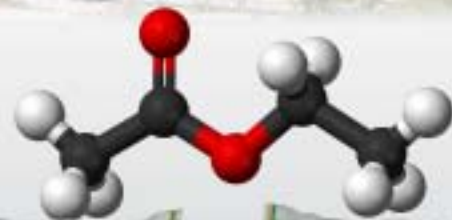


37th Annual Report 2012-2013



GNFC

Chemicals • Fertilizers • IT

Gujarat Narmada Valley Fertilizers & Chemicals Limited

37TH ANNUAL GENERAL MEETING

Date : 21st September, 2013
 Day : Saturday
 Time : 4:00 P.M.
 Place : Open Air Theatre, Sports Complex,
 Narmadanagar Township,
 P.O. Narmadanagar-392 015,
 District : Bharuch,

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Chemicals • Fertilizers • IT

Gujarat Narmada Valley Fertilizers & Chemicals Limited

BOARD OF DIRECTORS

(As on 1st August, 2013)

Dr. Varesch Sinha, IAS, *Chairman*

Shri DJ Pandian, IAS

Dr. Hasamukh Adhia, IAS

Shri GC Murmu, IAS

Shri Atanu Chakraborty, IAS

Shri DC Anjaria

Dr. TT Ram Mohan

Dr. Ashok Shah

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

Executive Directors

Shri JS Kochar

Shri RA Shah, CFO

Shri PK Masare

Shri RT Bhargava

Shri AT Patadia

Shri JC Bhatt

Company Secretary

Shri RB Panchal

Statutory Auditors

M/s Deloitte Haskins & Sells

Chartered Accountants

Ahmedabad.

Cost Auditors

M/s Diwanji & Associates

Vadodara.

Registered Office :

P.O. Narmadanagar – 392 015,

District : Bharuch,

Gujarat, INDIA,

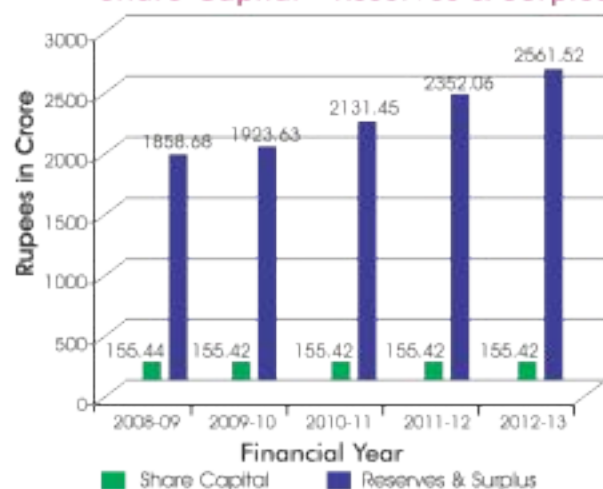
Website : www.gnfc.in

FINANCIALS AT A GLANCE

PARTICULARS	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
OPERATING RESULTS										(Rs. in Crores)
GROSS INCOME	4,527	4,062	3,129	2,799	3,128	3,713	2,992	2,367	1,978	1,602
PROFIT BEFORE INTEREST, DEPRECIATION AND TAX (PBITD)	634	582	523	360	500	698	612	571	436	305
DEPRECIATION	149	131	121	117	120	111	110	89	87	87
PROFIT BEFORE TAX	422	417	381	220	354	576	489	447	330	185
TAX	149	133	114	96	126	203	163	152	106	68
PROFIT AFTER TAX	273	284	267	124	228	373	326	295	224	117
DIVIDEND & DIVIDEND TAX	64	63	59	59	59	77	77	71	63	50
RETAINED EARNINGS	209	221	208	65	169	296	249	224	161	67
AMOUNT PER SHARE										(Rs.)
SALES	289	259	192	175	197	235	190	156	132	106
EARNING	17.57	18.26	17.15	7.97	14.64	23.99	21.00	20.12	15.29	7.98
EQUITY DIVIDEND	3.50	3.50	3.25	3.25	3.25	4.25	4.25	4.25	3.75	3.00
DIVIDEND %	35.00	35.00	32.50	32.50	32.50	42.50	42.50	42.50	37.50	30.00
BOOK VALUE	174.81	161.34	147.14	133.77	129.58	118.74	101.04	80.30	64.93	54.15
MARKET PRICE : HIGH	89.50	114.20	146.20	135.70	177.20	231.00	144.75	137.50	82.00	82.00
LOW	69.80	70.65	88.30	60.00	48.00	86.50	79.00	67.50	41.10	27.10

