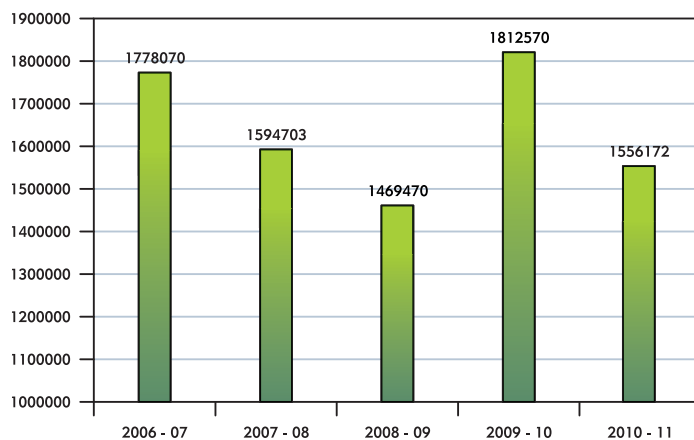


Exploring New Boundaries of Success & Prosperity...

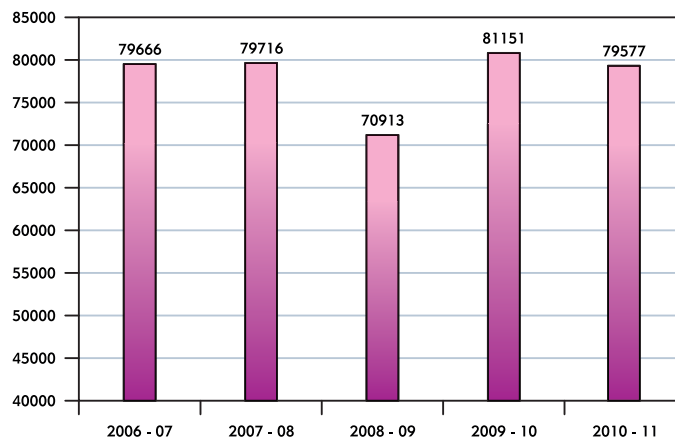


PERFORMANCE HIGHLIGHTS

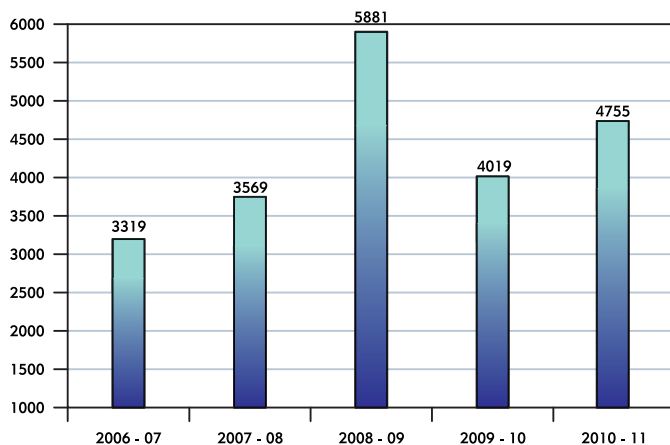
PRODUCTION (FERTILIZERS)
(MTs)



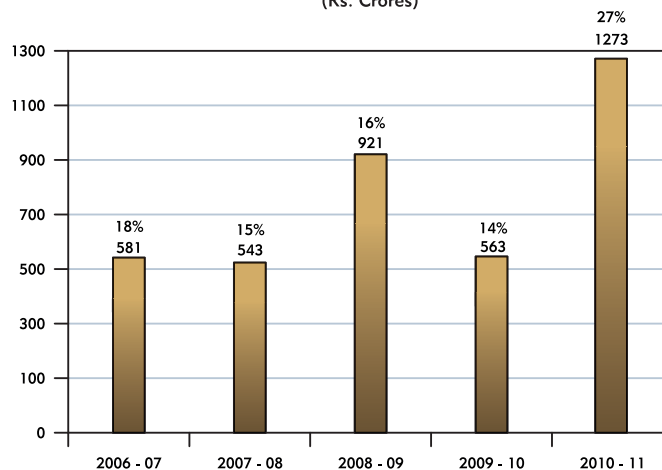
PRODUCTION (CAPROLACTAM)
(MTs)



