively, based on valuations performed by an accredited independent valuer, who is a specialist in valuing these types of investment properties.

(ii) The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

(iii) Fair value hierarchy disclosure for investment properties have been provided in note 50.2

Note 6 : Intangible assets

(Rs. in Crores)

Particulars	Computer software	Licenses	Total
Cost			
As at April 01, 2015	**18.84**	**34.27**	**53.11**
Additions	2.67	-	2.67
As at March 31, 2016	**21.51**	**34.27**	**55.78**
Additions	1.16	-	1.16
As at March 31, 2017	**22.67**	**34.27**	**56.94**
Amortization			
As at April 01, 2015	**16.74**	**8.53**	**25.27**
Amortization for the year	0.81	1.43	2.24
As at March 31, 2016	**17.55**	**9.96**	**27.51**
Amortization for the year	0.83	1.43	2.26
Impairment reversal during the year (Refer note 45)	-	0.24	0.24
As at March 31, 2017	**18.38**	**11.63**	**30.01**
Impairment			
As at April 01, 2015	**-**	**2.31**	**2.31**
As at March 31, 2016	**-**	**2.31**	**2.31**
Impairment reversal during the year (Refer note 45)	**-**	2.31	2.31
As at March 31, 2017	**-**	**-**	**-**
Net Block			
As at March 31, 2017	**4.29**	**22.64**	**26.93**
As at March 31, 2016	3.96	22.00	25.96
As at April 01, 2015	2.10	23.43	25.53

Note 7 : Investments

(Rs. in Crores)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade Investnents			
(i) Investment in Associate at cost (Unquoted)			
Investment In equity instrument-unquoted (In fully paid up equity shares)			
12,50,000 (previous year 12,50,000 and April 01, 2015 - 12,50,000) Equity shares of Gujarat Green Revolution Co. Ltd of Rs. 10/- each	**54.89**	47.40	40.22
Total	**54.89**	47.40	40.22
Non - Trade Investments			
(i) Investments at fair value through other comprehensive income (FVTOCI) [Refer note (a & b)]			
Investment at FVTOCI			
Investments in equity instruments-quoted (In fully paid up equity shares)	-		
A) 75,00,000 (previous year 75,00,000 and April 01, 2015 - 75,00,000) Equity Shares of Gujarat State Fertilizers & Chemicals Ltd of Rs 2/- each	**98.25**	48.19	62.44
B) 17,59,996 (previous year 17,59,996 and April 01, 2015 - 17,59,996) Equity Shares of Gujarat Alkalies & Chemicals Ltd of Rs 10/- each	**71.77**	29.14	28.14
C) 80,00,000 (previous year 80,00,000 and April 01, 2015 - 80,00,000) Equity Shares of Gujarat State Petronet Ltd of Rs 10/- each	**129.20**	113.36	99.24
D) 53,289 (previous year 53,289 and April 01, 2015 - nil) Equity Shares of Gujarat Gas Ltd of Rs 10/- each **	**4.10**	2.94	-
	303.32	193.63	189.82
Investments in equity instruments-unquoted			
A) Nil (previous year nil and April 01, 2015 - 50,000) equity shares of GSPC Gas Co. Ltd of Rs 10/- each **	**-**	-	0.50
B) 2,15,43,200 (previous year 2,15,43,200 and April 01, 2015 - 2,15,43,200) equity shares of Gujarat State Petrolium Corporation Ltd of Rs 1/- each	**73.52**	129.73	174.50
C) 42,000 (previous year 42,000 and April 01, 2015 - 42,000) equity shares of Bharuch Enviro Infrastructure Ltd of Rs 10/- each	**3.72**	2.37	1.50
D) 20,000 (previous year 20,000 and April 01, 2015 - 20,000) equity shares of Gujarat Venture Finance Ltd of Rs 10/- each	**0.22**	0.19	0.15

E) 18,39,60,000 (previous year 18,39,60,000 and April 01, 2015 - 18,39,60,000) equity shares of Gujarat Chemical Port Terminal Co. Ltd of Rs 1/- each	**298.75**	310.89	274.10
F) 2,42,10,000 (previous year 15,000 and April 01, 2015 - nil) equity shares of EcoPhos GNFC Pvt Ltd*** (refer note -37)	**24.21**	-	-
G) 4,92,60,000 (previous year 4,92,60,000 and April 01, 2015 - 4,92,60,000) equity shares of Bhavnagar Energy Co. Ltd of Rs 10/- each	**36.36**	36.55	36.60
H) 10 (previous year nil and April 01, 2015-nil) shares of GESIA IT Association of Rs 10/- each	**- ***	-	-
I) 1,35,30,000 (previous year 1,35,30,000 and April 01, 2015 - 1,35,30,000) equity shares of Bharuch Dahej Railway Co. Ltd of Rs 10/- each	**21.09**	34.50	33.42
	457.87	514.23	520.77
Total	**761.19**	707.86	710.59
(ii) Investment at fair value through profit or loss (FVTPL)			
Investments in mutual fund-quoted			
Nil (previous year nil and April 01, 2015 - 46,200) Units of UTI-Equity Fund of Rs 10/- each	**-**	-	0.07
Less: Provision for diminution in value	**-**	-	(0.07)
Total	**-**	**-**	-
Non-current	**816.08**	755.26	750.81
Current	**-**	-	-
Total investments	**816.08**	755.26	750.81
- Aggregate book value of quoted investments and market value thereof	**303.32**	193.63	189.82
- Aggregate amount of unquoted investments	**512.76**	561.63	560.99

* Amount nullified on conversion to Rs in Crores

** During the previous year ended March 31,2016, the Company had received 53,289 equity shares of Gujarat Gas Ltd. of Rs.10/- each in lieu of 50,000 equity shares of GSPC Gas Co. Ltd. of Rs. 10/- each, pursuant to the composite scheme of amalgamation and arrangement.

*** Shares of EcoPhos GNFC Pvt Ltd are in the process of registration.

\# Investment in Associate is accounted under Equity method as under:

Opening Carrying Value of Investments	**47.40**	40.22	31.16
Add: Share in Profit for the year	**7.49**	7.18	9.06
Carrying Value of Investments at the year end	**54.89**	47.40	40.22

(a) The fair value of the quoted equity investments are derived from quoted market prices in active market.

(b) Investments includes investment in unquoted equity shares. Fair value of unquoted investment in equity instrument have been carried out by independent valuer using Net Asset Value model and Comparable Companies model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk, volatility. The probabilities of various estimates within the range can be reasonably assessed and are used in management's estimates of fair value for these unquoted equity instruments.

Reconciliation of Fair value measurement of the investment in equity shares

	As at March 31, 2017	As at March 31, 2016
Opening Balance	**707.86**	710.59
Add : Investment made during the year	**24.21**	-
Fair value Gain /(Loss) recognised in Other Comprehensive Income	**29.12**	(2.73)
Closing Balance	**761.19**	707.86

Note 8 : Loans and advances **(Rs. in Crores)**

Particulars	**As at March 31, 2017**	As at March 31, 2016	As at April 01, 2015
Loans			
Loans to employees	**96.00**	97.80	90.97
Less: Provision for doubtful recovery	**(1.57)**	(1.57)	(1.57)
	94.43	96.23	89.40
Loan to other companies	**0.40**	0.40	2.00
Less: Provision for doubtful loans	**(0.40)**	-	-
	-	0.40	2.00
Total	**94.43**	96.63	91.40
Non-current	**78.22**	79.87	75.40
Current	**16.21**	16.76	16.00
Total loans and advances	**94.43**	96.63	91.40

Note 9 : Other financial assets

Other financial assets			
Deposits with suppliers	**10.58**	21.27	21.48
Capital grant recoverable from Government of India (*)	**379.08**	768.04	1,339.76
Deposit with original maturity of more than twelve (12) months	**0.01**	0.02	0.03
Fair value of derivative contracts	**-**	9.13	-
Accrued interest	**0.45**	0.36	0.36
Accrued income	**3.89**	1.33	1.33
Other receivables	**0.22**	0.17	-
Total	**394.23**	800.32	1,362.96
Non-current	**70.86**	371.87	627.54
Current	**323.37**	428.45	735.42
Total other financial assets	**394.23**	800.32	1,362.96

(*) Represents the Grant to be disbursed by Government of India for feed stock conversion project from 'LSHS/ FO' to 'Gas' as contemplated in note - 22.

Note 10 : Trade receivables (Unsecured)

Trade receivables			
Unsecured - considered good	**476.27**	323.09	223.99
Unsecured - considered doubtful	**4.33**	0.88	0.54
Subsidy receivables			
Unsecured-considered good	**635.26**	1,162.13	1,131.25
	1,115.86	1,486.10	1,355.77
Less : Provisions for doubtful debts	**(4.33)**	(0.88)	(0.54)
Total	**1,111.53**	1,485.22	1,355.24

Note:
No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person; nor any trade or other receivables are due from firms or private companies in which any director is a partner, a director or a member.

Note 11 : Other non-current assets

Unsecured, considered good			
Capital advances	**0.01**	9.61	11.05
Other receivables	**0.24**	0.24	0.24
Balances with Customs, Central Excise and other Government departments	**12.14**	21.14	17.59
Unamortized employee loan benefit	**26.38**	26.17	24.66
	38.77	57.16	53.54
Unsecured - considered doubtful			
Advances to suppliers	**5.67**	1.89	1.64
Less: Provision for doubtful balance	**(5.67)**	(1.89)	(1.64)
	-	-	-
Balances with Government authority	**5.01**	2.00	2.00
Less: Provision for doubtful balances	**(5.01)**	(2.00)	(2.00)
	-	-	-
Total	**38.77**	57.16	53.54

Note 12 : Inventories (Valued at lower of Cost and Net realisable value)

(Rs. in Crores)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Raw materials			
Raw materials	**129.94**	57.96	100.64
Raw materials In transit	**0.29**	11.31	43.80
Work-in-progress	**21.43**	22.81	19.26
Finished goods	**96.05**	97.28	96.74
Traded goods	**17.80**	17.70	6.47
Stores and spares (Including coal)	**396.28**	494.20	459.69
(Includes in transit **Rs. 3.50 crore**; as on 31.03.2016 Rs. 6.10 crore and as on 01.04.2015 Rs. 2.23 crore)			
Total	**661.79**	701.26	726.60

Note 13 : Cash and cash equivalents

Cash and cash equivalents			
Balances with banks in Current accounts	**4.00**	3.12	8.00
Cash on hand	**0.10**	0.17	0.17
Total	**4.10**	3.29	8.17

Note 14 : Other bank balances

Balances with banks			
Unpaid dividend accounts	**6.64**	6.59	7.78
Deposit with original maturity of Less than twelve (12) months (Pledged with Government authorities)	**1.77**	0.01	-
Total	**8.41**	6.60	7.78

Note 15 : Other current assets

Balances with Customs, Central Excise and other Government departments	**139.40**	137.87	125.83
Advance to suppliers	**114.77**	105.63	38.33
Energy savings certificates	**36.81**	-	-
Unbilled revenue	**20.96**	-	-
Receivable from others	**15.63**	5.75	3.54
Unamortized employee loan benefit	**3.97**	4.42	4.02
Total	**331.54**	253.67	171.72

Note 16 : Share capital

(Rs. in Crores)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised share capital						
Equity shares of Rs.10 each	25,00,00,000	250.00	25,00,00,000	250.00	25,00,00,000	250.00
	25,00,00,000	**250.00**	25,00,00,000	250.00	25,00,00,000	250.00
Issued, subscribed and fully paid up						
Equity shares of Rs.10 each subscribed and fully paid up	15,54,18,783	155.42	15,54,18,783	155.42	15,54,18,783	155.42
Total issued, subscribed and fully paid up share capital	**15,54,18,783**	**155.42**	15,54,18,783	155.42	15,54,18,783	155.42

Note 16.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

(Rs. in Crores)

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of shares	Amount	No. of shares	Amount
Equity Shares				
At the beginning of the year	**15,54,18,783**	**155.42**	15,54,18,783	155.42
Issued/reduction, if any during the year	**-**	**-**	-	-
Outstanding at the end of the year	**15,54,18,783**	**155.42**	15,54,18,783	155.42

Note 16.2. Terms/rights attached to the equity shares

Rights preferences and restrictions attached to equity shares:

The company has only one class of equity shares having par value of Rs 10 per share, i.e. equity shares which rank pari passu in all respects. Each holder of equity share is entitled to one vote per share.

For the current financial year 2016-17, the Company has proposed dividend of Rs 5 per equity share to equity shareholder (declared for the previous financial year dividend of Rs 2 per equity share).The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 16.3. Number of Shares held by each shareholder holding more than 5% Shares in the Company

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares	% of share-holding	No. of shares	% of share-holding	No. of shares	% of share-holding
Gujarat State Investments Ltd.	**3,32,27,546**	**21.38**	3,32,27,546	21.38	3,32,27,546	21.38
Gujarat State Fertilizers & Chemicals Ltd	**3,07,79,167**	**19.80**	3,07,79,167	19.80	3,07,79,167	19.80
Life Insurance Corporations of India	**1,17,91,612**	**7.59**	1,40,83,612	9.06	1,40,83,612	9.06
Fidelity Puritan Trust - Fidelity Low Priced Stock Fund	**1,23,00,000**	**7.91**	1,35,41,878	8.71	1,35,41,878	8.71

Note 17 : Other equity

Note 17.1 Reserves and Surplus

(Rs. in Crores)

Particulars	Capital reserve	Securities Premium	General reserve	Retained earnings	Total
As at April 01, 2015	**0.64**	**313.31**	**2,139.76**	**81.51**	**2,535.22**
Profit for the year				179.86	179.86
Re-measurement losses on defined benefit plans				(7.84)	(7.84)
Transfer of profit for the year to General reserve	**-**	**-**	50.00	(50.00)	-
As at March 31, 2016	**0.64**	**313.31**	**2,189.76**	**203.53**	**2,707.24**
Profit for the year				**528.79**	**528.79**
Re-measurement losses on defined benefit plans				**(6.07)**	**(6.07)**
Balance available for appropriation				**726.25**	**3,229.96**
Dividend paid				**(31.09)**	**(31.09)**
Tax on dividend paid				**(6.33)**	**(6.33)**
As at March 31, 2017	**0.64**	**313.31**	**2,189.76**	**688.83**	**3,192.54**

Securities Premium:

Securities premium reserve is used to record the premium on issue of shares. This reserve is utilized in accordance with the provision of section 52 (2) (c) of the Companies Act, 2013.