FINANCIAL HIGHLIGHTS

Share Capital - Reserves & Surplus



Gross & Net Block



Book Value Per Share



Earning Per Share



Gross Income



Profit





NOTICE

NOTICE IS HEREBY given that the **37th Annual General Meeting** of the Members of Gujarat Narmada Valley Fertilizers & Chemicals Limited will be held on **Saturday, the 21st September, 2013 at 4:00 PM** 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 Balance Sheet as at 31st March, 2013, the Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares.
3. To appoint Directors in place of those retiring by rotation.
4. To appoint Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration 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 224, 224A and other applicable provisions, if any, of the Companies Act, 1956, the retiring Auditors, M/s Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (Firm Registration No.117365W) be and are hereby re-appointed Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be determined by the Board of Directors of the Company, based on the recommendation of the Audit Committee and reasonable out-of-pocket expenses actually incurred by them in connection with the audit of the Accounts of the Company for the year ending 31st March, 2014."

SPECIAL BUSINESS :

5. **Appointment of Dr. Hasmukh Adhia, IAS as Director of the Company:**

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

"RESOLVED that Dr. Hasmukh Adhia, IAS be and is hereby appointed as Director of the Company, liable to retire by rotation."

6. **Appointment of Dr. Rajiv Kumar Gupta, IAS as Managing Director of the Company :**

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

"RESOLVED that subject to the provisions of Sections 198, 269, 309 and 316 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to

the appointment of Dr. Rajiv Kumar Gupta, IAS, as Managing Director of the Company for a period commencing from 2nd May, 2013 until further orders from the Government of Gujarat, so however, his period of office shall not exceed five years from the date of his appointment."

"FURTHER RESOLVED that the approval and consent of the Company be and is hereby given and the Board of Directors of the Company be and is hereby authorized to agree to the payment of remuneration / special pay, if any, as may be granted and conveyed by the Government of Gujarat to Dr. Rajiv Kumar Gupta, IAS, Managing Director of the Company during the aforesaid period, subject to the same not exceeding the limit specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof."

"FURTHER RESOLVED that Dr. Rajiv Kumar Gupta, IAS, Managing Director of the Company be and is hereby authorized to exercise substantial powers of Management and that he shall be responsible for the day to day management of the Company, subject to the superintendence, direction and control of the Board of Directors and shall carry out such duties as may be entrusted and/or delegated to him by the Board of Directors of the Company, from time to time."

"RESOLVED FURTHER that the Board of Directors of the company be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
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 173 of the Companies Act, 1956, in respect of the business under Item Nos. 4 to 6 set out above is annexed hereto. The information as are required to be furnished under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Director under Item Nos. 3, 5 and 6 are also annexed.

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

Registered Office :
P.O. Narmadanagar
Dist. Bharuch : 392 015
Dated : 13th August, 2013

R B Panchal
Company Secretary



ANNEXURE TO THE NOTICE

AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956, THE FOLLOWING EXPLANATORY STATEMENT SET OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS MENTIONED UNDER ITEM NOS. 4 TO 6 OF THE ACCOMPANYING NOTICE DATED 13th AUGUST, 2013

Item No. 4

M/s Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad were re-appointed Statutory Auditors of the Company at the last Annual General Meeting (AGM) to hold office until the conclusion of this AGM. It is proposed to re-appoint M/s Deloitte Haskins & Sells, as the Statutory Auditors of the Company at this meeting on such remuneration as may be determined by the Board of Directors of the Company.

The holding of Gujarat State Investments Ltd., a Government of Gujarat undertaking as also of the Public Financial Institutions, Nationalized Banks and Insurance Companies, in aggregate is more than 25% of the subscribed share capital of the Company. Hence, the re-appointment of M/s Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad, as Statutory Auditors of the Company, is required to be made by a Special Resolution, as contemplated under Section 224A of the Companies Act, 1956.

Your Directors commend the proposed resolution for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the said Resolution.

Item No. 5

In accordance with Article 142 of Articles of Association of the Company, Dr. Hasmukh Adhia, IAS was appointed as Additional Director on the Board of the Company effective 25th March, 2013.

In pursuance of the provisions of Section 260 of the Companies Act, 1956, Dr. Hasmukh Adhia, IAS holds office of Director up to the date of this Annual General Meeting. As required by Section 257 of the Companies Act, 1956, Notice proposing the candidature of Dr. Hasmukh Adhia, IAS for the office of Director of the Company has been received from a Member alongwith requisite deposit.