NET SALES
(Rs. Crores)



OPERATING PROFIT (EBIDTA)
(Rs. Crores)



Operating Profit / Net Sales shown in %

JOURNEY OF SELF-RELIANCE BEGINS

Gujarat State Fertilizers & Chemicals Limited (GSFC) began its journey in 1962. It was promoted by the Gujarat government and apex financial institutions, to produce fertilizers for the farming community to help them grow more crops. The small seed sown, blossomed into a large integrated fertilizer giant, by diversifying en-route into the niche of Industrial Chemicals critically required to harness growth.

With its inspiring saga of sustained and consistent growth story, GSFC emerged as Gujarat's pride and undoubtedly a very basic to India's economic progress.



GREEN JOURNEY

After its avowed mission of being a harbinger of prosperity for farmers, GSFC has taken up the new and important journey yet again to help them. This new journey is for greening environment, to stay green by taking vital steps essentially required to mitigate every adverse effect of climate change that can cripple agriculture and affect livelihood of farmers.



INTEGRATED MANAGEMENT SYSTEM

GSFC's stature has risen over the years as one of the most admired company. The key driver behind this accomplishment is GSFC's Integrated Management System.

Six scores that underpin the system are Ethics, Values, Dedication, Management Excellence, Environment and enhanced Social Responsibility.

The drive for excellence has earned more than one distinction to GSFC. It is the proud recipient of Certification of Integrated Management System – ISO 9001 for quality, ISO 14001 for environment, OHSAS 18001 for Occupational Health and Safety and BS EN 16001 for energy. It has also been bestowed with Responsible Care Logo by Indian Chemical Council. At GSFC, safety is an ongoing dynamic process.



HUMAN RESOURCE MANAGEMENT

Ever since its inception, GSFC has displayed genome of leadership in building a talented, competent, diligent, responsive and quality workforce both at plant levels as well as in corporate offices. The Company incorporated HR cell in 1965, long before HR had become a buzzword in management circles.

GSFC is twice blessed because it has emerged as an empowered organisation. This is the positive outcome of forward-looking policies to train, build and retain talent. Every employee has a sense of belongingness to the organisation because of opportunities to acquire new skills to reach greater heights of productivity and success. It is a unique record to its credit that 50% of its Managers have risen in the hierarchy from the staff level.

At a time when life time employment concept is waning everywhere, it is asserting itself at GSFC, which has made it easy for the company to nurture and retain talent.

The success of GSFC's HR initiatives is because they have been attuned to the organisational needs. The ascent is on building enduring and harmonious relationships.

GSFC ensures a happy, conducive living environment for its employees at homes too. The beautiful township of Fertilizernagar is a place that adds warmth to the employees' lives. The township is replete with residential units, a school, medical centre, open air theatre, shopping complex, garden, musical fountain, club with swimming pool, fitness centre, sports complex, cultural centres, so on and so forth.



GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

49TH ANNUAL GENERAL MEETING

Date : 17th September, 2011
 Day : Saturday
 Time : 4.00 p.m.
 Place : Cultural Centre Auditorium
 Fertilizernagar Township
 P. O. Fertilizernagar - 391 750
 District Vadodara

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REGISTRARS & SHARE TRANSFER AGENTS

M/s. MCS Limited
 Neelam Apartment, 1st Floor
 88, Sampatrao Colony
 Behind Standard Chartered Bank
 Productivity Road, Vadodara - 390 007

REGISTERED OFFICE

P. O. Fertilizernagar - 391 750
 District Vadodara, Gujarat, India
 Phone : (0265) 2242451/651/751
 Website : www.gsfcilimited.com

