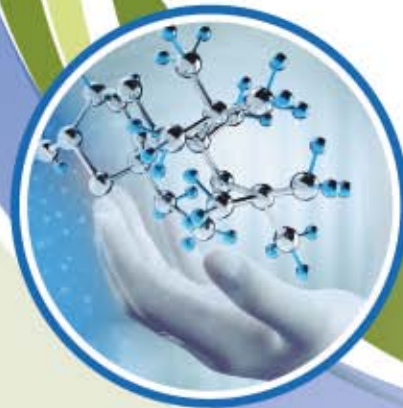




Gujarat Narmada Valley Fertilizers & Chemicals Limited



43rd
Annual Report 2018-2019



BOARD OF DIRECTORS

(As on 14th August, 2019)

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

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

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

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

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

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

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

Cost Auditors
M/s Dalwadi & Associates
Ahmedabad.

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

43RD ANNUAL GENERAL MEETING

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



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Gujarat Narmada Valley Fertilizers & Chemicals Limited

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TEN YEAR STANDALONE FINANCIALS AT A GLANCE



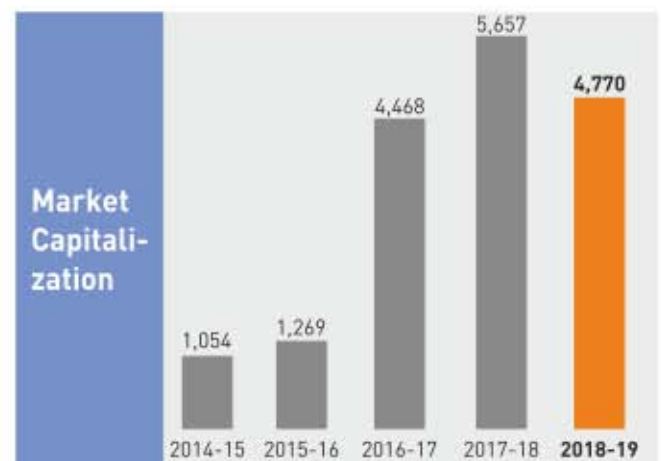
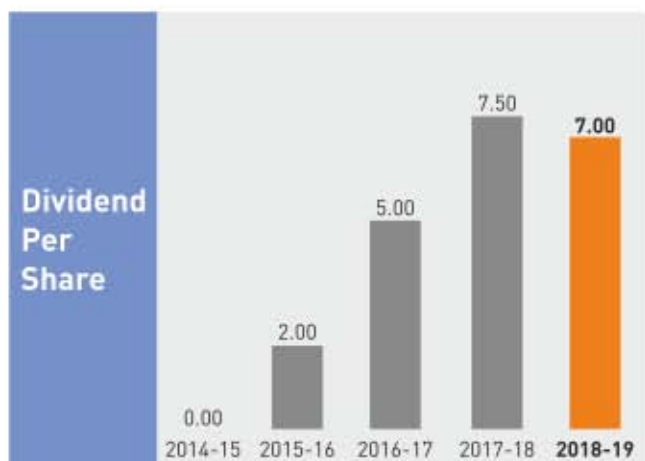
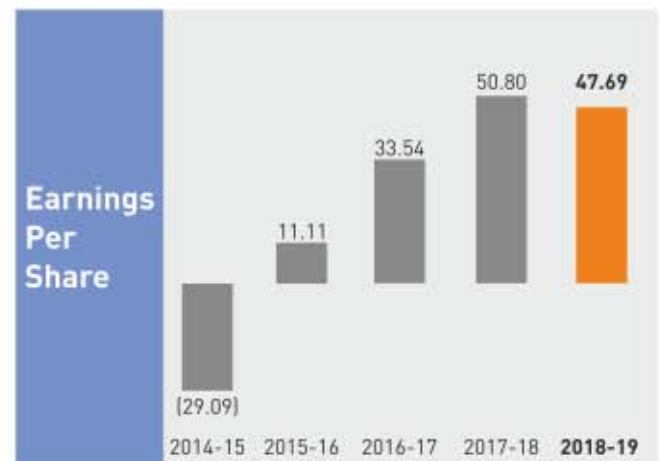
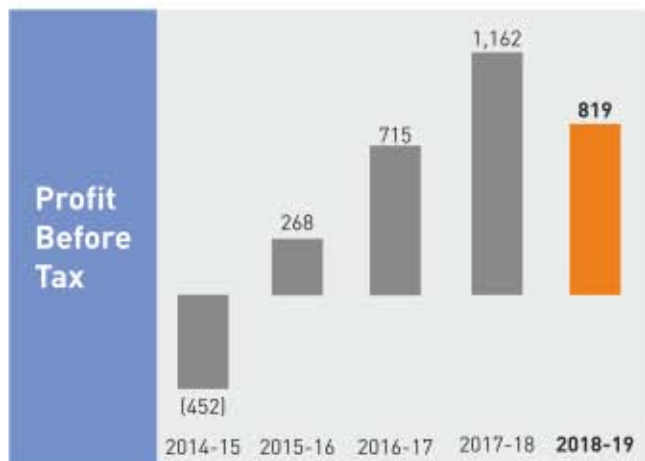
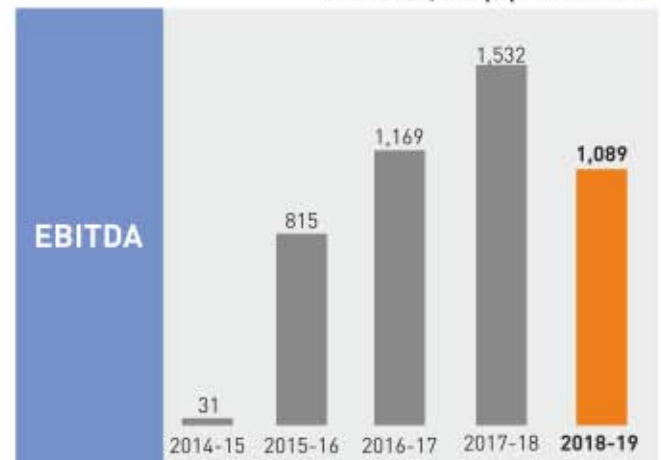
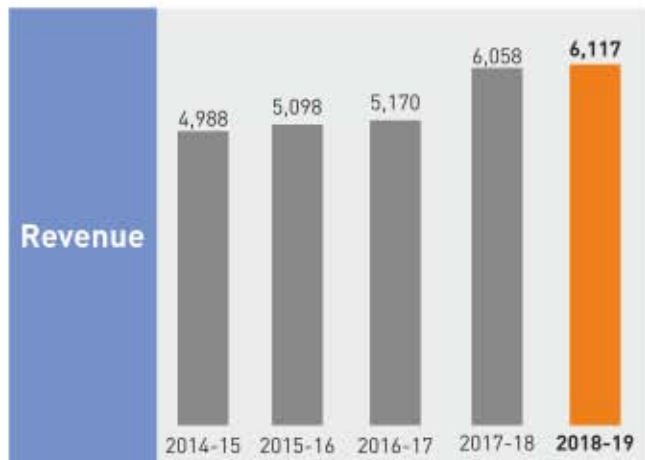
Rs. in Crore, except per share data