Dr. Hasmukh Adhia is a Senior IAS Officer and is presently the Principal Secretary to Government of Gujarat, Finance Department. He has a rich experience in the field of Management, Corporate Finance & Accounts and Administration.

The Board considers that it would be in the interest of the Company to appoint Dr. Hasmukh Adhia, IAS as Rotational Director and therefore, commends the resolution for your approval.

Dr. Hasmukh Adhia, IAS is concerned or interested in the said resolution. None of the remaining Directors is, in any way, concerned or interested in the said resolution.

Item No. 6

The Government of Gujarat (GoG), in exercise of the power vested in it under the Articles of Association of the Company, vide its order dated 30th April, 2013 withdrew the nomination of Shri AM Tiwari, IAS as Govt. Director from the Board of the Company and in his place nominated Dr. Rajiv Kumar Gupta, IAS, Principal Secretary, (Water Supply) Narmada, Water Resources, Water Supply and Kalpsar Department, Government of Gujarat as Govt. Director on the Board of the Company. Shri AM Tiwari, IAS relinquished the charge of Managing Director effective 2nd May, 2013 and Dr. Rajiv Kumar Gupta, IAS assumed the charge of Managing Director effective from the said date.

In pursuance of the provisions of Section 316 of the Companies Act, 1956, Dr. Rajiv Kumar Gupta, IAS, who is also the Managing Director of Gujarat Water Infrastructure Ltd, was unanimously appointed by the Board as Managing Director of the company in its meeting held on 16th May, 2013. As Dr. Rajiv Kumar Gupta, IAS, is drawing remuneration from Govt. of Gujarat, presently, no remuneration is paid to him by the Company as Managing Director of the Company. He will, however, be paid remuneration/ special pay, if any, as may be granted and conveyed by GoG, subject to the same not exceeding the limit specified under Schedule XIII to the Companies Act, 1956.

In pursuance of the provisions of Section 269 of the Companies Act, 1956, read with Schedule XIII of the said Act, the appointment of Dr. Rajiv Kumar Gupta, IAS as Managing Director of the Company and payment of remuneration / special pay, if any, is subject to the approval of the shareholders in General Meeting. Accordingly, your Directors commend the proposed resolution for your approval.

Dr. Rajiv Kumar Gupta, IAS is concerned or interested in the said resolution. None of the remaining Directors is, in any way, concerned or interested in the said resolution.

Inspection of Documents :

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

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

Registered Office :
P.O. Narmadanagar
Dist. Bharuch : 392 015
Dated : 13th August, 2013

R B Panchal
Company Secretary

INFORMATION REQUIRED TO BE FURNISHED IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT

Details of Directors seeking appointment / re-appointment at the Annual General Meeting are furnished below:

Shri DC Anjaria

Shri DC Anjaria (67), is a Director of the Company since 4th January, 2006. He is B.Com. MBA (Finance), IIM, Ahmedabad. He has long commercial banking experience spanning around 20 years in India and abroad with Citi Bank NA and has held distinguished positions such as Chief Trader, Country Treasurer and Country Financial Controller in India during his tenure with Citi Bank NA. He is also having experience in the field of Government Policy – Capital and Commodity Markets, Treasury / Investment Banking, Investment Management, Corporate Finance, Management Training & Consulting and System Management. His expertise extends to Operations Management, Foreign Exchange Trading, Treasury Management, Financial Control and International Trade Finance.

Details of his other Directorships and Committee Chairmanship / Memberships are as under :

1.	Ratnamani Metals & Tubes Ltd.,	Director and Chairman of Audit Committee and Member of Shareholders'/ Investors' Grievance Committee
2.	Gujarat State Fertilizers & Chemicals Ltd.	Director and Chairman of Audit Committee and Member of Shareholders'/ Investors' Grievance Committee
3.	International Financial Solutions (P) Ltd.	Director
4.	Indian Institute of Financial Services (P) Ltd.	Director
5.	Gujarat Tech-Markets Pvt. Ltd.	Director

He holds 500 Equity Shares of the Company jointly with Gujarat State Investments Ltd.