BOARD OF DIRECTORS (As on 28-07-2011)

SHRI A. K. JOTI *Chairman*

SHRI D. C. ANJARIA

PROF. VASANT P. GANDHI

SHRI AJAY N. SHAH

SHRI VIJAI KAPOOR

SHRI P. N. ROY CHOWDHURY

SHRI M. M. SRIVASTAVA

SHRI D. J. PANDIAN

SHRI H. V. PATEL *Managing Director*

(upto 13-07-2011 forenoon)

SHRI ATANU CHAKRABORTY *Managing Director*

(w.e.f. 13-07-2011 afternoon)

ADVISORS

SHRI H. P. PANDYA

SHRI V. N. BUCH

GENERAL MANAGER (FINANCE)

SHRI B. M. BHORANIA

COMPANY SECRETARY & DY. GENERAL MANAGER (LEGAL & INDUSTRIAL RELATIONS)

CS V. V. VACHHRAJANI

BANKERS

Bank of Baroda

Central Bank of India

Bank of India

Dena Bank

Indian Bank

Vijaya Bank

Yes Bank Ltd.

State Bank of India

Indian Overseas Bank

Axis Bank Ltd.

ICICI Bank Ltd.

Punjab National Bank

LEGAL ADVISORS AND ADVOCATES

M/s. Nanavati Associates, Advocates, Ahmedabad

Jaideep B. Verma, Advocate, Vadodara

STATUTORY AUDITORS

M/s. Prakash Chandra Jain & Co., Vadodara

BRANCH AUDITORS

(Polymers & Fibre Units)

M/s. Sanjay Soni & Associates, Vadodara

COST AUDITORS

M/s. Diwanji & Associates, Vadodara

FOR MEMBERS' ATTENTION

1. The Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday, the 3rd September, 2011 to Saturday, the 17th September, 2011 (both days inclusive) for the purpose of ascertaining the entitlement for payment of dividend.
2. Dividend, upon its declaration at the meeting, shall be paid on Equity Shares of the Company on and from 27th September, 2011, to those members whose names shall appear on the Register of Members of the Company on the Book Closure date.
3. To make the payment of dividend through ECS or to print Bank particulars of the members on the dividend warrants, members are requested to furnish their Bank particulars viz. Name of Bank with its branch and address, Bank A/c. No., 9 Digit MICR Code appearing on the MICR cheque issued by the Bank etc. Please also send a copy of the MICR Cheque together with Bank particulars to the Company latest by 2nd September, 2011.

The shareholders who hold shares in electronic form are requested to furnish their Bank particulars as aforesaid to their Depository Participant (DP) by the stipulated date.

4. Members are requested to quote Folio Number or DP ID and Client ID No. (in case of shares held in demat forms) in all correspondence and also to bring with them the Attendance Card which may be submitted at the entrance gate duly signed.
5. Members who are registered under two or more Ledger Folios are requested to write to the Registrars and Share Transfer Agents of the Company for consolidation, giving particulars of such Folios alongwith the relevant Share Certificates.
6. Those members, who have not yet submitted their old share certificates of Rs.100/- face value for exchange of new equity shares of Rs.10/- each, are requested to send the said share certificates to the Registrars & Share Transfer Agents of the Company.
7. Shareholders of erstwhile Gujarat Nylons Ltd. (GNL) who have yet not surrendered their GNL equity share certificate/s are advised to surrender the same immediately to the Registrars & Share Transfer Agents of the Company so as to issue GSFC shares in exchange thereof at the earliest.
8. Members holding shares in the Dematerialised Form are requested to intimate changes, if any, in respect of their Bank details, Mandate instructions, Nomination, Power of Attorney, Change of Address, Change of Name etc. to their Depository Participant (DP).
9. Ministry of Corporate Affairs (MCA) has taken a commendable decision for promoting and implementing "Green Initiative in the Corporate Governance" by permitting paperless compliances by Companies and has issued Circular Nos. 17/ 2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively clarified that a company would be deemed to have complied with the provisions of Section 53 and 219(1)

of the Companies Act, 1956, if documents like notices, annual reports, etc. are sent in electronic form to its Members.

