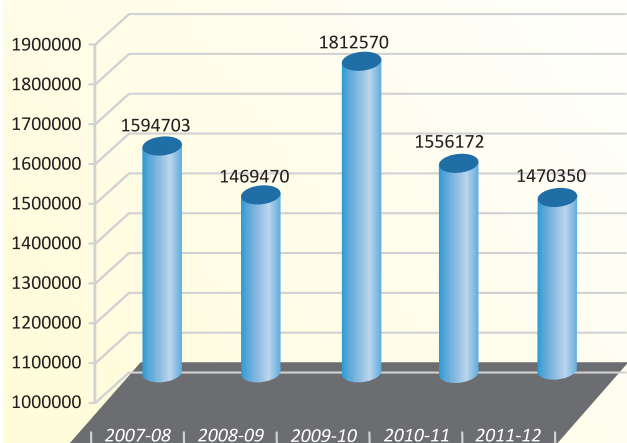




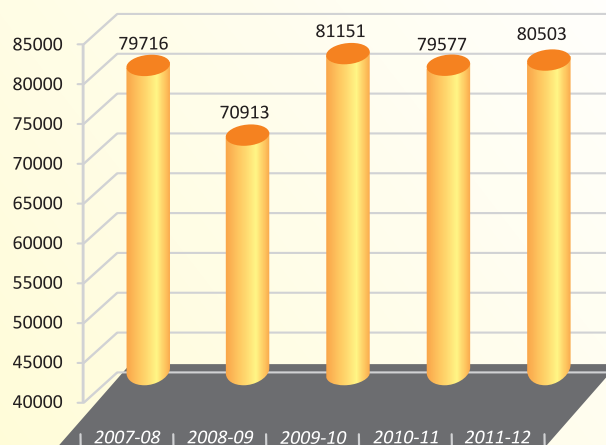
GSFC...
Vaulting
Ambition

PERFORMANCE HIGHLIGHTS

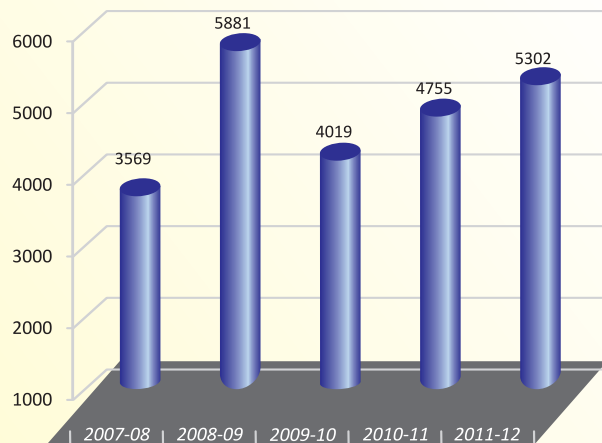
PRODUCTION (FERTILIZERS) (MTs)



PRODUCTION (CAPROLACTAM) (MTs)

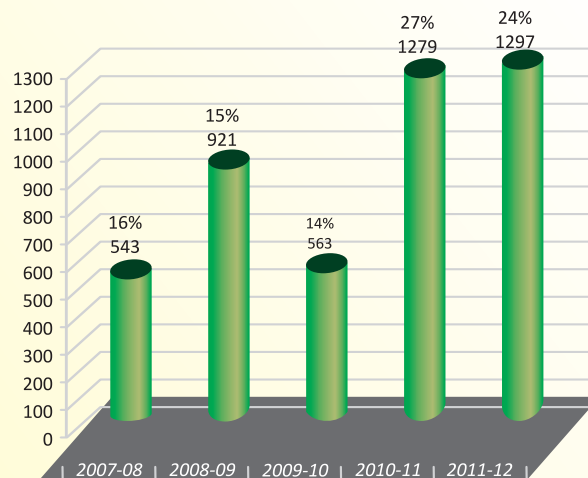


NET SALES (₹ Crores)



OPERATING PROFIT (EBIDTA) (₹ Crores)

Operating Profit/Net Sales Shown In %



TOWARDS A BRIGHTER FUTURE

The FY 2011-12 was a momentous milestone year for Gujarat State Fertilizers and Chemicals Limited. The year under review marks culmination of GSFC's 50 golden years of inspiring saga of growth and remarkable performance.