Shri Atanu Chakraborty, IAS

Shri Atanu Chakraborty, IAS (53), is a Director of the Company since 28th July, 2011. He is BE (Electronics and Communications) and has also done Post Graduate Diploma in Business Finance and MBA from UK. He is a senior IAS Officer having vast experience in the field of Management, Finance, Infrastructure Development and Administration. He has held distinguished positions in the Government of Gujarat and in Government of India. Presently, he is Managing Director of Gujarat State Fertilizers and Chemicals Ltd., Vadodara.

Details of his other Directorships and Committee Chairmanship / Memberships are as under:

1.	Gujarat Green Revolution Co. Ltd.	Chairman
2.	Gujarat State Fertilizers & Chemicals Ltd.	Managing Director and Member of Shareholders' / Investors' Grievance Committee
3.	Gujarat Chemical Port Terminal Co. Ltd.	Director and Member of Audit Committee
4.	The Fertilizer Association of India	Director
5.	Tunisian Indian Fertilizers S.A. (TIFERT)	Director
6.	Indian Potash Ltd.	Director
7.	Bhavnagar Energy Company Ltd.	Director and Member of Audit Committee
8.	GSPC Gas Co. Ltd.	Director
9.	Torrent Pipavav Generation Ltd.	Director and Chairman of Audit Committee
10.	GSFC Agri-Tech Ltd.	Director

He holds 500 Equity Shares of the Company jointly with Gujarat State Investments Ltd.

**Dr. Hasmukh Adhia, IAS**

Dr. Hasmukh Adhia, IAS (54), is a Director of the Company since 25th March, 2013. He is M.Com., Diploma in Public Policy & Management – IIM, Bangalore, Ph.D. (Yoga). He is a Senior IAS Officer having vast experience in the field of Management, Corporate Finance & Accounts and Administration. He has held distinguished positions in Government of Gujarat and Government of India. Presently, he is Principal Secretary to Government of Gujarat, Finance Department.

Details of his other Directorships and Committee Chairmanship / Memberships are as under :

1.	Gujarat State Investments Ltd.	Chairman
2.	Gujarat State Financial Services Ltd.	Managing Director
3.	GSFS Caps Ltd.	Managing Director
4.	Gujarat Informatics Ltd.	Director
5.	Bisag Satellite Communications	Director
6.	Gujarat State Petronet Ltd.	Director
7.	Gujarat Alkalies & Chemicals Ltd.	Director
8.	Gujarat State Fertilizers & Chemicals Ltd.	Director and Member of Audit Committee
9.	Gujarat State Petroleum Corporation Ltd.	Director and Member of Audit Committee
10.	Sardar Sarovar Narmada Nigam Ltd.	Director and Member of Audit Committee
11.	Gujarat International Finance Tech. City Co. Ltd.	Director and Member of Audit Committee

He holds 500 Equity Shares of the Company jointly with Gujarat State Investments Ltd.

Dr. Rajiv Kumar Gupta, IAS, Managing Director

Dr. Rajiv Kumar Gupta, IAS (51), is a Managing Director of the Company since 2nd May, 2013. He is BA (Political Science, English Literature & Medieval History) (Gold Medalist), MA (Political Science), University of Allahabad and Ph.D. (International Law). He is a Senior IAS Officer having rich experience in the field of Management and Administration. He has held distinguished positions in Government of Gujarat like Collector and District Magistrate - Vadodara, Sabarkantha and Mehsana, Principal Secretary, Agriculture and Co-operation Department, Secretary, Women & Child Department, Commissioner (Higher & Technical) Education, Executive Director – Sardar Sarovar Narmada Nigam Ltd., and Managing Director – Gujarat State Civil Supplies Corporation, etc.

He has been associated as an Expert on “Water Law” with Institute of International Law at International Court of Justice, The Hague, Netherlands. He has contributed various Articles in reputed National and International Journals and has written Books on “Water Resource Development”, “Water Resource Management” and on “Public Discipline”. He is holding many international positions like Member of New Generation of Water Leaders, Mexico and has also been awarded Life Time Achievement Award by Australian Alumni Association.

Presently, he is Principal Secretary, (Water Supply) Narmada, Water Resources, Water Supply and Kalpsar Department, Government of Gujarat (GoG). He is also Principal Secretary, Climate Change Department, GoG, which is first of its kind in whole of Asia. He is Chairman and Managing Director of Gujarat Water Infrastructure Ltd. and Chairman of Gujarat Water Supply & Sewerage Board and Water And Sanitation Management Organization (WASMO).