Keeping in view the underlying theme, we also propose to join the bandwagon and accordingly, the said documents of the Company for the financial year ended March 31, 2011 and onwards will be sent in electronic form to those Members who have registered their e-mail address with their Depository Participant (DP) and made available to the Company by the Depositories.

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

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

10. The Company's Equity Shares are listed on the following Stock Exchanges :

1. Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Tower
25th Floor, Dalal Street, Fort
Mumbai – 400 001
2. National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra Kurla Complex
Bandra (East), MUMBAI – 400 051

The Company has paid annual listing fees to each of the above Stock Exchanges for the financial year 2011-12.

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

VERY IMPORTANT

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

NOTICE

NOTICE is hereby given that the **forty-ninth Annual General Meeting** of the Members of the Company will be held at Cultural Centre Auditorium situate at the Registered Office of the Company at P. O. Fertilizernagar - 391750, Dist. Vadodara at **4.00 PM** on **Saturday, the 17th September, 2011** to transact the following business :

Ordinary Business

1. To receive, consider and adopt the Audited Accounts, Balance Sheet as at 31st March, 2011, Profit & Loss Account for the year ended on that date and the Directors' report and Auditors' report thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri D. C. Anjaria, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Prof. Vasant P. Gandhi, who retires by rotation and being eligible offers himself for re-appointment.
5. To consider and if thought fit, to pass the following resolution with or without modifications, 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, M/s. Prakash Chandra Jain & Co., Chartered Accountants, Vadodara (Firm Registration No. 002438C), be and is hereby appointed as 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."
6. To consider and if thought fit, to pass the following resolution with or without modifications, as an **Ordinary Resolution** :
 "RESOLVED that the Board of Directors of the Company be and are hereby authorized to fix the remuneration *plus* the traveling and other out-of-pocket expenses, that is to be paid to the Statutory Auditors, to be appointed in the Annual General Meeting or to be appointed by the Comptroller and Auditor General of India, as the case may be, for the audit of accounts of the Company's Baroda Unit (Head Quarters) and the Sikka Unit and also for audit of accounts of the Polymers Unit and Fibre Unit of the Company for the Financial Year 2011-12, as may be deemed fit and proper by the Board of Directors in its absolute discretion."

Special Business

7. To consider and if thought fit, to pass the following resolution with or without modifications, as an **Ordinary Resolution** :
 "RESOLVED that subject to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent and approval to the appointment of Shri Atanu Chakraborty, IAS as Managing Director of the Company, effective from 13/07/2011 for the tenure and terms & conditions of remuneration and perquisites to be decided by the Govt. of Gujarat hereafter."
 "FURTHER RESOLVED that the remuneration, benefits and perquisites as decided by the Government of Gujarat hereinafter shall be paid and allowed to him as minimum remuneration notwithstanding the absence or inadequacy of profits in any year."
 "FURTHER RESOLVED that so long as Shri Atanu Chakraborty, IAS functions as the Managing Director of the company, he shall not be paid any sitting fees for attending the Meetings of the Board of Directors or Committees thereof."

By Order of the Board

Sd/-

CS V. V. Vachhrajani
 Company Secretary &

Dy. Gen. Mgr. (Legal & Industrial Relations)

Place : Fertilizernagar
 Date : 28th July, 2011

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 THE PROXY NEED NOT BE A MEMBER.**

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

2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto. The particulars of qualification, experience and other directorship etc. of Shri D. C. Anjaria, Prof. Vasant P. Gandhi and Shri Atanu Chakraborty is given in the annexure to this notice.

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

Consequent upon amendment to Section 205-A of the Companies Act, 1956 and introduction of Section 205-C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investors' Education and Protection Fund set up by the Government of India and no payments shall be made, in respect of any such claims, by the Fund. Accordingly, the unclaimed dividends for the financial year ended 31-03-1995 to 31-03-1999 has been transferred to the said fund.