Fifty successful years, is an exemplary accomplishment for an organization that was promoted originally to produce fertilizers and aid farmers to grow more food, more so considering that the average life span of any global company ranked by Fortune business magazine ranges from four to five decades. Incidentally, GSFC is at the top amongst five Gujarat based companies promoted by Government of Gujarat in Fortune India ranking of top 500 corporations in India.

VALUE CREATION

The success story of GSFC lies in its transformation from one-location one-product entity into a multi-location, multi-product corporate enterprise with growth trajectory always on a higher orbital path. Each of the fifty years under its belt is a story of consistently marching forward, negotiating bends smoothly and taking any challenge of change in its stride to serve efficiently and effectively and create value for all.

In doing so, GSFC has enriched lives of people, faith and trust of customers, shareholders and stakeholders, who have overwhelmingly extended their support in shaping GSFC into a viable national asset.

Two facets present the sum total of GSFC's achievements: Stability to Indian agriculture through quality fertilizers; Strengthening manufacturing industries with production and supply of critical intermediates.

The stability in agriculture has brought smiles to farmers elevating them from subsistence farming to sustainable living. On the non-agriculture front, GSFC's industrial raw materials keep the wheels of industry moving whose products touch the lives of millions every day in one or the other way.

PRODUCT PORTFOLIO

In Agriculture market "Sardar" is one of the most preferred brands amongst farmers, which is a tribute to its supreme quality and superior performance. Fertilizers apart, GSFC's chemicals has a hidden presence in numerous daily used products like tooth brushes, food products, paints, tyres, leather accessories, dyes, cosmetics, tissues, cottons and medicines etc. enabling us to share life with millions. Our presence is irreplaceable and encountering us is inevitable.

FERTILIZERS CYCLOHEXANE UREA AMMONIUM SULPHATE
 BIO-FERTILIZERS AMMONIUM PHOSPHATE BANANA PLANT
 NUTRIENT TISSUE CULTURE MICRO MIX DI-NUTRIENT
 MELAMINE CAPROLACTAM ANHYDROUS AMMONIA
 DI-AMMONIUM PHOSPHATE NPK 10-26-26 ONE ANONE
 NYLON-6 MEK OXIME CYCLOHEXAN NPK 12-32-16
 AYC GAS SULPHURIC ACID OLEUM (GUJNYLE) POLYMER SEEDS AGRI
 FIBER UNIT NYLON FILAMENT YARN GUJMET-MAA GUJMER-MMA PHO
 GUJPOL-P-PMMA BIO-FERTILIZERS FERTILIZERS UREA AMMONIUM SULPHATE
 FERTILIZERS AGRO PHOSPHATE AMMONIUM TISSUE CULTURE BANANA PLANT
 DI-AMMONIUM PHOSPHATE NPK 10-26-26 MICRO MIX MELAMINE NUTRISOL
 ORGANIC NUTRIENT AGRI BIO-FERTILIZERS TISSUE CULTURE BANANA PLANT
 SEEDS ORGANIC NUTRIENT MICRO MIX NUTRISOL
 INDUSTRIAL CAPROLACTAM NYLON-6 FERTILIZER
 CYCLOHEXANONE MIXTURE SULPHURIC ACID CAPROLACTAM MELAMINE
 ANHYDROUS ARGON UNIT NYLON FILAMENT YARN GUJACH-ACH GUJPOL-
 FIBER NYLON-6 UNIT NYLON FILAMENT YARN GUJACH-ACH GUJPOL-
 GUJPOL-UREA AMMONIUM MELAMINE WSP MEK OXIME FERTILIZERS AMICRO
 FERTILIZERS UREA AMMONIUM AMMONIUM PHOSPHATE TISSUE CULTURE BANANA PLANT SEEDS ORGANIC NUTRIENT
 CYCLOHEXANONE INDUSTRIAL MIXTURE TISSUE CULTURE BANANA PLANT SEEDS ORGANIC NUTRIENT
 ARGON GAS ANONE ANONE-ANOL MIXTURE MIXTURE CYCLOHEXANE
 FIBER UNIT NYLON FILAMENT YARN NYLON FILAMENT YARN (GUJNYLE)
 OLEUM POLYMER GUJMER GUJMET-MAA SULPHURIC ACID SULPHATE FIBRE UNIT
 AMMONIUM FERTILIZERS AMMONIUM NYLON-6 GUJMER-MMA FERTILIZER
 NUTRISOL INDUSTRIAL NYLON-6 TISSUE CULTURE BANANA PLANT SEEDS ORGANIC NUTRIENT
 GUJPOL-P-PMMA NYLON-6 GUJMET-MAA ANOL GUJMER-MMA FERTILIZER
 FIBER UNIT NYLON ANONE-ANOL NYLON-6 GUJMET-MAA NYLON FILAMENT YARN (GUJNYLE)
 GUJPOL-P-PMMA GUJACH-ACH NYLON-6 GUJMET-MAA NYLON FILAMENT YARN (GUJNYLE)