Note 17.2 Other Comprehensive Income (OCI) **(Rs. in Crores)**

Particulars	Net gain / (loss) on FVTOCI equity Investments	Total
As at April 01, 2015	**463.76**	**463.76**
Other comprehensive income during the year		
Net loss on FVTOCI equity investments for the year	(2.73)	(2.73)
Income tax effect	-	-
As at March 31, 2016	**461.03**	**461.03**
Other comprehensive income during the year		
Net gain on FVTOCI equity investments for the year	**29.12**	**29.12**
Income tax effect	**17.12**	**17.12**
As at March 31, 2017	**507.27**	**507.27**

Note 17.3 Dividend distribution made and proposed **(Rs. in Crores)**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Cash dividends on equity shares declared and paid		
Final dividend for year ened March 31, 2016 : Rs. 2 per share (March 31, 2015: NIL per share)	**31.09**	-
Dividend distribution tax on final dividend	**6.33**	-
	37.42	-
Proposed dividends on equity shares		
Final cash dividend proposed for the year ended March 31, 2017: Rs. 5 per share (March 31, 2016: Rs. 2 per share)	**77.71**	31.09
Dividend distribution tax on proposed dividend	**15.82**	6.33
	93.53	37.42

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at balance sheet date.

Note 18 : Borrowings **(Rs. in Crores)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non-current interest bearing borrowings			
Secured			
Term loans			
Rupee term loans from banks	**470.02**	784.57	1,101.77
Foreign currency term loan from bank	**63.39**	98.75	118.67
Unsecured			
Term loans			
Rupee term loans from others	**-**	150.00	300.00
	533.41	1,033.32	1,520.44
Current interest bearing borrowings			
Secured			
Term loans			
Rupee term loans from banks	**177.96**	338.55	333.20
Foreign currency term loan from bank	**24.24**	33.95	33.52
Unsecured			
Term loans			
Rupee term loans from others	**150.00**	270.00	300.00
Regrouped with other current financial liabilities (refer note 20)	**352.20**	642.50	666.72

a) Security details

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

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

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

b) Repayment details

(i) Rupee term loans from banks of Rs. 1,154.53 crore carries interest at ranging from 10.60% to 11.50% p.a. (floating) payable on monthly basis. The loan is repayable in quarterly installments starting from 30.09.2012 and ending on 30.06.2017. Outstanding amount as at March 31, 2017 is Rs. 57.60 crore (Rs. 288.14 crore as at March 31, 2016 and Rs. 518.65 crore as at April 01, 2015.)

(ii) Rupee term loans from banks of Rs. 1036.00 crore carries interest at ranging from 9.55% to 9.70% p.a. (floating) payable on monthly basis. The loan is repayable in quarterly installments starting from 31.12.2013 and ending on 30.09.2021. Outstanding amount as at March 31, 2017 is Rs. 590.38 crore (Rs. 834.98 crore as at March 31, 2016 and Rs. 916.32 crore as at April 01, 2015.)

(iii) Foreign currency term loan from bank carries interest at 6 month Euribor plus 1.98% payable on half yearly basis. The loan is repayable in half yearly installments starting from 01.10.2014 and ending on 01.04.2020. Outstanding amount as at March 31, 2017 is Rs. 87.63 crore (Rs. 132.70 crore as at March 31, 2016 and Rs. 152.19 crore as at April 01, 2015.)

(iv) Unsecured rupee term loan from other of Rs. 300 crore carries interest at 8.50% p.a. (floating) payable on quarterly basis. The outstanding loan of Rs. 150 crore is repayable on 09.03.2018.

Short-term interest bearing borrowings **(Rs. in Crores)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Secured			
Loan repayable on demand			
From Bank - Cash credit and overdraft accounts	**568.84**	887.71	574.02
PCFC export credit in foreign currency	**-**	9.42	-
Other loans & advancs from banks	**247.46**	100.00	-
Unsecured			
Loan repayable on demand from others	**3.05**	3.05	3.05
Short term deposit from others	**-**	200.00	300.00
Other loans & advances			
From Banks	**-**	**-**	600.00
Commercial papers	**124.03**	149.62	96.95
Buyers' credit in foreign currency from banks	**129.93**	75.73	70.50
	1,073.31	1,425.53	1,644.52
Total	**1,958.92**	3,101.35	3,831.68

Security details

Short term borrowings from banks as cash credit and overdraft accounts of Rs.568.84 crore (31-03-2016 Rs. 887.71 crore and 01-04-2015: Rs. 574.02 crore), Short-Term Loans and Advances from Banks of Rs. 247.46 crore (31-03-2016: Rs. 100 crore & 01-04-2015: Rs. Nil) and PCFC Export Credit in Foreign Currency from Banks of Rs. Nil (31-03-2016: Rs. 9.43 crore & 01-04-2015: Rs. Nil) are secured by first charge by way of hypothecation of inventories and trade receivables and all other movables, both present and future and further secured by second charge by way of mortgage on all immovable properties. These charges are ranking pari-passu among the working capital lenders.

Interest rate details for short term borrowings:

(i) Working capital demand loan carries interest rate ranging from 7.65% to 7.95% p.a.

(ii) Cash credit accounts carrier interest rates ranging from 8.35% to 9.75% p.a.

(iii) PCFC carries Interest rate of 6 months LIBOR+2% p.a.

(iv) Other loans & advances from banks carries interest rate of 1.75% p.a.

(v) Commercial papers carries interest at ranging from 6.25% to 7.80% p.a.

(vi) Buyers credit carries interest at ranging from 1.30% to 1.82% p.a.

Note 19 : Trade payables (Rs. in Crores)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade payables	**340.11**	262.41	246.02
Total	**340.11**	262.41	246.02

As per the provisions of "The Micro, Small and Medium Enterprises Development Act, 2006", the principal amount payable to Micro, Small and Medium enterprises is Rs. 6.65 crores (March 31, 2016: Rs. 6.47 crores and April 01, 2017: Rs. 8.14 crores) The payments to Micro, Small and Medium Enterprises have been made within the prescribed time limit/ date agreed upon with supplier and hence no interest is payable for delayed payments. These amounts have been included in Trade Payables.

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

Note 20 : Other current financial liabilities

Other financial liabilities at amortised cost			
Current maturities of long-term borrowings (Refer Note 18)	**352.20**	642.50	666.72
Interest accrued but not due on borrowings	**11.99**	16.14	20.29
Deposits from customers / vendors	**49.25**	123.86	134.67
Payable for capital goods	**13.09**	65.89	75.31
Unclaimed dividends#	**6.64**	6.59	7.78
Fair value of derivative contracts	**6.65**	-	5.96
Total	**439.82**	854.98	910.73

Not due for credit to "Investors Education and Protection Fund"

Note 21 : Long-term provisions

Provision for leave encashment	**111.30**	98.32	93.31
Provision for post retirement medical benefit	**21.37**	14.69	9.85
Total	**132.67**	113.01	103.16

Note 22 : Government grant (Deferred Income)

Grant from Government of India (refer note (a))	**1,000.77**	1,063.77	1,124.55
Government grant of EPCG (refer note (b))	**16.02**	44.42	76.10
Other Government grant	**1.00**	1.00	1.00
	1,017.79	1,109.19	1,201.65
Non-current	**941.12**	1,003.98	1,064.77
Current	**76.67**	105.21	136.88
Total	**1,017.79**	1,109.19	1,201.65

(a) Movement in Grant from Government of India

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening	**1,063.77**	1,124.55
De-recognised on final assessment completed	**(2.68)**	-
Released to statement of profit and loss	**(60.32)**	(60.78)
Closing	**1,000.77**	1,063.77

The capital grant from Government of India, Ministry of Chemicals & Fertilizers, Department of Fertilizers for feed stock conversion project from 'LSHS/FO' to 'Gas' vide sanction letter no 14023/22/2007-FP dated 14.12.2009 has accrued since the conditions attached to the grant have been fulfilled by the Company. Accordingly the grant of Rs. 1215.74 crore was recorded as contemplated under Para 7 & 12 of Ind AS - 20 on 'Accounting for Government Grants and Disclosure of Government Assistance'. The Government agreed to reimburse the above grant over a period of 5 Years. The scrutiny of project cost is completed by the Government appointed team during the year ended March 31, 2017 and the Grant to be disbursed is finalised at Rs. 1,213.06 crore. Accordingly Rs. 2.68 crore is derecognised during the year.

(b) Movement in Government grant of EPCG

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening	**1,063.77**	1,124.55
As at April 1	**44.42**	76.10
De-recognised on final assessment completed	-	-
Released to statement of profit and loss	**(28.40)**	(31.68)
Closing	**16.02**	44.42

Note 23 : Other current liabilities (Rs. in Crores)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advances from customers	**26.07**	28.88	35.15
Statutory and other liabilities	**12.39**	7.59	3.54
Other current liabilties	**35.67**	35.67	35.67
Total	**74.13**	72.14	74.36

Note 24 : Short-term provisions

Provision for gratuity (Refer Note 42)	**-**	2.98	-
Provision for leave encashment	**39.44**	35.92	36.68
Provision for post retirement medical benefit (Refer Note 42)	**1.05**	0.73	0.42
Total	**40.49**	39.63	37.10

Note 25 : Income Tax

The major component of income tax for the year ended March 31, 2017 and March 31, 2016 are as under

a) Profit and Loss Section (Rs. in Crores)

	Year ended March 31, 2017	Year ended March 31, 2016
Current Income tax		
Current tax charges	**82.63**	2.62
Tax (credit) under Minimum Alternate tax (current year amount includes Rs. 31.04 crore pertaining to earlier years)	**(89.61)**	(2.62)
Deferred Tax		
Relating to origination and reversal of temporary differences	**200.73**	95.02
Tax Expense reported in the Statement of Profit and Loss	**193.75**	95.02
Other Comprehensive Income ('OCI') Section		
Deferred tax related to items recognised in OCI during the year		
Remeasurement losses on defined benefit plans, credit	**3.21**	4.14
Unrealised gain / (loss) on FVTOCI equity investments, credit	**17.12**	-
	20.33	4.14

b) Balance Sheet Section (Rs. in Crores)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for Income Tax	1,655.29	1,572.67	1,570.76
Advance tax and tax deducted at source	(1,631.66)	(1,547.83)	(1,561.85)
Net Tax Provision Outstanding	**23.63**	24.84	8.91

c) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2016

	Year ended March 31, 2017		Year ended March 31, 2016	
	%	Amount (Rs. in Crores)	%	Amount (Rs. in Crores)
Profit Before tax		**715.05**		267.70
Tax using domestic tax rate for Company	**34.61**	**247.46**	34.61	92.65
Tax Effect of:				
Income exempted from tax	**(0.29)**	**(2.05)**	(0.74)	(1.97)
Deduction u/s 80IA	**(1.01)**	**(7.20)**	-	-
Expenses with weighted deduction in tax	**(0.10)**	**(0.74)**	(0.26)	(0.69)
Non-deductible expenses	**0.29**	**2.08**	0.42	1.13
Sale of assets	**(0.90)**	**(6.46)**	(0.01)	(0.04)
MAT credit entitlement of earlier years	**(4.34)**	**(31.04)**	-	-
Income taxable under long term capital gain tax	**0.31**	**2.24**	-	-
Adjustment in depreciation net book value of assets	**(0.80)**	**(5.71)**	(7.66)	(20.50)
Other adjustments	**(0.68)**	**(4.83)**	9.13	24.44
Effective tax rate and tax	**27.10**	**193.75**	35.50	95.02
Tax expenses as per Books		**193.75**		95.02

d) Deferred Tax Liability (net) **(Rs. in Crores)**

	Balance Sheet as at			Statement of Profit and Loss	
	March 31,2017	March 31,2016	April 01,2015	**Year ended March 31,2017**	Year ended March 31,2016
(Liability) on Accelerated depreciation for tax purpose	**(902.82)**	(811.78)	(797.94)	**91.04**	13.84
Assets on provision for Leave encashment	**49.44**	42.03	40.56	**(7.41)**	(1.47)
Assets on carry forward losses and unabsorbed depreciation	**-**	96.29	143.76	**96.29**	47.47
Assets on deferred government grant of ASGP	**346.36**	368.15	389.19	**21.79**	21.04
Assets on deferred government grant of EPCG	**5.54**	15.37	26.33	**9.83**	10.96
Assets on Provision for doubtful debts and advances	**9.70**	6.02	6.02	**(3.68)**	-
(Liability) on equity investment FVTOCI	**(47.24)**	(67.57)	(71.71)	**(20.33)**	(4.14)
Assets / (liability) on other adjustments	**2.92**	(4.21)	(1.03)	**(7.13)**	3.18
	(536.10)	(355.70)	(264.82)	**180.40**	90.88

e) Deferred tax liabilities reflected in the balance sheet as follows

	March 31, 2017	March 31, 2016	April 01, 2015
Deferred tax liabilities	**536.10**	355.70	264.82
Less :Tax credit entitlement under MAT	**(149.18)**	(59.57)	(56.95)
Deferred tax liabilities (net)	**386.92**	296.13	207.87

f) Reconciliation of deferred tax liabilities (net)

	March 31, 2017	March 31, 2016
Tax (expenses) during the period recognised in statement of profit and loss	**(200.73)**	(95.02)
Tax credit during the period recongnised in OCI	**20.33**	4.14
	(180.40)	(90.88)

g) The Company made tax provision as per Minimum Alternate Tax (MAT) as per provisions of section 115 JB of the Income Tax Act, 1961. Based on this, the Company has made provision of Rs. 82.63 crore (previous year Rs. 2.62 crore) for current taxation based on its book profit for the financial year 2016-17 and has recognised MAT credit of Rs. 89.61 crore (including Rs. 30.99 crore for the financial year 2013-14 and Rs. 0.05 crore for the financial year 2015-16) (previous year Rs. 2.62 crore) as the management believes, in view of improved projected future profitability for the Company, it is possible that the MAT credit will be utilized in the future period w.e.f. financial year 2017-18.

h) The Company has following unutilised MAT credit under the Income Tax Act, 1961 for which deferred tax assets has been recongnised in the Balance Sheet at.