Details of his other Directorships are as under :

1.	Gujarat Water Infrastructure Ltd.	Chairman & Managing Director
2.	Gujarat Urban Development Co. Ltd.	Director
3.	Gujarat Chemical Port Terminal Co. Ltd.	Director
4.	The Fertilizer Association of India	Director

DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting this 37th Annual Report together with Audited Statements of Accounts of the Company for the year ended 31st March, 2013.

The year under review proved to be a challenging year for the Indian economy. Years of lavish spending, a long struggle with high inflation, high interest rates and fragile global economy has put back India in a rut. The slowdown in the rate of growth of services during 2011-12 and particularly in 2012-13 contributed significantly to slowdown in the overall growth of economy, while some slowdown could also be attributed to lower growth in agriculture and industrial activities. As a consequence of this, India's GDP growth hit decade low of 5%.

In the backdrop of the sluggish economy, the Company performed reasonably well, thanks to buoyancy displayed in chemical business segment.

Year 2012-13 was celebrated as the "Energy Conservation Year" at GNFC. Continuous efforts of your Company towards energy saving, cost control and thus, achieving higher productivity, have resulted in surpassing many milestones during the year in Production, Marketing and Dispatch of Company's products as well as in terms of the operative parameters.

FINANCIAL RESULTS

Summary of financial results: (Rs. in Crore)

Particulars	2012-13	2011-12
Income from operations	4,252.57	3,862.01
Other Income	40.38	30.09
Total Income	4,292.95	3,892.10
Total Expenditure	3,659.32	3,310.58
Profit before Depreciation, Finance Cost and Tax	633.63	581.52
Depreciation	148.55	130.53
Finance Cost	62.68	33.59
Profit Before Tax (PBT)	422.40	417.40
Provision for Taxes	149.29	133.56
Net Profit for the year	273.11	283.84
Balance brought forward from previous year	485.02	564.41
Amount available for Appropriation	758.13	848.24
Appropriations		
Proposed Dividend	54.40	54.40
Tax on Dividend	9.24	8.82
Transferred to General Reserve	300.00	300.00
Balance carried to Balance Sheet	394.49	485.02

YEAR IN RETROSPECT

Your Company achieved sales turn-over of Rs. 4,252.57 Crore compared to Rs.3,862.01 Crore in the previous Financial Year, registering an increase of 10.11%. The turnover was higher mainly on account of increased volume of production and increased sales realization. Profit Before Tax was higher at Rs.422.40 Crore as against Rs.417.40 Crore of the previous financial year. Profit After Tax was Rs.273.11 Crore as against Rs.283.84 Crore of the previous financial year.

DIVIDEND

Keeping in view the Company's performance and long term growth strategy, your Directors have recommended a dividend of Rs 3.50 per equity share on 15,54,18,783 equity shares for the year ended 31st March, 2013. The dividend on equity shares is subject to the approval of the shareholders at the Annual General Meeting. On its approval, the dividend payout will work out to Rs.63.64 Crore, including tax on dividend of Rs.9.24 Crore. This amounts to 23.30% of the Net Profit.

APPROPRIATIONS

Your company earned Net Profit of Rs.273.11 Crore for the year 2012-13. After adding thereto Rs.485.02 Crore being the balance of Statement of Profit & Loss brought forward from the previous year, amount available for appropriation is Rs.758.13 Crore. Directors have recommended a Dividend @ 35% for the financial year 2012-13, which will entail payout of Rs. 63.64 Crore, including tax on Dividend. The Company proposes to transfer Rs.300 Crore to General Reserve. An amount of Rs.394.49 Crore is proposed to be retained in the Statement of Profit & Loss.

PERFORMANCE REVIEW**Production**

The Company achieved commendable production performance during the year 2012-13. Most plants of the Company were operated at over 100% capacity utilization. Ammonia Plant produced 5,91,861 MT of Ammonia with capacity utilization of 132.85%, Urea Plant produced 7,08,795 MT of Urea with capacity utilization of 111.29%, Formic Acid Plant produced 20,153 MT of Formic Acid with capacity utilization of 201.53%, Acetic Acid Plant produced 1,57,093 MT of Acetic Acid with capacity utilization of 157.09%, Weak Nitric Acid (WNA) Plants produced in aggregate, 3,99,997 MT of WNA with capacity utilization of 115.11%, Ammonium Nitrophosphate Plant (ANP) produced 2,00,895 MT of ANP with capacity utilization of 140.98%, Aniline Plant produced 41,717 MT of Aniline with capacity utilization of 119.19%, Toulene Di-Isocyanate (TDI) Plant produced 17,875 MT of TDI with capacity utilization of 127.68%.