THE SUCCESS FACTORS

The success of GSFC revolves round four key concepts: Prudent Financial Management, Concern for Safety & Health, Sensitivity to Environmental aspects and Sound Risk Management.

GSFC's journey of success, so far can be attributed to its prudent financial management, is reflected in its strong balance sheet whose major highlight is that the company is debt free. Befitting the occasion GSFC has notched up revenue of Rs 5302 Crores, the highest ever profits before and after tax. To commemorate such a strong performance in spite of inclement weather in the global economic horizon, the company has announced a dividend of 75% to its shareholders.



INTEGRATED MANAGEMENT SYSTEM

GSFC has evolved its own unique integrated management system which has won accolades of being the most admired company. Five core values act as crucial pivots around which the system revolves seamlessly. The values are ethics, dedication, management excellence, environment and enhanced social responsibility.

No financial or physical target is beyond the ken of TEAM GSFC. As in the past, the drive along the growth path will be absolute. The new journey will see stronger growth making GSFC a leader in areas that it operates, without, in any way, diluting its core values that have been defined. The Team stands committed to leveraging on its accumulated expertise and experience for achieving higher growth and enhancing stakeholders' value.



SAFETY AND HEALTH

Most of the plants at GSFC Fertilizernagar are more than 25 years old and Risk Assessment of all the installations was carried out in phased manner.

Quantitative Risk Assessment study of all the plants at GSFC is done once again by M/s. PDIL and no non-compliance is observed. Recommendations received from them are being considered for implementation.

HUMAN RESOURCE MANAGEMENT

For business organizations capital and people are the major resources. While capital can be accessed to in many different ways, human resource, which is the most important asset, has to be nurtured and built over long time. GSFC strongly believes that nurturing human skills and managing talent are vital springboards with which company's basic resources could be leveraged upon to achieve the set corporate goals. The company also believes that human resource is its most important asset whose potential needs to be harnessed effectively so that it could deploy right number of people with right skills and attitude in the right place at the right time. The company's approach towards implementing forward-looking policies to train, build and retain talent has paid good dividends and GSFC can boast of having the most agile work force. We call our approach as Genome of Leadership. Our HR initiatives have been successful because they have imbibed in our employees a sense of belonging for GSFC, which is profound. One could perceive a cohesive spirit all round.

Caring for its employees is not confined to precincts of work places. The company has created a conducive and harmonious living environment in its township with easy access to school, medical centre, and open air theatre and shopping complex etc. Swathes of greenery, gardens and trees make the township an enviable habitat.



GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED

50TH ANNUAL GENERAL MEETING

Date : 4th August, 2012
 Day : Saturday
 Time : 4.00 p.m.
 Place : Cultural Centre Auditorium
 Fertilizernagar Township
 P. O. Fertilizernagar - 391 750
 District Vadodara

BOARD OF DIRECTORS (As on 19-06-2012)

SHRI A. K. JOTI
 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 ATANU CHAKRABORTY

Chairman

Managing Director

EXECUTIVE DIRECTOR (FINANCE)

SHRI B. M. BHORANIA

ADVISORS

SHRI H. P. PANDYA
 SHRI S. M. NAYAK

GENERAL MANAGERS

SHRI P. GANGULI
 SHRI V. D. NANAVATI
 SHRI G. I. PATEL
 SHRI H. V. KACHHADIA

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.
 Royal Bank of Scotland N.V.