Financial Year	**Amount (Rs. in Crores)**	**Year of expiry**
2013-14	87.94	2028-29
2015-16	2.67	2030-31
2016-17	58.57	2031-32
Total	**149.18**	

i) During the year ended March 31, 2017, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity. (refer note 17.3).

Note 26 : Revenue from operations **(Rs. in Crores)**

Particulars	**Year ended March 31, 2017**	Year ended March 31, 2016
Sale of products		
Own products	**4,434.96**	4,453.85
Traded products	**385.48**	310.31
	4,820.44	4,764.16
Rendering of services	**112.54**	68.83
Other operating revenue		
Recovery of administrative charges (Fly Ash)	**6.71**	5.63
Export incentive	**2.43**	1.03
Sale of scrap / unserviciable materials	**1.98**	2.28
Sale of surplus material	**0.71**	3.92
	11.83	12.86
Total	**4,944.81**	4,845.85

Note 27 : Other income

Grant income	**98.85**	104.50
Energy savings certificate income	**36.81**	-
Interest income	**31.58**	90.37
Profit on sales of property, plant & equipments (net of losses) (refer note-37)	**18.66**	0.11
Rent income	**10.39**	8.68
Excess provision of doubtfull debt / expenses of previous period written back	**6.18**	0.26
Dividend income	**5.93**	5.71
Miscellaneous income	**16.08**	7.88
Insurance claim received	**0.38**	34.86
Total	**224.86**	**252.37**

Note 28 : Cost of raw materials and components consumed

Inventory at the beginning of the year	**69.27**	144.44
Add : Purchases	**1,897.61**	2,055.74
	1,966.88	2,200.18
Less : Inventory at the end of the year	**130.23**	69.27
Total	**1,836.65**	2,130.91

Note 29 : Purchase of traded goods

Purchases of traded goods	**315.57**	268.60
Total	**315.57**	268.60

Note 30 : Changes in inventories of finished goods, work-in-progress and traded goods

Inventory at the beginning of the year		
Work-in-progress	**22.81**	19.26
Finished goods	**97.28**	96.74
Traded goods	**17.70**	6.47
	137.79	122.47
Inventory at the end of the year		
Work-in-progress	**21.43**	22.81
Finished goods	**96.05**	97.28
Traded goods	**17.80**	17.70
	135.28	137.79
Total	**2.51**	(15.32)

Note 31 : Employee benefits expense

Salaries and wages	**279.00**	265.21
Contribution to provident and pension fund	**32.01**	31.44
Contribution and provision towards gratuity	**8.79**	7.91
Employees' welfare expenses	**54.57**	52.44
Total	**374.37**	357.00

Note 32 : Finance costs (Rs. in Crores)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest expense	**199.00**	293.11
Other borrowing costs	**1.51**	0.98
Bank charges and commission	**2.93**	2.63
Total	**203.44**	296.72

Note 33 : Depreciation and amortization expense

Depreciation on Property, plant and equipment	**248.75**	248.16
Depreciation on investment property	**0.43**	0.42
Amortization on intangible assets	**2.26**	2.24
Total	**251.44**	250.82

Note 34 : Other expenses

Stores, chemicals and catalysts		**69.01**		85.50
Packing expenses		**92.81**		80.08
Insurance		**13.78**		22.68
Repairs and maintenance :				-
- Building	**11.99**		13.33	
- Plant and machinery	**117.70**		118.87	
- Others	**4.64**	**134.33**	4.63	136.83
Materials handling expenses at factory		**9.98**		8.54
Purchase of services for IT division		**37.09**		30.66
Outward freight and other charges		**155.28**		113.83
Sales promotion expenses		**1.81**		1.63
Selling commission		**0.64**		0.54
Rates & taxes		**15.12**		15.50
Rent		**12.50**		11.40
Printing, stationery, postage, telegrams and telephones		**7.45**		5.43
Traveling and conveyance expenses		**4.12**		3.77
Fire fighting, safety and security expenses		**7.30**		7.35
Processing charges to contractors		**2.11**		1.94
Electricity charges		**3.25**		3.50
Professional and consultation charges		**6.28**		5.02
Payment for contract services		**11.85**		12.93
Exchange variance on monetary items		**3.60**		1.35
Director's sitting fees		**0.05**		0.07
Payment to auditors (refer Note (a) below)		**0.57**		0.47
Donations & contributions towards CSR (refer Note 40)		**6.00**		3.26
Premium on forward contracts		**4.16**		4.56
Provision for doubtful debts/ advances		**10.63**		0.60
Assets written off		**0.05**		-
Miscellaneous expenses		**17.72**		14.87
Total		**627.49**		572.30

(a) Payment to auditors includes following:
(Net of Service Tax Input Credit, where applicable)

As auditor:		
(i) Statutory Audit Fees	**0.10**	0.23
(ii) Limited review Fees	**0.08**	0.04
In other capacity:		
(i) Certification fees	**0.28**	0.10
(ii) Tax audit fees	**0.03**	0.03
(iii) Others	**0.06**	0.04
Reimbursement of Expenses	**0.02**	0.03

The above includes Rs. 0.23 crores paid to previous auditor during the year ended March 31, 2017.

Note 35 : Earning per share (Rs. in Crores)

Particulars	Unit	Year ended March 31, 2017	Year ended March 31, 2016
Net profit after tax	**Rs. in Crore**	**528.79**	179.86
Weighted average number of equity shares of nominal value of Rs. 10 each in calculating basic Earnings Per Share	**Nos.**	**15,54,18,783**	15,54,18,783
Basic and diluted earnings per share	**Rs.**	**34.02**	11.57

Note 36 : Contingent liabilities and other commitments (to the extent not provided for) (Rs. in Crores)

(A) Contingent Liabilities	As at March 31, 2017	As at March 31, 2016
(i) Claims against the Company not acknowledged as debts	**311.09**	287.51
(ii) Income tax assessment orders contested	**14.44**	17.97
(iii) Demands in respect of Central Excise Duty, Custom Duty, Service Tax and VAT as estimated by the Company	**223.90**	201.09
Total contingent liabilities	**549.43**	506.57

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

(B) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**29.13**	**7.73**
(C) Other commitments		
(i) The Company is committed to grant subordinate debt to Bhavnagar Energy Co. Ltd (BECL) in the manner and in the form as may be finalized by the promoters with BECL	**5.40**	5.40
(ii) Export obligation on account of benefit of concessional rate of Custom duty availed under EPCG license scheme on imports of capital goods.	**101.28**	269.24
Total other commitments	**106.68**	274.64

Note 37 :Related party disclosures:

Related party disclosures, as required by Ind AS-24, "Related Party Disclosures", are given below:

(i) Related parties with whom transactions have taken place during the period:

Associate :	Gujarat Green Revolution Company Limited
Key Management Personnel and their relatives :	Dr J N Singh, IAS, Chairman & Director* Dr. Rajiv Kumar Gupta, IAS, Managing Director Shri G R Aloria, IAS, Chairman & Director** Smt. Mamta Verma, IAS, Director Shri Anil Mukim, IAS, Director*** Prof. Arvind Sahay, Independent Director Shri C S Mani, Independent Director Shri Sunil Parekh, Independent Director Shri Piruz Khambatta, Independent Director Shri V D Nanavaty, Director Shri H V patel, IAS# Shri D J Pandian, IAS, Director @

* Appointed as chairman w.e.f 31.08.2016.
** Ceased to be Director & chairman w.e.f 24.08.2016
*** Appointed as director w.e.f 30.09.2016.
# Ceased to be director w.e.f 14.04.2016
@ Ceased to be a Director w.e.f. 05.06.2015

Entities over which Key Management Personnel having significant influence :	EcoPhos GNFC India Private Limited

(ii) Aggregate of transactions for the year with these parties have been given below:

(Rs. in Crores)

Name of the Company	Nature of Transactions	Year ended March 31, 2017	Year ended March 31, 2016
Gujarat Green	Sale of goods & servicers	**0.14**	0.12
Revolution Co. Ltd.	Receipts towards outstanding	**0.16**	0.12
	Receivable	**-**	0.01
EcoPhos GNFC	Sale of leasehold land#	**23.2**	-
India Pvt Ltd.	Reimbursement towards expenses	**1.61**	-
	Receivable	**0.60**	-

During the year Ecophos GNFC India Private Limited has issued 2,32,01,200 shares of face value Rs 10 each at the value of Rs 10 each against the sublease of land at Dahej, amounting to Rs 23.20 crore as non-cash consideration.

(Amount in Rs.)

Name of the Person	Nature of Transactions	Year ended March 31, 2017	Year ended March 31, 2016
Dr. Rajiv Kumar Gupta, IAS	Sitting Fees	**-**	-
Shri G R Aloria *	Sitting Fees	**20,000**	40,000
Dr J N Singh, IAS *	Sitting Fees	**60,000**	50,000
Shri Anil Mukim, IAS *	Sitting Fees	**20,000**	-
Smt. Mamta Verma, IAS *	Sitting Fees	**30,000**	-
Shri C S Mani	Sitting Fees	**1,90,000**	1,50,000
Prof Arvind Sahay	Sitting Fees	**50,000**	50,000
Shri Sunil Parekh	Sitting Fees	**1,30,000**	1,20,000
Shri V D Nanavaty	Sitting Fees	**50,000**	-
Shri D J Pandian, IAS *	Sitting Fees	**-**	20,000
Shri H V Patel, IAS	Sitting Fees	**-**	1,50,000

* Amount deposited in Government Treasury

Note 38 : Research and development expenses

The statement of profit and loss includes following items of research & development expenses in the respective heads:

(Rs. in Crores)

	Year ended March 31, 2017	Year ended March 31, 2016
Personnel expenses	**1.85**	2.06
Consumables and spares	**0.26**	0.23
Power and fuel consumption	**0.04**	0.05
Total research & development expenses	**2.15**	2.34

Note 39 : Pursuant to Ind AS-17 - 'Leases', the following information is disclosed:

(i) The Company has taken various warehouses, godowns, guesthouses and office premises under operating lease or rental agreements. These are generally cancellable having a term of one year extendable for further one year on the discretion of the Company and are of rental nature. Payments are recognised in the statement of profit and loss under Note 34 - Other expenses.

(ii) Rent income also includes lease rentals received towards office premises. Such operating lease is generally for a period of three to four years. There are no restrictions imposed by lease arrangements.

(Rs. in Crores)

Particulars	As at March 31, 2017	As At March 31, 2016
Future minimum lease payments receivables:		
Not later than one years	-	0.19
Later than one year not later than five years	-	-
Later than Five years	-	-
Total	**-**	**0.19**

Note 40 : Corporate social responsibility **(Rs in Crores)**

Particulars			Year ended March 31, 2017	Year ended March 31, 2016
a)	**Gross amount required to be spent by the Company during the year:**		**3.36**	4.67
b)	**Amount spent during the year ended on March 31, 2017**	**In Cash**	**Yet to be paid in cash**	**Total**
	(i) Construction/acquisition of any asset	6.00	-	6.00
	(ii) On purpose other than (i) above	-	-	-
c)	**Amount spent during the year ended on March 31, 2016**			
	(i) Construction/acquisition of any asset	-	-	-
	(ii) On purpose other than (i) above	3.26	1.41	4.67

Note 41: Disclosure of specified bank note

Schedule III of the Companies Act, 2013 was amended by Ministry of Corporate Affairs vide Notification G.S.R. 308(E) dated 30th March, 2017. The said amendment requires the Company to disclose the details of Specified Bank Notes ("SBNs") held and transacted during the period from November 08, 2016 to December 30, 2016. For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8th November, 2016.