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
PROFIT AND LOSS STATEMENT										
Total Revenue	6,117	6,058	5,170	5,098	4,988	5,196	4,527	4,062	3,129	2,799
EBITDA	1,089	1,532	1,169	815	31	662	634	582	523	360
Finance costs	6	100	203	297	275	92	63	34	18	23
Depreciation & amortization	263	270	251	251	209	145	149	131	121	117
Profit Before Tax	819	1,162	715	268	(452)	424	422	417	381	220
Tax	78	372	194	95	-	132	149	133	114	96
Profit After Tax	741	790	521	173	(452)	292	273	284	267	124
Total Comprehensive Income	680	750	561	162	-	-	-	-	-	-
BALANCE SHEET										
Net worth	4,997	4,458	3,802	3,278	3,115	2,946	2,717	2,507	2,287	2,079
Long term borrowings	-	73	886	1,676	2,187	2,226	2,184	1,533	697	194
Net working capital	1,466	926	350	111	(38)	76	69	(244)	731	576
Fixed Assets (Net block)	3,984	4,175	4,457	4,395	4,581	4,897	4,560	3,472	2,820	2,199
PER SHARE DATA										
Earnings (EPS)	47.69	50.80	33.54	11.11	(29.09)	18.81	17.57	18.26	17.15	7.97
Dividend	7.00	7.50	5.00	2.00	-	3.50	3.50	3.50	3.25	3.25
Dividend (%)	70.00	75.00	50.00	20.00	-	35.00	35.00	35.00	32.50	32.50
Book value	321.52	286.83	244.60	210.88	200.45	189.52	174.81	161.34	147.14	133.77

FINANCIAL TRENDS AND VALUE CREATION



Rs. in Crore, except per share data



NOTICE

NOTICE IS HEREBY given that the **43rd Annual General Meeting** of the Members of **Gujarat Narmada Valley Fertilizers & Chemicals Limited** will be held at **11: 30 AM on Thursday, the 26th September, 2019** at the Registered Office of the Company, at Open Air Theatre, Sports Complex, Narmadanagar Township, P.O. Narmadanagar - 392015, District: Bharuch to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements and Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on equity shares for the financial year ended 31st March, 2019.
3. To appoint a Director in place of Smt. Mamta Verma, IAS (DIN: 01854315), who retires by rotation and is being eligible offer herself for re-appointment.

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

Registered Office:

P.O. Narmadanagar, Dist.Bharuch:392 015

CIN: L24110GJ1976PLC002903

Tele No. (02642) 247001, 247002, Fax No. (02642) 247084

Email: investor@gnfc.in | Website: www.gnfc.in

Dated: 14th August, 2019

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. EVERY MEMBER ENTITLED TO VOTE AT THE MEETING , OR ON ANY RESOLUTION TO BE MOVED THEREAT, SHALL BE ENTITLED DURING THE PERIOD BEGINNING TWENTY FOUR (24) HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING AND ENDING WITH THE CONCLUSION OF THE MEETING , TO INSPECT THE PROXIES LODGED, AT ANY TIME DURING THE BUSINESS HOURS OF THE COMPANY, PROVIDED THAT NOT LESS THAN THREE (3) DAYS NOTICE IN WRITING OF THE INTENTION SO TO INSPECT IS GIVEN TO THE COMPANY.
4. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Business under Item Nos.4 and 5 set out above is annexed hereto. The information required to be furnished under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and Secretarial Standard - 2 on 'General Meetings' issued by The Institute of Company Secretaries of India, in respect of persons seeking appointment / re-appointment as Directors are also annexed.
5. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution together with the specimen signature(s) of the representative(s) authorized under the said Board Resolution to attend and vote on their behalf at the Meeting at least 48 hours before the meeting.
6. The Company is pleased to provide its Members, the facility to cast their votes using an electronic voting system from a place other than the venue of the AGM ('remote e-voting') in respect of the resolutions proposed in the accompanying Notice, in compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI Listing Regulations.

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

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

ANNEXURE TO THE NOTICE

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

Item No. 4

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

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

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

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

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

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

Item No. 5

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

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

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

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

Inspection of Documents:

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

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

Registered Office:

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

T. J. Lakhmapurkar

Company Secretary & General Manager (Legal)

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

Smt. Mamta Verma, IAS

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

Presently, She is Industries Commissioner, Government of Gujarat.

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

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

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

Shri Sujit Gulati, IAS

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

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

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

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

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

DIRECTORS' REPORT

To,

The Members,

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

FINANCIAL RESULTS AND STATE OF COMPANY'S AFFAIRS

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

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

(Rs. in Crores)

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

PERFORMANCE OVERVIEW

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