LEGAL ADVISORS AND ADVOCATES

M/s. Nanavati Associates, Advocates, Ahmedabad
 Jaideep B. Verma, Advocate, Vadodara

STATUTORY AUDITORS

M/s. Prakash Chandra Jain & Co., Vadodara (for F.Y. 2011-12)

COST AUDITORS

M/s. Diwanji & Associates, 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.gsfclimited.com

FOR MEMBERS' ATTENTION

1. The Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday, the 21st July, 2012 to Saturday, the 4th August, 2012 (both days inclusive) for the purpose of ascertaining the entitlement for payment of dividend.
2. Dividend, upon its declaration at the meeting, will be paid on Equity Shares of the Company on and from 13th August, 2012, 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 20th July, 2012.

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. 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).
7. 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 joined the bandwagon and accordingly, the said documents of the Company for the financial year ended March 31, 2011 and onwards are being 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.

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

Very Important

- **Members/Proxy are requested to show their Photo Identity Card at the entry point alongwith the Attendance Slip duly signed by self/the proxy, failing which the entry to the Annual General Meeting shall be denied.**
- **No bag or belonging shall be permitted to be carried inside the venue of Annual General Meeting.**
- **Carrying the Camera as well as photography by a mobile phone 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 **Fiftieth Annual General Meeting** of the Members of the Company will be held at Cultural Centre Auditorium situated at the Registered Office of the Company at P. O. Fertilizernagar - 391750, Dist. Vadodara at **4.00 PM** on **Saturday**, the **4th August, 2012** to transact the following business :

Ordinary Business

1. To receive, consider and adopt the Audited Accounts, Balance Sheet as at 31st March, 2012, Profit & Loss Statement 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 Ajay N. Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Vijai Kapoor, 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, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara (Firm Registration No. 117364W) be and are hereby appointed Auditors of the Company, in place of the retiring Auditors, M/s. Prakash Chandra Jain & Co., Chartered Accountants, Vadodara (Firm Registration No. 002438C), to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration (plus taxes), traveling, lodging, boarding and other out of pocket expenses actually incurred by them as may be recommended by the Audit Committee and approved by the Board of Directors of the Company in connection with 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.

Special Business

6. 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 terms and conditions of remuneration and perquisites to Shri Atanu Chakraborty, IAS as Managing Director of the Company as set out in the explanatory statement annexed hereto:"

"FURTHER RESOLVED that the remuneration, benefits and perquisites as set out in the explanatory statement shall be paid and allowed to him as minimum remuneration notwithstanding the absence or inadequacy of profits in any year."

"FURTHER RESOLVED that the Board of Directors is hereby authorized to approve any revision/ modification to the remuneration, perquisites or terms and conditions as may be communicated by the Government of Gujarat from time to time during the currency of his appointment."

"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."

7. To consider and if thought fit, to pass the following resolution with or without modifications, as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of Article 11 of the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary from the concerned Statutory Authorities, Authorized Equity Share Capital of the Company of 20,00,00,000 (Twenty Crores) Equity Shares of the nominal value of Rs. 10/- each be and are hereby sub-divided into 100,00,00,000 (One hundred Crores) Equity Shares of the nominal value of Rs. 2/- each AND THAT Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company be altered accordingly."

NOTICE (Contd.)

“FURTHER RESOLVED THAT pursuant to the sub-division of the Equity Shares of the Company, the issued, subscribed and paid-up Equity Shares of the Company of the face value of Rs. 10/- (Rupees Ten) each, be sub-divided into Five Equity Shares of the face value of Rs. 2/- (Rupees Two) each, as on the Record Date that may be determined by the Board for this purpose.”

“FURTHER RESOLVED THAT the Board of Directors of the Company (“the Board”, which expression shall include a Committee thereof) be and is hereby authorized to issue new share certificates representing the sub-divided equity shares consequent to the sub-division of shares as aforesaid and to do all such acts, deeds, matters and things as may be necessary, for giving effect to the aforesaid resolution, including but not limited to signing and execution of necessary forms, papers, writings, agreements and documents as may be required in this connection and to delegate all or any of the powers therein vested in the Board, to any Committee thereof or to any Director(s) or Company Secretary to give effect to the aforesaid resolution.”