Details of Specified Bank Notes held and transacted during the period from November 08, 2016 to December 30, 2016 are as follows:

(Rs in Crores)

Particulras	SBNs	Other denomination notes	Total
Closing cash in hand as on November 08, 2016	0.45	0.05	0.50
Add: Permitted receipts	-	8.37	8.37
Less: Permitted payments	-*	0.27	0.27
Less: Amount deposited in banks	0.45	8.06	8.51
Closing cash in hand as on December 30, 2016	-	0.09	0.09

* Amount nullified on conversion to crores

Note 42 : Gratuity and other post employment benefit plans:

A. Defined contribution plans:

Amount of Rs. **32.01 Crores** (March 31, 2016: Rs. 31.44 Crores) is recognised as expenses and included in note no. 31 "Employee benefits expense"

(Rs. in Crores)

	Year ended March 31, 2017	Year ended March 31, 2016
Provident fund	**17.95**	17.80
Contributory pension scheme	**14.06**	13.64
	32.01	**31.44**

B. Defined benefit plans:

The Company has following post employement benefits which are in the nature of defined benefit plans:

(a) Gratuity

(b) Post retirment medical benefit

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity as per payment of Gratuity Act, 1972. The Scheme is funded with Gratuity Trust, which in turn makes contribution to Life Insurance Corporation of India (LIC) in the form of qualifying insurance policy for future payment of gratuity to the employees.

Each year the management reviews the level of funding in the gratuity fund. Such review includes the asset - liability matching strategy. The management decides its contributions based on the results of this review. The management aim to keep annual contributions relatively stable at a level such that no plan deficit (based on valuation performed) will arise.

The plan for the Post retirement medical benefit is unfunded.

The following table summarises the components of net benefit expense recognised in statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

March 31, 2017 : Changes in defined benefit obligation and plan assets **(Rs. in Crores)**

		Cost charged to statement of profit and loss			Remeasurement gains/(losses) in other comprehensive income						
	April 01, 2016	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	**March 31, 2017**
Gratuity												
Defined benefit obligation	**191.54**	8.54	15.77	24.31	(19.62)	-	-	9.91	(7.27)	**2.64**	-	**198.87**
Fair value of plan assets	**188.56**	-	15.52	15.52	(19.62)	(0.48)	-	-	-	**(0.48)**	**15.62**	**199.60**
Benefit liability / (Assets)	**2.98**	**8.54**	**0.25**	**8.79**	**-**	**0.48**	**-**	**9.91**	**(7.27)**	**3.12**	**15.62**	**(0.73)**
Post retirement medical benefit												
Defined benefit obligation	**15.42**	0.87	1.28	**2.15**	(1.31)	-	-	6.16	-	**6.16**	-	**22.42**
Fair value of plan assets	**-**	-	-	**-**	-	-	-	-	-	**-**	**-**	**-**
Benefit liability / (Assets)	**15.42**	**0.87**	**1.28**	**2.15**	**(1.31)**	**-**	**-**	**6.16**	**-**	**6.16**	**-**	**22.42**

March 31, 2016 : Changes in defined benefit obligation and plan assets **(Rs. in Crores)**

		Cost charged to statement of profit and loss			Remeasurement gains/(losses) in other comprehensive income						
	April 01, 2015	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2016
Gratuity												
Defined benefit obligation	**181.76**	7.91	14.49	**22.40**	(19.79)	-	-	8.75	(1.58)	**7.17**	-	191.54
Fair value of plan assets	**181.85**	-	14.49	**14.49**	(19.79)	0.05	-	-	-	**0.05**	**11.96**	188.56
Benefit liability / (Assets)	**(0.09)**	**7.91**	**-**	**7.91**	**-**	**(0.05)**	**-**	**8.75**	**(1.58)**	**7.12**	**(11.96)**	**2.98**
Post Retirment Medical Benefit												
Defined benefit obligation	**10.27**	0.61	0.82	**1.43**	(1.14)	-	-	4.86	-	**4.86**	-	15.42
Fair value of plan assets	**-**	-	-	**-**	-	-	-	-	-	**-**	-	-
Benefit liability / (Assets)	**10.27**	**0.61**	**0.82**	**1.43**	**(1.14)**	**-**	**-**	**4.86**	**-**	**4.86**	**-**	**15.42**

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	**March 31, 2017**	March 31, 2016
Insurance fund with LIC*	100%	100%

* As the gratuity fund is managed by LIC, details of fund invested by insurer are not available with the Company.

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	**Gratuity**		**Post retirement medical benefit**	
	Year ended March 31, 2017	Year ended March 31, 2016	**Year ended March 31, 2017**	Year ended March 31, 2016
Discount rate	**7.38%**	8.23%	**7.54%**	8.30%
Future salary increase	**4.00%**	4.00%	**N.A**	N.A
Medical Inflation Rate	**N.A**	N.A	**4.00%**	4.00%
Expected rate of return on plan assets	**7.38%**	8.23%	**N.A**	N.A
Employee Turnover Rate	**1.00%**	1.00%	**1.00%**	1.00%
Mortality rate during employment	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	**N.A**	N.A	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)

A quantitative sensitivity analysis for significant assumption is as shown below:
(Rs. in Crores)

Particulars	**Sensitivity level**	**(increase) / decrease in defined benefit obligation (Impact)**			
		Gratuity		**Post retirement medical benefit**	
		Year ended March 31, 2017	Year ended March 31, 2016	**Year ended March 31, 2017**	Year ended March 31, 2016
Discount rate	1% increase	**(11.56)**	(10.98)	**(2.37)**	(1.60)
	1% decrease	**12.98**	12.27	**2.89**	1.94
Salary increase	1% increase	**13.30**	12.68	**N.A**	N.A
	1% decrease	**(12.03)**	(11.51)	**N.A**	N.A
Medical Cost Inflation	1% increase	**N.A**	N.A	**2.92**	1.97
	1% decrease	**N.A**	N.A	**(2.40)**	(1.62)
Employee turnover	1% increase	**3.10**	3.70	**(1.00)**	(0.55)
	1% decrease	**(3.43)**	(4.06)	**1.18**	0.72

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	**Year ended March 31, 2017**	Year ended March 31, 2016
Gratuity	**8 years**	8 years
Post retirement benefit obligation	**14 years**	13 years

The followings are the expected future benefit payments for the defined benefit plan: **(Rs. in Crores)**

Particulars	Gratuity		Post retirement medical benefit	
	Year ended March 31, 2017	Year ended March 31, 2016	**Year ended March 31, 2017**	Year ended March 31, 2016
Within the next 12 months (next annual reporting period)	**20.12**	20.20	**1.05**	0.73
Between 2 and 5 years	**79.81**	74.05	**4.98**	3.53
Between 6 and 10 years	**105.88**	111.33	**8.17**	6.02
Total expected payments	**205.81**	205.58	**14.20**	10.28

The followings are the expected contributions to planned assets for the next year: **(Rs. in Crores)**

Particulars	**Year ended March 31, 2017**	Year ended March 31, 2016
Gratuity	**8.50**	11.52
Post retirement medical benefit	-	-

NOTE: 43 Investments in Associates

(a) Details of Associate company considered in the preparation of the Consolidated financial statements:

Name of Entity	Relationship	Place of Business	Ownership	
			March 31, 2017	March 31, 2016
Gujarat Green Revolution Company Limited	Associate	India	46.87%	46.87%

(b) Additional information as required by paragraph 2 of the 'General instruction for preparation of Consolidated Financial Statements' to schedule III to the Companies Act, 2013:

Particulars	Net Asset (i.e Total Asset - Total Liabilities)		Share of Profit or Loss		Share in other Comprehensive income	
	As % of consolidated net assets	**Amount (Rs. In crore)**	**As % of consolidated profit and loss**	**Amount (Rs. In crore)**	**As % of consolidated other comprehensive income**	**Amount (Rs. In crore)**
Parent						
Gujarat Narmada Valley Fertilizers and Chemicals Limited						
- **Balance as at March 31, 2017**	**98.58%**	**3,800.34**	**98.58%**	**521.30**	**100%**	**40.17**
- Balance as at March 31, 2016	98.57%	**3,276.29**	96.01%	172.68	100%	(10.57)
Indian associate						
Gujarat Green Revolution Company Limited						
- **Balance as at March 31, 2017**	**1.42%**	**54.89**	**1.42%**	**7.49**	**0%**	**Nil**
- Balance as at March 31, 2016	1.43%	47.40	3.99%	7.18	0%	Nil
Total						
- **Balance as at March 31, 2017**	**100.00%**	**3855.23**	**100.00%**	**528.79**	**100.00%**	**40.17**
- Balance as at March 31, 2016	100.00%	3323.69	100.00%	179.86	100.00%	(10.57)

Note: Method of accounting of investment in associate entity is cost.

NOTE: 44

The Scheme of Arrangement and Demerger for transfer of V-SAT/ISP Gateway Business of the Company to ING Satcom Ltd., an unlisted Company against cash consideration of Rs. 6 crore, was sanctioned by Hon'ble High Court of Gujarat vide its Common Oral Order dated June 15, 2012.

The "Appointed Date" of the Scheme is 1st April, 2010.

Subsequent to the Order passed by the Hon'ble High Court of Gujarat, sanctioning the Scheme of Demerger, two separate applications for transfer of V-SAT and ISP Gateway Licences standing in the name of the Company to the name of Transferee Company viz. ING Satcom Limited were submitted to Department of Telecommunications (DOT) on January 31, 2013 which are still pending for approval before DOT.

As per the legal opinion obtained from legal consultant, though the Scheme has been sanctioned by the Hon'ble High Court of Gujarat and has become effective, the scheme is subject to and conditional upon the approval of the Government Authorities for transfer of Licences from the Company to ING Satcom Limited.

During the year 2014-15, an agreement-Cum-Indemnity Bond was executed on 12.04.2014 between the Company and ING Satcom Limited whereby, pending transfer of Licences, the assets of demerged business (other than Licences) have been handed over to ING Satcom Limited subject to certain terms and conditions, inter alia, including the terms of settling the transaction under different eventualities of rejection of transfer applications / non-transfer of Licences by 31.12.2014.

Since disposal of applications for transfer of Licences in the name of ING Satcom Limited by the competent authorities as well as settlement of transaction between the Company and ING Satcom Limited are still pending, no accounting treatment is given in the books of account of the Company since 2014-15 till the financial year ended 31.03.2017.

Necessary accounting treatment will be given in the books of accounts of the Company either on disposal of applications for transfer of Licences in the name of ING Satcom Limited by the competent authorities or on finalization of settlement of transaction with ING Satcom Limited.

NOTE: 45 - Reversal of impairment provision - Exceptional item

During the year ended March 31, 2015, the Company had accounted an impairment loss of Rs. 330 Crore in respect of Toluene Di-Isocynate ("TDI") plant at Dahej being a separate Cash Generating Unit ("CGU"), considering the issue of gas emmision, teething problem in bringing the plant at effective utilisation level and significantly low realisable value of finished goods.

Consequent to improved international scenario of TDI products over the past one year and forecast of their continuance at substantially higher levels than have prevailed in the past few years and also achievement of sustained production levels, the management has reviewed and reassessed the value in use of the TDI Plant at Dahej.

As the TDI Dahej plant is operating at higher capacity level and due to favourable market conditions, there is a change in assumptions / estimates applied for calculating the impairment loss during FY 2014-15. Based on such assessment, the Company has reversed the amount of Rs. 292.23 crore consisting of impairment loss of Rs. 330 Crore, net off the depreciation for the 2 years (aggregating Rs. 37.77 crores), which would have been otherwise charged , if there was not an impairment loss. The reversal is disclosed as an exceptional item in the statement of profit and loss of the year ended March 31, 2017.

The recoverable amount of the relevant CGU has been determined on the basis of their value in use considering the pre tax discounting rate of 16.98% which is the same as considered in the previous estimate of value in use at the time of impairment provision. Further, the underlying assumption i.e. realisable value of products, exchange rate variation and operating parameters that would impact future cash flows for determining the TDI Plant value in use will continue to be monitored on a periodic basis by the Management.

NOTE: 46 - Subsidy income recognision

(A) On conversion of feed stock based Ammonia Plant from LSHS to Natural Gas for production of Urea, the Company has recognised Urea subsidy Income in the books during October, 2013 till March, 2016 based on actual energy consumption norms during the operation of the plant, which varied from 6.771 GCAL/MT to 6.965 GCAL/MT. The energy consumption norms, as per Department of Fertilizer (DoF) is 6.301 GCAL/MT of Urea, which, as per managment, is based on Draft Feasibility Report (DFR) of Project and Development India Limited (PDIL) issued in the month of July, 2009. DoF vide its notification dated October 15, 2015 has concluded the energy consumption norms at 6.301 GCAL/MT for the Company. However, till the year ended March 31, 2016, the Company, through various representation made to the DoF, supported by updated reports of PDIL, continued to recognise Urea subsidy based on the actual energy norms as achieved till March 31, 2016.

In the current year, the management has revised the accounting of the subsidy income based on the notified energy norms of 6.301 GCAL/MT of urea instead of the actual energy norms achieved by the Company, and has revised earlier period estimation of the subsidy income. Due to such change in the estimate, Urea subsidy receivable / revenue for the year is adjusted negatively by Rs. 216.04 Crores for the period from October, 2013 to March, 2016 and this change will also effect urea subsidy / revenue income of the current year and subsequent period.

Further, the estimation made to compute the cost of the energy consumed, i.e. Natural Gas, between the Urea production and power generation utilities has been revised, whereby the cost of raw material consumed for Urea and cost of the utilities has also been effected in the books. This has also resulted in change in segment reporting for the year.