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

Dividend No.	Financial year	Date of Declaration	Due for transfer to IEPF on
31	2004-05	23-09-2005	23-10-2012
32	2005-06	22-09-2006	22-10-2013
33	2006-07	21-09-2007	21-10-2014
34	2007-08	26-09-2008	26-10-2015
35	2008-09	25-09-2009	25-10-2016
36	2009-10	24-09-2010	24-10-2017

Members who have not yet encashed their dividend warrant(s) for the financial year ended 31-03-2005 to 31-03-2010, are requested to lodge their claims to the Company accordingly, without any delay.

4. Relevancy of questions and the order of speakers at the meeting shall be decided by the Chairman.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 5 & 6 :

During past few months, some of the Public Financial Institutions/Insurance Companies and Nationalized Banks who are covered for the purpose of Section 619B of the Companies Act, 1956 have diluted their shareholding in the Company by way of sale in the open market. As at 30th June, 2011, the shareholding of Government Companies, Corporations, Boards, Financial Institutions, Nationalized Banks and Insurance Companies (hereinafter called Specified Entities) has come down to 49.29% which is lower than the threshold limit of 51% stipulated under Section 619B of the Companies Act, 1956. As a result of this at present, Section 619B (empowering the Comptroller and Auditor General of India to appoint Statutory Auditors in case when the shareholdings of specified entities is not less than 51% of the Paid-up Share Capital of the Company) is not applicable.

Since the Shareholding of Specified Entities is more than 25% of the paid-up share capital of the Company, the appointment of M/s. Prakash Chandra Jain & Co., Chartered Accountants, Vadodara, as Auditors of the Company, is required to be made by way of a Special Resolution, as contemplated under Section 224A of the Companies Act, 1956.

It may be further noted that, in the stock market the shares are freely transferable and it being a dynamic process, shareholding of Specified Entities might go above 51% on the date of Annual General Meeting and as a result the Section 619B may become applicable. In that event, the appointment of Statutory Auditors shall be made by the Comptroller and Auditor General of India pursuant to the provisions of Section 619 and 619B of the Companies Act, 1956 and the Special Resolution empowering the appointment of Statutory Auditors may not be required to be passed by the shareholders and should that situation arise, the proposed resolution at Item No. 05 shall be withdrawn at the Annual General Meeting.

Your Directors, therefore, recommend the resolution/s for appointment of Statutory Auditors and for fixation of remuneration to the Statutory Auditors for the F.Y. 2011-12 for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution/s.

Item No. 7 :

As per Govt. of Gujarat Notification No. AIS/35.2011/13/G dtd.08-07-2011 Shri Atanu Chakraborty, IAS has been appointed as "Government Director" and Managing Director of the Company vice Shri H.V. Patel, IAS. Shri Atanu Chakraborty, IAS has assumed charge on 13/07/2011 as the Managing Director of the Company.

In terms of provisions of Section 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the appointment of Shri Atanu Chakraborty, IAS as Managing Director and payment of remuneration requires the approval of the Shareholders in the General Meeting.

It is pertinent to inform the Shareholders that the terms and conditions of remuneration and perquisites for Shri Atanu Chakraborty, IAS is expected shortly from the Govt. of Gujarat, accordingly we will seek Shareholders approval for the same at the next Annual General Meeting. Your Directors recommend the passing of resolution at Item No. 07.

None of the Directors, except Shri Atanu Chakraborty, IAS is concerned or interested in the said resolution.