“FURTHER RESOLVED THAT no letter of sub-division shall be issued but the share certificates for the sub-divided new equity shares of Rs. 2/- each be delivered to the shareholders who hold the existing shares in physical form without calling for surrender of the share certificates held by them and the respective beneficiary accounts be credited with the sub-divided new equity shares of Rs. 2/- each for such shareholder who hold the existing shares in dematerialized form.”

8. To consider and if thought fit, to pass the following resolution with or without modifications, as an **Ordinary Resolution** :

“RESOLVED THAT pursuant to the provisions of Section 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) existing Clause V of the Memorandum of Association of the Company be and is hereby substituted by the following :-

V. The Authorised Share Capital of the Company is Rs. 360,00,00,000 (Rupees three hundred sixty crores) divided into 100,00,00,000 (One hundred crores) Equity Shares of Rs. 2/- (Rupees two) each and 1,60,00,000 (One crore sixty lacs) Redeemable Cumulative Preference Shares of Rs. 100/- (Rupees hundred) each with the rights, privileges and conditions attaching thereto as may be provided by the Articles of Association of the Company for the time being, with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.”

9. 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 Section 31 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) existing Article 3 of the Articles of Association of the Company be and is hereby substituted by the following :-

3. Share Capital: The Share Capital of the Company is Rs. 360,00,00,000 (Rupees three hundred sixty crores) divided into 100,00,00,000 (One hundred crores) Equity Shares of Rs. 2/- (Rupees two) each and 1,60,00,000 (One crore sixty lacs) Redeemable Cumulative Preference Shares of Rs. 100/- (Rupees one hundred) each.”

By Order of the Board

Sd/-

CS V. V. Vachhrajani
Company Secretary &

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

Place : Fertilizernagar
Date : 30th June, 2012

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 Ajay N. Shah and Shri Vijai Kapoor 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
37	2010-11	17-09-2011	17-10-2018

Members who have not yet encashed their dividend warrant(s) for the financial year ended 31-03-2005 to 31-03-2011, 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 :

M/s. Prakash Chandra Jain & Co., Chartered Accountants, the Statutory Auditors of the Company will be completing two years tenure at the conclusion of the forthcoming Annual General Meeting (AGM). They were appointed Statutory Auditors at the last AGM. As a measure of good Corporate Governance practice, it is proposed to rotate the Statutory Auditors. It is proposed to appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara (Firm Registration No. 117364W) in place of retiring Auditors.

The Company has received a Notice under Section 190 of the Companies Act, 1956 from a Shareholder (DP ID. IN300757 Client ID. 10910919) of the Company proposing M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara for appointment as Auditors at the ensuing Annual General Meeting. M/s. Deloitte Haskins & Sells, are a renowned firm of Chartered Accountants and they have wide experience of the Audit of various Companies. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956 and also that they are not otherwise disqualified to be appointed within the meaning of sub-section (3) of Section 226 of the Companies Act, 1956. As per the provisions of Section 224A of the Companies Act, 1956, since the Shareholding of Specified Entities is more than 25% of the subscribed capital of the Company, the appointment of M/s. Deloitte Haskins & Sells, as Auditors of the Company, is required to be made by way of a Special Resolution to be passed by the shareholders of the Company at the Annual General Meeting (AGM) as set out at item no. 5 of the Notice.

Your Directors, therefore, recommend the resolution for appointment of Statutory Auditors and for fixation of remuneration of Statutory Auditors for the F.Y. 2012-13 for your approval.

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

ANNEXURE TO THE NOTICE (Contd.)

Item No. 6 :

As per Govt. of Gujarat Notification No. AIS/35.2011/13/G dated 08.07.2011 followed by Resolution No. G.R. EPD NO. GSF-11-2008-1082-E dated 22.07.2011 Shri Atanu Chakraborty, IAS was appointed as "Government Director" and Managing Director of the Company vice Shri H V Patel, IAS. Shri Atanu Chakraborty, IAS assumed charge on 13.07.2011, as the Managing Director of the Company.