(B) Subsidy on Ammonium Nitro Phosphate (ANP) is allowed by Government of India (GoI) under Nutrient Based Subsidy (NBS) Scheme w.e.f. 01-04-2010 for Nitrogen, Phosphorus, and Potassium (NPK) fertilizers at the rate prescribed by GoI. A separate additional compensation on ANP was also allowed by GoI for FY 2010-11 and 2011-12 to the Company and two other companies producing complex fertilizers from Naphtha / Fuel Oil / LSHS based Ammonia to compensate the higher cost of production of Nitrogen "N". The Company has requested to the GoI for extension of additional compensation on ANP for three more years. Considering the request, the GoI has initiated a study through the Tariff Commission for determining additional compensation for complex fertilizers produced by using high cost feed stock. The Company has, from time to time, submitted the data as requested and has been making regular follow up with the GoI. Considering the fact that in similar case, one of the other fertilizer production companies has received the additional compensation for an extended period, the Company is confident that the GoI will consider the Company's case favourably for allowing the additional compensation for which revenue has been recognised in the books of account in FY 2013-14. The amount of accrual for such subsidy is Rs. 74 Crore.

Note: 47 Segment Information

Operating Segments

The identified reportable segments are Fertilizers, Chemicals and Others in terms of the requirements of Ind AS 108 "Operating Segments" as notified under section 133 of the Companies Act, 2013. Other Segment mainly includes Information Technology division activities.

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108."

Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure and unallocable income.

Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segment are shown as unallocable assets / liabilities.

Inter Segment transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the Company level.

Summary of segment information is given below:

47.1 : Financial information about the primary business segment's Revenue & Results :

(Rs. in Crores)

		Fertilizers		Chemicals		Others		Total	
		2016-17	2015-16	**2016-17**	2015-16	**2016-17**	2015-16	**2016-17**	2015-16
A	**REVENUE:**								
	External sales revenue	**1,685.12**	1,977.95	**3,061.65**	2,704.14	**198.04**	163.76	**4,944.81**	4,845.85
	Intersegment Revenue	**-**	-	**-**	-	**-**	-	**-**	-
	Total Revenue	**1,685.12**	1,977.95	**3,061.65**	2,704.14	**198.04**	163.76	**4,944.81**	4,845.85
B	**RESULT:**								
	Segment result - profit / (loss)	**5.50**	99.46	**525.66**	310.78	**43.64**	32.50	**574.80**	442.74
	Reversal of impairment provision (Refer not 45)	**-**	-	**292.23**	-	**-**	-	**292.23**	0.00
	Unallocable Income							**89.20**	147.88
	Unallocable Expenses							**(37.74)**	(26.20)
	Operating profit							**918.49**	564.42
	Finance Costs							**(203.44)**	(296.72)
	Profit before tax							**715.05**	267.70

47.2: Financial information about the primary business segment's assets & liabilities : **(Rs. in Crores)**

Assets & Liabilities	Fertilizer			Chemical			Others			Total		
	As At			As At			As At			As At		
	31-03-2017	31-03-2016	01-04-2015	31-03-2017	31-03-2016	01-04-2015	31-03-2017	31-03-2016	01-04-2015	31-03-2017	31-03-2016	01-04-2015
Segment assets	**3,013.19**	3,890.01	4,355.24	**3,053.32**	2,675.21	2,807.92	**169.20**	112.93	93.70	**6,235.71**	6,678.15	7,256.86
Segment liabilities	**(1,117.98)**	(1,106.61)	(1,142.91)	**(159.56)**	(192.72)	(294.18)	**(90.48)**	(86.64)	(76.09)	**(1,368.02)**	(1,385.97)	(1,513.18)
Other unallocable corporate assets	**-**	-	-	**-**	-	-	**-**	-	-	**1,681.80**	1,876.72	1,852.30
Other unallocable corporate liabilities	**-**	-	-	**-**	-	-	**-**	-	-	**(2,694.26)**	(3,845.21)	(4,441.58)
Total capital employed	**1,895.21**	2,783.40	3,212.33	**2,893.76**	2,482.49	2,513.74	**78.72**	26.29	17.61	**3,855.23**	3,323.69	3,154.40
Capital assets/ expenditure incurred during the year:												
Capital assets including capital work in progress	**2.82**	35.95	24.13	**12.52**	17.99	92.74	**0.98**	4.57	0.13	**16.32**	58.51	117.00
Other unallocable capital expenditures	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	12.16	7.13	108.14
Total	**2.82**	35.95	24.13	**12.52**	17.99	92.74	**0.98**	4.57	0.13	**28.48**	65.64	225.14

Note: 48 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below.

(Rs. in Crores)

Particulrs	FVTOCI Reserve		Retained Earnings		Total	
	Year Ended March 31, 2017	Year Ended March 31, 2016	**Year Ended March 31, 2017**	Year Ended March 31, 2016	**Year Ended March 31, 2017**	Year Ended March 31, 2016
Re-measurement losses on defined benefit plans (net of tax)	**-**	-	**(6.07)**	(7.84)	**(6.07)**	(7.84)
Net gain / (loss) on FVTOCI on equty Investments (net of tax)	**46.24**	(2.73)	**-**	-	**46.24**	(2.73)
	46.24	(2.73)	**(6.07)**	(7.84)	**40.17**	(10.57)

Note 49 : Details of hedged and unhedged exposure in foreign currency denominated monetary items :

(a) Exposure in foreign currency - Hedged

(i) Amounts Payable in Foreign Currency :

Particulars	Hedged against	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
		Rs. in Crore	**Amount in FC**	Rs. in Crore	Amount in FC	Rs. In Crore	Amount in FC
External Commercial Borrowings	Interest rate swaps	89.33	Euro 1,29,00,000	135.62	Euro 1,80,60,000	156.76	Euro 2,32,20,000
Buyers credit	Forward Contract	129.93	USD 2,00,38,832	75.73	USD 14,15,948	70.50	USD 1,12,64,000
Interest accrued but not due	Forward Contract	0.41	USD 63,205	0.24	USD 35,564	0.05	USD 8,287
Payables for import	Forward Contract	23.04	USD 35,35,000	0.30	USD 44,625	-	USD -
Interest accrued but not due in External Commercial Borrowings	Interest rate swaps	0.87	Euro 1,25,958	1.22	Euro 1,62,721	1.53	Euro 2,26,272

(ii) Interest rate swaps :

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Notional amount Rs. In Crore	**Notional Amount in FC**	Notional amount Rs. In Crore	Notional Amount in FC	Notional amount Rs. In Crore	Notional Amount in FC
Hedge against exposure to variable interest outflow on loan. Swap to pay fixed interest @ ranging from 9.52% p.a. to 9.74% p.a. and receive a variable interest @ 6 month EURIBOR plus 1.98% on notional amount	**87.92**	**Euro 1,29,00,000**	123.90	Euro 1,80,60,000	158.26	Euro 2,32,20,000

(b) Exposure in foreign currency - Unhedged

(i) Amounts payable in foreign currency :

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	Rs. in Crore	Amount in FC		Rs. in Crore	Amount in FC		Rs. In Crore	Amount in FC	
Payables for Import	32.32	Euro	46,29,387	18.08	Euro	23,87,151	29.36	Euro	23,87,151
Payables for Import	0.13	USD	20,596	3.13	USD	4,70,221	0.96	USD	1,52,824
Payables for Import	-	JPY	-	-	JPY	-	1.91	JPY	3,67,40,154
Payables for Import	0.01	GBP	1,315	0.01	GBP	1,315	0.01	GBP	1,315
Payables for Import	0.35	CHF	54,213	0.38	CHF	55,275	0.17	CHF	25,561
Payables for PCFC Export Credit	-	USD	-	9.43	USD	14,20,730	-	USD	-

(ii) Amounts receivable in foreign currency :

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	Rs. in Crore	Amount in FC		Rs. in Crore	Amount in FC		Rs. In Crore	Amount in FC	
Receivables for export	3.28	USD	5,05,200	9.61	USD	14,59,358	0.22	USD	35,500
Receivables for export	-	AED	-	1.87	AED	10,50,000	-	AED	-

Note 50 : Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management

50.1 Category-wise classification of financial instruments: **(Rs. in Crores)**

Particulars	Refer Note	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
As at March 31, 2017					
Financial assets					
Cash and cash equivalents	13	-	-	4.10	4.10
Other bank balances	14	-	-	8.41	8.41
Investments in equity shares (other than investment in associate entity)	7	761.19	-	-	761.19
Investments in unquoted equity shares of associate entity	7	-	-	54.89	54.89
Trade receivables	10	-	-	1,111.53	1,111.53
Loans and advances	8	-	94.43	-	94.43
Other financial assets	9	-	-	394.23	394.23
Total		**761.19**	**94.43**	**1,573.16**	**2,428.78**
Financial liabilities					
Borrowings (including current maturities)	18 & 20	-	-	1,958.92	1,958.92
Trade payables	19	-	-	340.11	340.11
Derivative instruments not designated as hedge	20	-	6.65	-	6.65
Other financial liabilities	20	-	-	80.97	80.97
Total		**-**	**6.65**	**2,380.00**	**2,386.65**
As at March 31, 2016					
Financial assets					
Cash and cash equivalents	13	-	-	3.29	3.29
Other bank balances	14	-	-	6.60	6.60
Investments in equity shares (other than investment in associate entity)	7	707.86	-	-	707.86
Investments in unquoted equity shares of associate entity	7	-	-	47.40	47.40
Trade receivables	10	-	-	1,485.22	1,485.22
Loans and advances	8	-	96.63	-	96.63
Derivative instruments not designated as hedge	9	-	9.13	-	9.13
Other financial assets	9	-	-	791.19	791.19
Total		**707.86**	**105.76**	**2,333.70**	**3,147.32**
Financial liabilities					
Borrowings (including current maturities)	18 & 20	-	-	3,101.35	3,101.35
Trade payables	19	-	-	262.41	262.41
Other financial liabilities	20	-	-	212.48	212.48
Total		**-**	**-**	**3,576.24**	**3,576.24**
As at April 01, 2015					
Financial assets					
Cash and cash equivalents	13	-	-	8.17	8.17
Other bank balances	14	-	-	7.78	7.78
Investments in equity shares (other than investment in associate entity)	7	710.59	-	-	710.59
Investments in unquoted equity shares of associate entity	7	-	-	40.22	40.22
Trade receivables	10	-	-	1,355.24	1,355.24
Loans and advances	8	-	91.40	-	91.40
Other financial assets	9	-	-	1,362.96	1,362.96
Total		**710.59**	**91.40**	**2,774.37**	**3,576.36**

50.1 Category-wise classification of financial instruments (Contd...): **(Rs. in Crores)**

Particulars	Refer Note	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Carrying Value
As at April 01, 2015					
Financial liabilities					
Borrowings (including current maturities)	18 & 20	-	-	3,831.68	3,831.68
Trade payables	19	-	-	246.02	246.02
Derivative instruments not designated as hedge	20	-	5.96	-	5.96
Other financial liabilities	20	-	-	238.05	238.05
Total		**-**	**5.96**	**4,315.75**	**4,321.71**

50.2 Fair value measurements:

a) Quantitative disclosures of fair value measurement hierarchy for financial assets and financial liabilities

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities: **(Rs. in Crores)**

Particulars	As at March 31, 2017				As at March 31, 2016				As at April 01, 2015			
	Significant observable inputs (Level 1*)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)	Total	Significant observable inputs (Level 1*)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)	Total	Significant observable inputs (Level 1*)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)	Total
Financial assets measured at fair value												
Investment in quoted equity investments measured at FVTOCI (refer note 7)	303.32	-	-	303.32	193.63	-	-	193.63	189.82	-	-	189.82
Investment in unquoted equity investments measured at FVTOCI (refer note 7)	-	-	457.87	457.87	-	-	514.23	514.23	-	-	520.77	520.77
Loans and advances	-	-	94.43	94.43	-	-	96.63	96.63	-	-	91.40	91.40
Derivative instruments	-	-	-	-	-	9.13	-	9.13	-	-	-	-
Total	**303.32**	**-**	**552.30**	**855.62**	**193.63**	**9.13**	**610.86**	**813.62**	**189.82**	**-**	**612.17**	**801.99**
Financial liabilities measured at fair value												
Derivative instruments	-	6.65	-	6.65	-	-	-	-	-	5.96	-	5.96
Total	**-**	**6.65**	**-**	**6.65**	**-**	**-**	**-**	**-**	**-**	**5.96**	**-**	**5.96**
Asset for which fair values are disclosed												
Investment properties (note 5)	**-**	**-**	**60.05**	**60.05**	**-**	**-**	**57.65**	**57.65**	**-**	**-**	**51.64**	**51.64**

*The fair value of the quoted equity investments are derived from quoted market prices in active market.

b) Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2017, March 31, 2016 and April 01, 2015 are as shown below:

Particulars	Valuation technique	Significant unobservable inputs	Range - weighted average	Sensitivity of the input to fair value
FVTOCI assets in unquoted equity shares (Gujarat Chemical Port Terminal Company Ltd)	Comparable companies	Market Multiple Discount	31 March 2017 : 17.50% - 22.50% (20%) 31 March 2016 : 17.50% - 22.50% (20%); April 01, 2015 : 17.50% - 22.50% (20%)	2.5% increase (decrease) in the market multiple discount would result in decrease (increase) in fair value as of March 31, 2017 by Rs. 9.75 crore (Rs. 9.75 crore) [Rs. 10.67 crore (9.20 crore) as of March 31, 2016, Rs. 8.28 crore (9.75 crore) as of April 01, 2015]
		EBITDA (Rs. Crores)	31 March 2017 : Rs 207.90 crores - Rs. 218.50 crores (Rs. 213.20 crores) 31 March 2016 : Rs 186.4 crores - Rs. 195.8 crores (Rs. 191.10 crores); April 01, 2015 : Rs 149.00 crores - Rs. 156.60 crores (Rs. 152.80 crores)	Rs. 5.3 crore increase (decrease) in the EBITDA would result in increase (decrease) in fair value as of March 31, 2017 by Rs. 7.91 crore (Rs. 7.91 crore) [Rs. 4.7 crore increase (decrease) in the EBITDA would result in increase (decrease) in fair value of March 31, 2016 by Rs. 7.17 Crore (8.75 crore)] [Rs. 3.8 crore increase (decrease) in the EBITDA would result in increase (decrease) in fair value of April 01, 2015 by Rs. 7.91 Crore (6.44 crore)]
FVTOCI assets in unquoted equity shares (Gujarat State Petrolium Corporation Ltd)	Discounted free cash flow method	Gas trading margin	Decreasing the Gas trading margin by 25% would change the fair value by Rs. 18.43 crore 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.	
FVTOCI assets in unquoted equity shares (Bhavnagar Energy Co. Ltd)	Net asset value	Share holders fund (Rs. Crores)	31 March 2017 : Rs 791.20 crores - Rs. 874.50 crores (Rs. 832.85 crores)	Rs. 41.65 crore increase (decrease) in the shareholders fund would result in increase (decrease) in fair value as of March 31, 2017 by Rs. 1.82 crore (Rs. 1.82 crore)
		Discount to Book Value	31 March 2017 : 20% - 30% (25%) 31 March 2016 : 20% - 30% (25%); April 01, 2015 : 20% - 30% (25%)	5% increase (decrease) in the discount to book value would result in decrease (increase) in fair value as of March 31, 2017 : Rs. 2.41 crore (Rs. 2.46 crore) [Rs. 2.41 crore (Rs. 2.46 crore) as of March 31, 2016, Rs. 2.41 crore (Rs. 2.46 crore) as of April 01, 2015]

FVTOCI assets in unquoted equity shares (Gujarat Venture Finance Ltd.)	Net asset value	Share holders fund (Rs. Crores)	31 March 2017 : Rs 14.50 crores - Rs. 16.00 crores (Rs. 15.25 crores)	Rs. 0.75 crore increase (decrease) in the shareholders fund would result in increase (decrease) in fair value as of March 31, 2017 by Rs. 0.01 crore (Rs. 0.01 crore)
		Discount to Book Value	31 March 2017 : 15% - 25% (20%) 31 March 2016 : 15% - 25% (20%); April 01, 2015 : 15% - 25% (20%)	5% increase (decrease) in the discount to book value would result in decrease (increase) in fair value as of March 31, 2017 : Rs. 0.01 crore (Rs. 0.01 crore) [Rs. 0.01 crore (Rs. 0.01 crore) as of March 31, 2016, Rs. 0.01 crore (Rs. 0.01 crore) as of April 01, 2015]
FVTOCI assets in unquoted equity shares (Bharuch Enviro Infrastructure Ltd)	Comparable companies	Market Multiple Discount	31 March 2017 : 17.50% - 22.50% (20%) 31 March 2016 : 17.50% - 22.50% (20%); April 01, 2015 : 17.50% - 22.50% (20%)	5% increase (decrease) in the market multiple discount would result in decrease (increase) in fair value as of March 31, 2017 : Rs. 0.12 crore (Rs. 0.12 crore) [Rs. 0.07 crore (Rs. 0.08 crore) as of March 31, 2016, Rs. 0.05 crore (Rs. 0.05 crore) as of April 01, 2015]
		Consolidated PAT (Rs. Crores)	31 March 2017 : Rs 24.00 crores - Rs. 25.20 crores (Rs. 24.60 crores)	Rs. 0.60 crore increase (decrease) in the consolidated PAT would result in increase (decrease) in fair value as of March 31, 2017 : Rs. 0.09 crore (Rs. 0.09 crore)
FVTOCI assets in unquoted equity shares (Bharuch Dahej Railway Co Ltd)	Comparable companies	Market Multiple Discount	31 March 2017 : 22.50% - 27.50% (25%) 31 March 2016 : 22.50% - 27.50% (25%); April 01, 2015 : 22.50% - 27.50% (25%)	2.5% increase (decrease) in the market multiple discount would result in decrease (increase) in fair value as of March 31, 2017 : Rs. 1.16 crore (Rs. 1.18 crore) [Rs. 2.64 crore (Rs. 0.50 crore) as of March 31, 2016, Rs. 0.39 crore (Rs. 2.53 crore) as of April 01, 2015]
		EBITDA (Rs. Crores)	31 March 2017 : Rs 39.10 crores - Rs. 41.10 crores (Rs.40.10 crores)	Rs. 1.00 crore increase (decrease) in the EBITDA would result in (decrease) increase in fair value as of March 31, 2017 : Rs. 0.88 crore (Rs. 0.88 crore)
FVTOCI assets in unquoted equity shares (Ecophos GNFC India Pvt Ltd)	Net asset value	The investee company is in start up phase, hence sensitivity impact is immaterial.		

c) Financial Instrument measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

50.3 Financial Risk objective and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations/projects. The Company's principal financial assets include loans, investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

In the ordinary course of business, the Company is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. The Company's senior management oversees the management of these risks. It manages its exposure to these risks through derivative financial instruments by hedging transactions. It uses derivative instruments such as interest rate swaps and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favourable and unfavourable fluctuations.

The Company's risk management activities are subject to the management, direction and control of the management of the Company under the guideline of the Board of Directors of the Company. The management ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Company is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in management's judgment, are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

Further, all currency and interest risk as identified above is measured on a daily basis by monitoring the mark to market (MTM) of open and hedged position. The MTM is derived basis underlying market curves on closing basis of relevant instrument quoted on Bloomberg/Reuters. For year ends, the MTM for each derivative instrument outstanding is obtained from respective banks. All gain / loss arising from MTM for open derivative contracts and gain / loss on settlement / cancellation / roll over of derivative contracts is recorded in the statement of profit and loss.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2017 and March 31, 2016.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2017.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017 and March 31, 2016.

(i) Interest rate risk

The Company is exposed to changes in market interest rates due to financing, investing and cash management activities. The Company's exposure to the risk of changes in market interest rates relates primarily

to The Company's long-term debt obligations with floating interest rates and period of borrowings. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company enters into interest rate swap contracts or interest rate future contracts to manage its exposure to changes in the underlying benchmark interest rates.

Interest rate sensitivity

The following details demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended March 31, 2017 would decrease / increase by Rs. 7.99 crore (previous year Rs. 16.21 crore). This is mainly attributable to interest rates on variable rate long term borrowings.

(ii) Foreign currency risk

Exchange rate movements, particularly the United States Dollar (USD) and Euro (EUR) against Indian Rupee (INR), have an impact on the Company's operating results. The Company manages its foreign currency risk by entering into currency swap for converting INR loan into other foreign currency for taking advantage of lower cost of borrowing in stable currency environment. The Company also enters into various foreign exchange contracts to mitigate the risk arising out of foreign exchange rate movement on foreign currency borrowings or trade payables. Further, to hedge foreign currency future transactions in respect of which firm commitment are made or which are highly probable forecast transactions (for instance, foreign exchange denominated income) the Company has entered into foreign currency forward contracts as per the policy of the Company.

The carrying amounts of the Company's foreign currency denominated monetary items are as follows:

The above table represents total exposure of the Company towards foreign exchange denominated liabilities (net). The details of exposures hedged using forward exchange contracts are given as a part of note 49 and the details of unhedged exposures are given as part of note 49.

The Company is mainly exposed to changes in USD and EURO. The below table demonstrates the sensitivity to a 5% increase or decrease in the respective foreign currency rates against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

(Rs. in Crores)

Particulars	Impact on Profit before tax		Impact on Pre-tax Equity	
	For the year ended		For the year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
USD Sensitivity				
RUPEES / USD – Increase by 5%	(7.69)	(3.82)	(7.69)	(3.82)
RUPEES / USD – Decrease by 5%	7.69	3.82	7.69	3.82
EURO Sensitivity				
RUPEES / EURO – Increase by 5%	(4.52)	(6.78)	(4.52)	(6.78)
RUPEES / EURO – Decrease by 5%	4.52	6.78	4.52	6.78

(III) Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive evaluation and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data.

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's management. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Concentrations of Credit Risk form part of Credit Risk

Considering that the Company manufactures fertilizer products and industrial products and rendering IT services , the Company is significantly dependent on subsidy claims receivables from Government for manufacture of fertilizers. Out of total revenue, the Company earns Rs. 1,685.12 crore of revenue during the year ended March 31, 2017 (previous year Rs. 1,977.95 crore) from fertilizer manufacturing and trading which constitute 34.08% (previous year 40.82%). Accounts receivable on account of subsidy claim receivable from Government approximated Rs. 635.26 crore as at March 31, 2017 and Rs. 1,162.13 crore as at March 31, 2016. A loss of these customer could adversely affect the operating result or cash flow of the Company.

c) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and bank balances. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below analysis derivative and non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(Rs. in Crores)

Particulars	Refer Note	On Demand	Less than 1 year	1 to 5 years	Over 5 years	Total
As at March 31, 2017						
Borrowings (including current maturities)	18 & 20	571.89	853.62	533.41	-	1,958.92
Trade payables	19	-	340.11	-	-	340.11
Derivatives Instruments not designated as hedge	20	-	6.65	-	-	6.65
Other financial liabilities	20	-	80.97	-	-	80.97
Total		**571.89**	**1,281.35**	**533.41**	**-**	**2,386.65**
As at March 31, 2016						
Borrowings (including current maturities)	18 & 20	890.76	1,177.27	1,033.32	-	3,101.35
Trade payables	19	-	262.41	-	-	262.41
Other financial liabilities	20	-	212.48	-	-	212.48
Total		**890.76**	**1,652.16**	**1,033.32**	**-**	**3,576.24**
As at April 01, 2015						
Borrowings (including current maturities)	18 & 20	577.07	1,734.17	1,461.92	58.52	3,831.68
Trade payables	19	-	246.02	-	-	246.02
Derivatives Instruments not designated as hedge	20	-	5.96	-	-	5.96
Other financial liabilities	20	-	238.05	-	-	238.05
Total		**577.07**	**2,224.20**	**1,461.92**	**58.52**	**4,321.71**

50.4 Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity. The primary objective of the Company's capital management is to maximize shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is net debt (total debt less cash and bank balance) divided by total capital plus net debt.

(Rs. in Crores)

Particulars	March 31 2017	March 31 2016	April 01 2015
Total Borrowings (refer note 18 and 20)	1,958.92	3,101.35	3,831.68
Less: Cash and bank balances (refer note 13 and 14)	12.51	9.89	15.95
Net Debt (A)	**1,946.41**	**3,091.46**	**3,815.73**
Total Equity (B)	**3,855.23**	**3,323.69**	**3,154.40**
Total Equity and Net Debt (C = A + B)	**5,801.64**	**6,415.15**	**6,970.13**
Gearing ratio	34%	48%	55%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2016.

51 First-time adoption of Ind-AS

These consolidated financial statements, for the year ended March 31, 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 annual financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared consolidated financial statements which comply with Ind AS applicable for the year ending on March 31,2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2015, the Company's date of transition to Ind AS and financial statements as at and for the year ended March 31, 2016.

51.1 Exemptions availed on the first time adoption of Ind AS 101

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) The Company has elected to avail exemption under Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding and recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

(b) Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

(c) Estimates :

The estimates at April 01, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

> FVTOCI – quoted and unquoted equity shares

> Impairment of financial assets based on the risk exposure and application of ECL model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2015, the date of transition to Ind AS and as of March 31, 2016.

(d) Fair value measurement of financial assets or liabilities:

The Company has applied provision of Ind AS 109 for financial assets or liabilities measured at fair value prospectively to transactions occurring on or after the date of transition to Ind AS.

51.2 In the quarterly unaudited financial results published by the Company for the period ended June 30, 2016 , September 30, 2016 and December 31, 2016, the Company had elected to avail exemption under Ind AS 101 to use India GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment, investment property and intangible assets as per the statement of financial position prepared in accordance with previous GAAP.

However in its first Ind AS financial statements, the company has accounted its property, plant and equipment, investment property and intangible asset, being measured at cost in accordance with Ind AS-16 - "Property, Plant and Equipment", Ind AS-40 - "Investment Property" and Ind AS-38 - "Intangible Asset", respectively. This change does not have material impact on profit and loss.

51.3 The Company's management had previously issued its audited financial results for the year ended March 31, 2016 on April 26, 2016, that were all prepared in accordance with the recognition and measurement principles of the Companies (Accounting Standards) Rules, 2006 prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and other accounting principles generally accepted in India ('Previous GAAP'). The Company's management has now prepared the Ind AS Financial Statements for the year ended March 31, 2017 in accordance with the recognition and measurement principles laid down by the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

The Company has prepared a reconciliation of the amounts of net profit as reported under the Previous GAAP to those computed as per Ind AS and the same is given in note no. 51.4 and 51.5 below.