By Order of the Board

Sd/-

CS V. V. Vachhrajani
Company Secretary &

Place : Fertilizernagar

Date : 28th July, 2011

Dy. Gen. Mgr. (Legal & Industrial Relations)

ANNEXURE

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

Name of the Director	Shri Divyabhash Chandrakant Anjaria	Prof. Vasant P Gandhi		
Date of Birth	19-07-1946	10-12-1954		
Date of Appointment as a Director of GSFC	15-07-2006	15-07-2006		
Qualification	B.Com.: MBA (Finance) IIM, Ahmedabad	Ph.D. (Stanford): PGP, IIM, Ahmedabad: MA, MS (Stanford).		
Expertise	Rich experience in the financial sector viz. Capital Markets, Banking in India and Overseas, Corporate Finance & Management and Commodity Markets.	Rich experience of Management, Consultancy & Research activities in agri business & agro industry.		
No. of Shares held in the Company	290 + 500 (Jointly with GSIL)	500 (Jointly with GSIL)		
Name of other Companies in which directorship is held	1 Gujarat International Finance Tech-city Ltd. 2 Gujarat Narmada Valley Fertilizers Co. Ltd. 3 Ratnamani Metals & Tubes Ltd. 4 GIFT-Collective Investment Management Co. Ltd. 5 International Financial Solutions P. Ltd. 6 Indian Institute of Financial Services P. Ltd.	1 Advanta India Ltd. 2 Nuvo Fertilizers		
Committee position for Audit and Investors' Grievance Committees	Name of the Company	Position in Audit Committee	Name of the Company	Position in Audit Committee
	1 Gujarat International Finance Tech-city Ltd.	Chairman	1 Gujarat State Fertilizers & Chemicals Ltd.	Member
	2 Gujarat Narmada Valley Fertilizers Co. Ltd.	Chairman	2 Advanta India Ltd.	Member
	3 Ratnamani Metals & Tubes Ltd.	Chairman		
	4 GIFT-Collective Investment Management Co. Ltd.	Chairman		
	5 Gujarat State Fertilizers & Chemicals Ltd	Chairman		
	Name of the Company	Position in Investors' Grievance Committee	Name of the Company	Position in Investors' Grievance Committee
	1 Gujarat Narmada Valley Fertilizers Co. Ltd.	Member	1 Gujarat State Fertilizers & Chemicals Limited	Member
2 Ratnamani Metals & Tubes Ltd.	Member			

ANNEXURE

DETAILS OF DIRECTOR SEEKING APPOINTMENT AT THE ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

Name of the Director	Shri Atanu Chakraborty, IAS	
Date of Birth	05-04-1960	
Date of Appointment as a Director of GSFC	13-07-2011	
Qualification	B.E. (Electronics & Communication), Post Graduate Diploma in Business Finance, M.B.A. (Business Administration) from U.K. & IAS	
Expertise	<p>Is an IAS Officer of the 1985 batch having experience of more than two decades in Finance, Administration, Economics, etc. He worked in various State as well as Central Government Departments and Public Sector Undertakings.</p> <p>He was Principal Secretary (Economic Affairs), Finance Department, Govt. of Gujarat, prior to his appointment as MD-GSFC.</p> <p>He is a voracious reader and areas of his interest include subjects such as Finance, Economics and Infrastructure, etc.</p>	
No. of Shares held in the Company	—	
Name of other Companies in which directorship is held	<ol style="list-style-type: none"> 1 Gujarat Green Revolution Co. Ltd. 2 Gujarat Chemical Port Terminal Co. Ltd. 3 The Fertilizer Association of India 4 Tunisian Indian Fertilizers S.A. (TIFERT) 5 Gujarat Industries Power Co. Ltd. 6 Gujarat Narmada Valley Fertilizers Co. Ltd. 7 Indian Potash Ltd. 8 Bhavnagar Energy Company Ltd. 9 GSPC Gas Co. Ltd. 	
Committee position for Audit and Investors' Grievance Committees	Name of the Company	Position in Audit Committee
	1 Bhavnagar Energy Company Ltd.	Member
	2 Gujarat Industries Power Co. Ltd.	Member
	Name of the Company	Position in Investors' Grievance Committee
	1 Gujarat Industries Power Co. Ltd.	Chairman
	2 Gujarat State Fertilizers & Chemicals Ltd.	Member