Concentrated Nitric Acid (CNA) plants produced in aggregate 1,08,100 MT of CNA with capacity utilization of 93.19%. Calcium Ammonium Nitrate (CAN) Plant produced 1,06,401 MT of CAN with capacity utilization of 74.67%. Production of CAN was contained to suit the requirement of ANP production/ sale of AN Melt. AN Melt being more remunerative, it was sold directly to the extent possible rather than using the same for producing CAN. Production of WNA and CNA was planned as per the market conditions. Methanol Plants were not operated at their full capacity in view of high cost of production of Methanol coupled with its lower sales realization.

The Government of India encourages production of Neem Coated Urea. During the year, the Company has started production of Neem Coated Urea and has produced 1,00,076 MT of Neem Coated Urea.

Sales

The Company achieved impressive performance in the sale of Fertilizers and Industrial Chemicals. The Company sold in aggregate 11.11 Lac MT of Fertilizers, (both manufactured and traded) during the year. 7.74 Lac MT of Fertilizers constituting 70% of the total sales were sold in the primary marketing zone comprising the Home State Gujarat and the adjoining States - Maharashtra, Madhya Pradesh and Rajasthan. The Company continued the trading activities in imported Urea and Single Super Phosphate. In addition to the manufactured Fertilizers, the Company sold 88,619 MT of imported Urea and 13,014 MT of SSP.

Almost all the Industrial Products performed well in terms of sales and their realization during the year. The Company sold in aggregate 8,59,235 MT of Industrial Products during 2012-13 as against 8,49,761 MT of Industrial Products sold during year 2011-12. The Company exported in aggregate 4,686 MT of Industrial Products registering an increase of 257% over the previous year.

(n)Code Solutions – IT Division

(n)Code Solutions, the IT Division of the Company has continued its growth and expansion in the IT Sector during the year. It achieved the record sales of Rs.79.08 Crore and the record profit by registering 35% growth in profitability based on strong performance of its Digital Signature Certificate (DSC) business and e-Procurement services. It remains market leader in DSC business maintaining about 40% market share. (n)Code has undertaken several initiatives during the year in new business lines such as Cloud Computing, Technology & E-Governance Solutions to realize better growth in the coming years.

STATUS OF PROJECTS

As reported last year, Ethyl Acetate Project, Ammonia Syngas Generation Project (ASGP) and TDI Project at Dahej were under implementation. We are happy to inform you that during the year, Ethyl Acetate Project has been commissioned at a total cost of Rs.124.34 Crore and put into operation. As per the policy of Government of India, ASGP with total investment of Rs.1215.74 Crore is currently under test run.

There has been a time and cost overrun in the implementation of TDI Project undertaken by the Company under its growth plan. We are seriously concerned about the delay in the implementation of this project. As informed earlier, an action plan was chalked out and project team has been reorganized to boost up speedy implementation of TDI Project. With the committed and concerted efforts, the TDI project is expected to be commissioned by end September, 2013.

NEW INITIATIVES

With a view to accelerating its growth momentum, the Company is continuously exploring the potential business opportunities in India and Abroad in the areas having synergy with Company's existing business operations. Towards this direction, following projects are under consideration by the Company:

Brown field Ammonia-Urea Project

The Government of India (GoI) has recently announced the New Investment Policy, 2012 for Urea. Considering the demand-supply gap of Urea and very high price of imported Urea, GoI is likely to approve 4-5 large Ammonia – Urea Projects in India in near future under the new investment policy. The Company is considering to set up a gas based Brown field Ammonia-Urea Project (BAUP) at Bharuch using some of its existing facilities/ utilities. The Company has expressed its interest to the Department of Fertilizers, GoI for setting-up of BAUP at Bharuch. Implementation of this project is subject to the approval of Department of Fertilizers, GoI.

Ghana - India Fertilizer Project

Government of India and Government of Ghana have agreed to set-up in joint venture, a Natural Gas based Ammonia ~ Urea Project in Ghana. Rashtriya Chemicals & Fertilizers Ltd., (RCF) is acting as a nodal agency of GoI for implementation of the said project. The Company has submitted an Expression of Interest (EoI) to RCF for participating in the equity of Indian joint venture to be formed for the proposed project in consortium with Gujarat State Fertilizers & Chemicals Ltd. (GSFC) and Gujarat Alkalies & Chemicals Ltd. (GACL).