Govt. of Gujarat vide Resolution No. G.R. EPD NO. GSF-11-2008-1082-E dated 07.08.2011 had prescribed the terms and conditions as to remuneration in respect of Shri Atanu Chakraborty, IAS and the same were approved by the Board of Directors.

In terms of Schedule XIII and other applicable provisions of the Companies Act, 1956, the payment of remuneration to Shri Atanu Chakraborty as Managing Director requires the approval of the Shareholders in General Meeting.

The terms and conditions of remuneration and perquisites paid/payable to Shri Atanu Chakraborty are as follows:

- (1) **Period :**
Initial period of two years w.e.f. 13.07.2011 i.e. the date he assumed the charge of the Managing Director or till his services are withdrawn by the State Government, whichever is later.
- (2) **Pay :**
During the period of deputation, Shri Atanu Chakraborty, IAS will be eligible to draw his pay in the grade of Principal Secretary to Government (i.e. Rs. 67,000 - 3% - Rs. 79,000) by virtue of equation of the post of Managing Director, Gujarat State Fertilizers & Chemicals Ltd., Vadodara with the IAS Cadre post of Principal Secretary to Govt. vide GAD Resolution No. AIS/35.2011/13/G dtd.08-07-2011.
- (3) **Dearness Allowance :**
Shri Atanu Chakraborty, IAS will be eligible to draw Dearness Allowance at such rate as the Central Government may prescribe from time to time.
- (4) **City Compensatory Allowance :**
Shri Atanu Chakraborty, IAS will be eligible to draw City Compensatory Allowance as per the rules applicable to the IAS officers working in connection with the affairs of the State.
- (5) **House Rent Allowance :**
Shri Atanu Chakraborty, IAS would be required to pay 10% of the pay plus DA/ DP and CCA or the prescribed license fee for similar class of accommodation in the State Government, whichever is lower.
- (6) **Transfer T.A./Joining Time :**
Shri Atanu Chakraborty, IAS will be entitled to Transfer T.A. and Joining Time, both on joining the post on deputation and on reversion under the rules of organization to which he is deputed and which shall not be inferior to the relevant provisions of the AIS Rules. The expenditure on this account will be borne by the Company.
- (7) **TA/DA for journey on duty :**
Shri Atanu Chakraborty, IAS will be paid Traveling Allowance and Daily Allowance by the Company under the Rules of the Company for the journey undertaken by him in connection with the official work of the Company. While undertaking foreign visits by the official, the instruction contained in GAD Circular No. AIS/1099/1720/G dated 17-04-99 as amended from time to time, will be applicable for the purpose of drawl of per diem and in other matters.
- (8) **Medical facilities :**
The Company shall afford to Shri Atanu Chakraborty, IAS, the medical services facilities as per the Rules of the Company but shall not be inferior to those admissible to an All India Service Officer of his rank and seniority under the All India Services (Medical Attendance) Rules, 1954.
- (9) **Leave and Pension :**
During the period of deputation, Shri Atanu Chakraborty, IAS will continue to be governed by the All India Services (Leave) Rules, 1955 and the All India Services (DCRB) Rules, 1958. The entire expenditure in respect of leave taken during and at the end of deputation shall be borne by the Company.
- (10) **Provident Fund :**
During the period of the foreign service, Shri Atanu Chakraborty, IAS will continue to subscribe to the All India Services (Provident Fund) Scheme/Contributory Provident Fund Scheme to which he was subscribing at the time of proceeding on foreign service in accordance with the rules of such Fund/Scheme.
- (11) **Conduct, Discipline and Appeal Rules :**
During the period of foreign service, Shri Atanu Chakraborty, IAS shall continue to be governed by the All India Services (Conduct) Rules, 1968 and the All India Services (Discipline & Appeal) Rules, 1969.
- (12) **Leave Travel Concession :**
The Company shall allow Leave Travel Concession to Shri Atanu Chakraborty, IAS as admissible to him under the All India Services (LTC) Rules, 1975. The whole expenditure in this regard will be borne by the Company.