51.4 Effect of Ind AS adoption on Consolidated Balance Sheet as at April 01, 2015 and March 31, 2016 **(Rs. in Crores)**

Particulars	Explanatory notes	March 31, 2016 (Last period presented under IGAAP)			April 01, 2015 (Date of transition)		
		IGAAP	Effects of transition to Ind As	Ind AS	IGAAP	Effects of transition to Ind As	Ind AS
ASSETS							
I. Non-current assets							
(a) Property, plant and equipment	(a) (b) (c)	4,257.52	83.17	4,340.69	4,442.58	81.70	4,524.28
(b) Capital work-in-progress		8.97	-	8.97	13.26	-	13.26
(c) Investment property	(c)	-	19.84	19.84	-	17.87	17.87
(d) Intangible assets		25.96	-	25.96	25.53	-	25.53
(e) Financial assets							
(i) Investments	(d)	191.51	563.75	755.26	184.33	566.48	750.81
(ii) Loans and advances	(j)	206.72	(126.85)	79.87	197.38	(121.98)	75.40
(iii) Other financial assets	(j)	-	371.87	371.87	-	627.54	627.54
(f) Other assets	(j)	352.30	(295.14)	57.16	607.90	(554.36)	53.54
		5,042.98	**616.64**	**5,659.62**	**5,470.98**	**617.25**	**6,088.23**
II. Current assets							
(a) Inventories	(a)	731.66	(30.40)	701.26	749.77	(23.17)	726.60
(b) Financial assets							
(i) Trade receivables	(j)	1,492.51	(7.29)	1,485.22	1,355.24	-	1,355.24
(ii) Cash and cash equivalents		3.29	-	3.29	8.17	-	8.17
(iii) Other bank balances		6.60	-	6.60	7.78	-	7.78
(iv) Loans	(j)	299.44	(282.68)	16.76	203.18	(187.18)	16.00
(v) Others financial assets	(j)	-	428.45	428.45	-	735.42	735.42
(c) Other assets	(j)	408.46	(154.79)	253.67	731.88	(560.16)	171.72
		2,941.96	**(46.71)**	**2,895.25**	**3,056.02**	**(35.09)**	**3,020.93**
Total assets		**7,984.94**	**569.93**	**8,554.87**	**8,527.00**	**582.16**	**9,109.16**
EQUITY AND LIABILITIES							
Equity							
Equity share capital		155.42	-	155.42	155.42	-	155.42
Other equity		2,559.86	608.41	3,168.27	2,363.73	635.25	2,998.98
Total equity		**2,715.28**	**608.41**	**3,323.69**	**2,519.15**	**635.25**	**3,154.40**
Liabilities							
I. Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	(h)	1,037.32	(4.00)	1,033.32	1,526.85	(6.41)	1,520.44
(b) Long-term provisions		113.01	-	113.01	103.16	-	103.16
(c) Deferred tax liabilities (net)	(e) (i)	329.55	(33.42)	296.13	329.55	(121.68)	207.87
(d) Government grants (deferred income)	(j)	1,068.24	(64.26)	1,003.98	1,125.98	(61.21)	1,064.77
		2,548.12	**(101.68)**	**2,446.44**	**3,085.54**	**(189.30)**	**2,896.24**
II. Current liabilities							
(a) Financial liabilities							
(i) Borrowings	(h)	1,425.91	(0.38)	1,425.53	1,647.57	(3.05)	1,644.52
(ii) Trade payables	(j)	302.26	(39.85)	262.41	296.44	(50.42)	246.02
(iii) Other financial liabilities	(j)	-	854.98	854.98	-	910.73	910.73
(b) Other liabilities	(j)	891.49	(819.35)	72.14	932.29	(857.93)	74.36
(c) Short-term provisions	(j)	101.88	(62.25)	39.63	46.01	(8.91)	37.10
(d) Government grants (deferred income)	(j)	-	105.21	105.21	-	136.88	136.88
(e) Liabilities for current tax (net)		-	24.84	24.84	-	8.91	8.91
		2,721.54	**63.20**	**2,784.74**	**2,922.31**	**136.21**	**3,058.52**
Total liabilities		**5,269.66**	**(38.48)**	**5,231.18**	**6,007.85**	**(53.09)**	**5,954.76**
Total equity and liabilities		**7,984.94**	**569.93**	**8,554.87**	**8,527.00**	**582.16**	**9,109.16**

51.5 Effect of Ind AS adoption on Consolidated profit and loss for year ended March 31, 2016 **(Rs. in Crores)**

Particulars	Explanatory notes	IGAAP	Effects of transition to Ind AS	Ind AS
Income				
Revenue from operations	(k)	4,548.30	297.55	4,845.85
Other income	(l)	113.23	139.14	252.37
Total income		**4,661.53**	**436.69**	**5,098.22**
Expenses				
Cost of raw materials and components consumed		2135.11	(4.20)	2,130.91
Purchase of traded goods		268.60	-	268.60
Decrease / (Increase) in inventories of finished goods, work-in-progress and traded goods		(15.32)	-	(15.32)
Power, fuel and other utilities		675.54	-	675.54
Excise duty	(k)	-	293.95	293.95
Employee benefits expense	(f)	362.51	(5.51)	357.00
Finance costs	(h)	245.75	50.97	296.72
Depreciation and amortization expense	(a) (b) (l)	189.28	61.54	250.82
Other Expenses		573.70	(1.40)	572.30
Total Expenses		**4,435.17**	**395.35**	**4,830.52**
Profit before tax		**226.36**	**41.34**	**267.70**
Tax expense:				
Current tax		2.62	-	2.62
Tax credit under Minimum Alternate Tax (MAT)		(2.62)	-	(2.62)
Deferred tax charge	(e) (i)	-	95.02	95.02
Income tax expense		**-**	**95.02**	**95.02**
Profit for the year after tax and before share in profit of associate		**226.36**	**(53.68)**	**172.68**
Share in profit of associate		**7.18**	**-**	**7.18**
Profit for the year attributable to the shareholders of the Company		**233.54**	**(53.68)**	**179.86**
Other Comprehensive Income	(g)			
Items that will not be reclassified to profit and loss in subsequent period				
Re-measurement losses on defined benefit plans	(f)	-	(11.98)	(11.98)
Income tax effect	(e)	-	4.14	4.14
Net loss on FVTOCI equty investments	(d)	-	(2.73)	(2.73)
Other comprehensive income for the year		**-**	**(10.57)**	**(10.57)**
Total comprehensive income for the year		**233.54**	**(64.25)**	**169.29**

51.6 Reconciliation of total equity:-

Nature of adjustments	As at March 31, 2016	As at April 01, 2015
Equity as per Previous GAAP	**2715.28**	**2519.15**
i) Increase in fair value of investments recorded as fair value through OCI	563.75	566.48
ii) Provision for dividend declared including distribution tax	37.41	0
iii) Recording of capital grant for the EPCG scheme	40.12	12.87
iv) Impact of recognition of property, plant & equipment in accordance with Ind AS 16	(12.53)	1.50
v) Other Ind AS adjustments	5.81	(10.33)
vi) Deferred tax impact on above adjustments (Net)	(26.15)	64.73
Equity as per Ind AS	**3,323.69**	**3,154.40**

Explanatory notes to the transition from previous GAAP to Ind AS :

(a) Cost determined in accordance with Ind AS 16 – The Company has recomputed the cost of Property, Plant and Equipment in accordance with Ind AS 16 and have adjusted value of PPE to make it compliant under Ind AS 16.

(b) Export Promotion Capital Goods (EPCG) as Property, Plant & Equipment (PPE): The Company has availed EPCG benefit for duty free import of capital goods for construction of its plant. The same was disclosed as commitments in the previous GAAP. In Ind AS, the company has capitalized the amount of duty saved under EPCG licences.

(c) Investment property : As per Para 7 of Ind As 40 - " Investment Property",properties held to earn rentals or for capital appreciation or both is to be classified as investment property. Accordingly Company has distinguished investment property from owner-occupied property.

(d) Fair valuation of equity instruments : Under Indian GAAP, the Company accounted for long term investments in quoted and unquoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, the Company has designated such investments as FVTOCI investments. Ind AS requires FVTOCI investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount (after adjusting the provision for diminution in value of investment) has been recognised as a separate component of equity, in the FVTOCI reserve, net of related deferred taxes. The reversal of provision for diminution in value of investment is adjusted in the retained earnings.

(e) Deferred tax : 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. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

(f) Remeasurement cost of net defined liability : 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, the effect of the asset ceiling, excluding amounts included in net interest on the net defined

benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

(g) Other comprehensive income : Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

(h) Borrowings (part of financial liabilities) : Under Indian GAAP, transaction costs incurred in connection with 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.

(i) Deferred tax asset on carry forward losses and unabsorbed depreciation : As per Ind AS Deferred tax asset is recognised on carry forward losses and unabsorbed depreciation based on the probability of the Company's ability to utilise the carried forward losses and unabsorbed depreciation in future years, which under previous GAAP was based on virtual certainty.

(j) Classification and fair value measurement of financial assets and financial liabilities: The Company has assessed the classification and fair valuation impact of financial assets and liabilities under Ind AS 32 / Ind AS 109 on the basis of the facts and circumstances at the transition date. Impact of fair value changes as on date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of profit and loss or other comprehensive income, as the case may be.

(k) 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.

(l) Measurement of Government Grant as Deferred Income: The government grant release during the year in the profit or loss, related to property, plant and equipment was netted off with the depreciation under the previous GAAP. Under Ind AS it is shown separately as other income.

(m) Statement of cash flows: The transition from Indian GAAP to Ind AS does not have material impact on the consolidated statement of cash flows.

Note 52 : Exposure Drafts and Accounting Standards not yet notified

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

(a) Amendments to Ind AS 7, Statement of Cash Flows: The amendments to Ind AS 7 requires an entity 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. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after April 01, 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

(b) Amendments to Ind AS 102, Share-based Payment: The MCA has issued amendments to Ind AS 102 that address three main areas

i) the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction,

ii) the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and

iii) accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after April 01, 2017.

These amendments does not have material impact on Company's financial statements. The Company will adopt these amendments from their applicability date.

Note 53 : Event occurred after the Balance Sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of the consolidated financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of May 29, 2017, there were no material subsequent events to be recognized or reported that are not already previously disclosed.

For and on behalf of the Board of Directors,

D V Parikh	**T J Lakhmapurkar**	**Dr. Rajiv Kumar Gupta**	**Anil Mukim**
Additional General Manager & CFO	Company Secretary	Managing Director	Chairman of the Meeting

Place : Gandhinagar
Date : May 29, 2017

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

per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : May 29, 2017

ANNEXURE TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form AOC- I
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries
(Information in respect of each subsidiary to be presented with amounts in Rs.)

Not Applicable

PART "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the companies Act, 2013 related to Associate Company

	Name of Associates	Gujarat Green Revolution Company Limited
1	Latest audited Balance Sheet Date	31-03-2016
2	Shares of Associates held by the company on the year end	
	No.	12,50,000
	Amount of Investment in Associates (Rs.)	1,25,00,000
	Extent of Holding %	46.87%
3	Description of how there is significant influence	Holding More than 20% of the total capital
4	Reason why the Associate is not consolidated	Not Applicable
5	(i) Networth attributable to shareholding as per latest audited Balance Sheet as on 31-03-2016 (Rs.)	48,15,20,331
	(ii) Networth attributable to shareholding as per latest unaudited Balance Sheet as on 31-03-2017 (Rs.)	55,40,76,747
6	Unaudited Profit / (Loss) for the FY 2016-17 (Rs.)	15,98,03,533
	i. Considered in Consolidation (Rs.)	7,48,99,916
	ii. Not Considered in Consolidation (Rs.)	-

1	Name of Associates which are yet to commence Operation	Nil
2	Names of Associates which have been liquidated or sold during the year	Nil

For and on behalf of the Board of Directors,

D V Parikh	**T J Lakhmapurkar**	**Dr. Rajiv Kumar Gupta**	**Anil Mukim**
Additional General Manager & CFO	Company Secretary	Managing Director	Chairman of the Meeting

Place : Gandhinagar
Date : May 29, 2017

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

per Arpit K. Patel
Partner
Membership No. 34032

Place : Ahmedabad
Date : May 29, 2017

GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED

Regd. Office: P.O: NARMADANAGAR - 392 015, DIST. BHARUCH, GUJARAT
CIN: L24110GJ1976PLC002903, **Tele Nos.** (02642) 247001, 247002
Fax No. (02642) 247084; **E-mail:** investor@gnfc.in, **Website:** www.gnfc.in

Form No. MGT - 11
PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s)	:	
Registered Address	:	
E-mail ID	:	
Folio No / DP ID / Client ID	:	

I / We, being the Member(s) holding _____ shares of the above named company, hereby appoint;

(1) Name : Address
E-mail Id Signature or failing him / her ;
(2) Name : Address
E-mail Id Signature or failing him / her ;
(3) Name : Address
E-mail Id Signature

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **41st Annual General Meeting** of the Company, to be held on **Friday, the 29th September, 2017 at 11:30 AM** at Open Air Theater, Sports Complex, Narmadanagar Township, P.O Narmadanagar - 392 015, Dist. Bharuch and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For *	Against*
	Ordinary Business		
1	Adoption of Audited Standalone Financial Statements and Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2017 and the Reports of Board of Directors and Auditors thereon.		
2	Declaration of dividend on equity shares for the financial year ended 31st March, 2017		
3	Re-appointment of Smt. Mamta Verma, IAS (DIN : 01854315) as Director, who retires by rotation.		
4	Ratification of the appointment of Statutory Auditors of the Company.		
	Special Business		
5	Appointment of Shri Anil Mukim, IAS (DIN : 02842064) as Director of the company liable to retire by rotation.		
6	Re-appointment of Shri C.S. Mani (DIN : 00031968) as an Independent Director of the company.		
7	Re-appointment of Prof. Arvind Sahay (DIN : 03218334) as an Independent Director of the company.		
8	Ratification of remuneration payable to Cost Auditors of the company for the financial year 2017-18.		

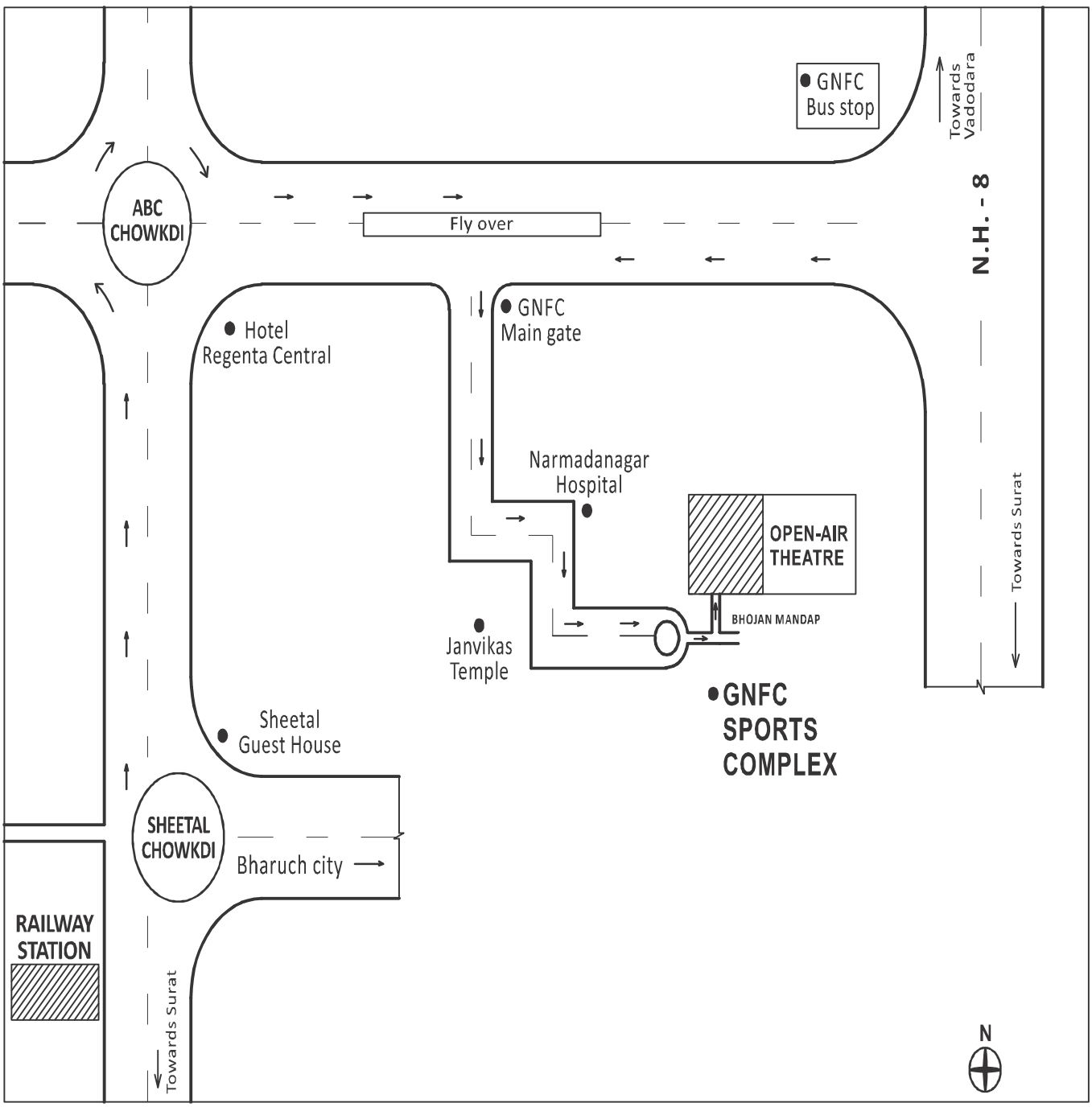
Signed this _____ day of _____ 2017

Affix Revenue Stamp Re. 1/-

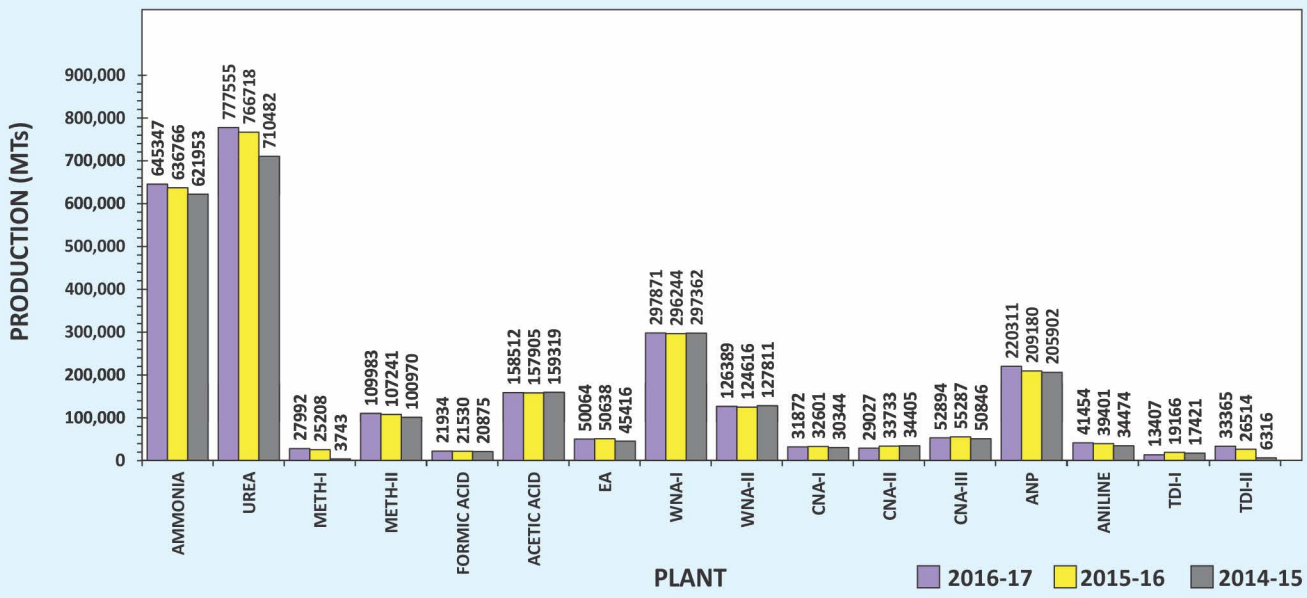
Signature of Shareholder_____ Signature of Proxy holder(s) _____

Notes :
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting. A proxy need not be a member of the Company.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 41st Annual General Meeting.
3. * It is optional to put a "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all the Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of Member(s) in above box before submission.

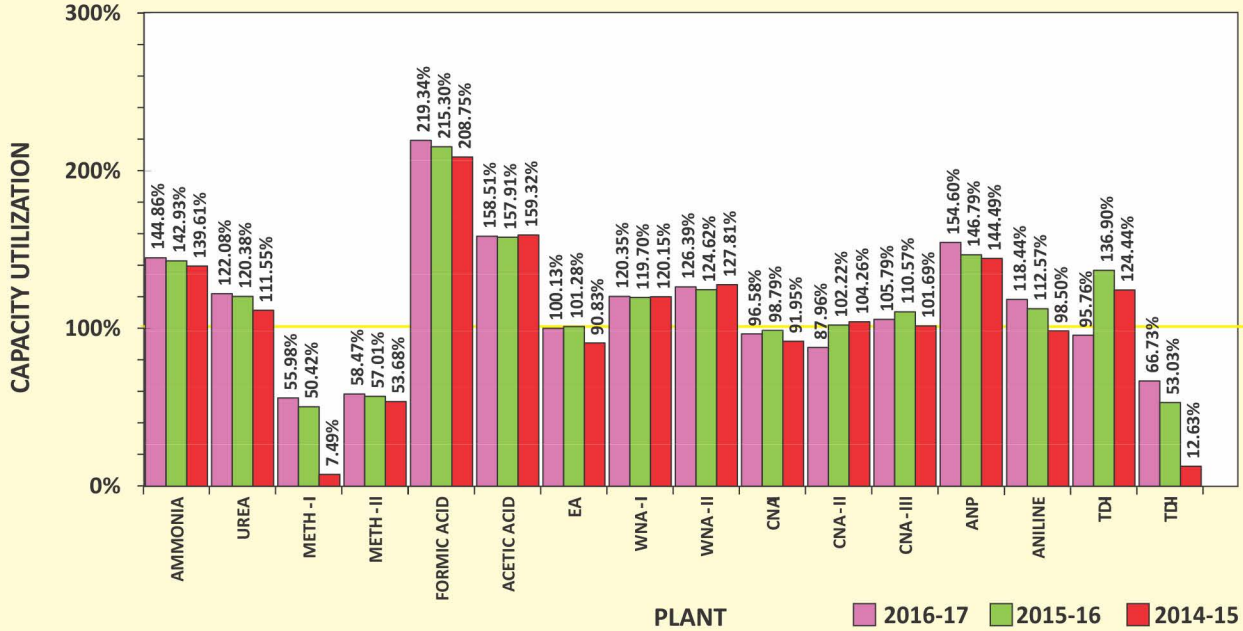
ROUTE MAP TO THE VENUE OF 41ST AGM



PRODUCTION FOR LAST THREE YEARS



CAPACITY UTILIZATION FOR LAST THREE YEARS



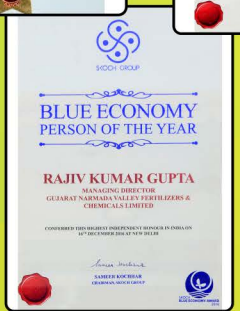
Lower capacity utilisation below 100% is mainly due to cost economics or lower demand of that product.

INDUSTRIAL PRODUCTS PROFILE

SR. NO.	PRODUCT	APPLICATION(S)
1	TDI (Toluene Di- Isocyanate)	Flexible Polyurethane Foam, Furniture Cushion, Industrial Gaskets, Protective pads for Sports & Medical Use, Automobiles: Seats, Furniture, Lining, Sun visors
2	Aniline	Acetanilide, Antioxidants, Herbicides, Pigments, Rubber Chemicals: Vulcanizing Agents, Photographic Chemicals: Hydroquinone, Pharmaceutical; Isocyanantes: MDI
3	Acetic Acid (Glacial)	Acetic Anhydride, Vinyl Acetate Monomer(VAM), Purified Te-rephthalic Acid(PTA), Monochloro Acetic Acid, Acetates, Dyes & Dye Intermediates
4	Ethyl Acetate	Solvent in Printing Inks, Paints and Coating, Laminates, Flexible, Packaging, Aluminium Foil, Pestcides, Flavour in Pharmaceuticals, Varnishes, Synthetic Fruit Essence, Perfumes, Photographic Films and Plates, Adhesives and Pharmaceuticals
5	Nitrobenzene	Aniline,Antioxidants, Herbicides, Pigments,Rubber Chemicals: Vulcanizing Agents, Photographic Chemicals: Hydroquinone.
6	Formic acid	Coagulant for obtaining rubber from latex, Fixing of dyes in leather industry, Pesticides, Vulcanization Accelerators, Electroplating, Construction Chemicals
7	Methyl Formate	Di Methyl Formamide(DMF), Formic Acid, Pharmaceuticals, Metal Foundries, Fumigant & Larvicide for Tobacco, Formulations of Synthetic Flavors
8	Concentrated Nitric Acid (CNA)	Nitrobenzene, Aniline, TDI, Dyestuff & Dye Intermediates, Explosives
9	Weak Nitric Acid (WNA)	Nitrobenzene, CNA,Aniline, TDI, Dyestuff & Dye Intermediates, Explosives
10	Ammonium Nitrate (Melt)	Explosives, Fertilizers like CAN & ANP, Pharmaceuticals, Pyrotechnics, Herbicides & Insecticides
11	Methanol	Acetic Acid, Formaldehyde, Chloromethane, Pesticides, Methyl Amines, Paints, Insecticides
12	Neem Oil	Coating of Urea, Pesticides, Cosmetics, Medicine

BY PRODUCTS		
1	Calcium Carbonate	In Cattle feed, Water treatment, Neutralization of Acidic Effluent
2	Dilute Sulfuric Acid	Ferric Alum, Fertilizer, Textile
3	Hydrochloric Acid	Vinyl Chloride, Chemical Reagent, Production of gelatin, Household cleaning
4	Meta Toluene Diamine (MTD)	Monomer, Chain extender, Cross linker, Rubber Chemical & dyes, Polyamides/ Polymides, TDI
5	Ortho Toluene Diamine (OTD)	Polyols, Antioxidants, Corrosion Inhibitors, Rubber Chemicals, Dyes
6	Sodium Hypo Chlorite	Disinfectant, Bleaching Agent, Water Treatment, Endodontic, Oxidation

Awards & Accolades



BY COURIER / BOOK-POST

To,

If undelivered please return to:

Gujarat Narmada Valley Fertilizers & Chemicals Limited

(An ISO 14001 & OHSAS 18001 Company)

CIN: L24110GJ1976PLC002903

P.O. Narmadanagar - 392 015, Dist. Bharuch, Gujarat, India

Ph: (02642) 247001, 247002 **Fax:** (02642) 247084

Website: www.gnfc.in, www.gnfcneem.in