



CHAMBAL FERTILISERS  
AND CHEMICALS LIMITED

# **Sowing the seeds of sustainability**

## **Annual Report 2014-15**

## C O N T E N T S

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## DIRECTORS

S.K. Poddar  
Chairman

Shyam S. Bhartia  
Co-Chairman

Anil Kapoor  
Managing Director

K.N. Memani

Aditya Narayan

C. S. Nopany

Radha Singh

Marco Wadia

## SECRETARY

Rajveer Singh

## SENIOR EXECUTIVES

Abhay Baijal  
Chief Financial Officer

A.K. Bhargava  
Vice President - Works

D.L. Birla  
Executive President - BTM

V.K. Gupta  
Vice President - Marketing

Vinod Mehra  
President - Projects

M.S. Rathore  
Vice President - Legal & CSR

K. Satishchandra  
Executive President - India Steamship

## AUDITORS

S.R. Batliboi & Co. LLP  
Chartered Accountants

## BRANCH AUDITORS

Singhi & Co.  
Chartered Accountants

## COST AUDITORS

K.G. Goyal & Associates

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**Registered Office:** Gadepan, Distt. Kota, Rajasthan, PIN - 325 208

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**Corporate Office:** "Corporate One", First Floor, 5, Commercial Centre, Jasola, New Delhi-110 025

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## Director's Report

Dear Members,

Your Directors have pleasure in presenting the 30th Annual Report on the business and operations of the Company together with audited accounts for the financial year ended March 31, 2015.

### 1. Financial Results and Appropriations

| Particulars                                                                            | (Rs. in crore) |         |
|----------------------------------------------------------------------------------------|----------------|---------|
|                                                                                        | 2014-15        | 2013-14 |
| (a) Turnover (excluding excise duty)                                                   | 8868.05        | 7976.42 |
| (b) Gross Profit after Finance Cost but before Exceptional Items, Depreciation and Tax | 680.46         | 576.23  |
| (c) Depreciation / Amortization                                                        | 173.32         | 230.31  |
| (d) Profit before Exceptional Items and Tax                                            | 507.14         | 345.92  |
| (e) Exceptional Items                                                                  | (107.02)       | -       |
| (f) Profit before Tax                                                                  | 400.12         | 345.92  |
| (g) Provision for Current Tax                                                          | 148.56         | 40.14   |
| (h) Provision for Deferred Tax                                                         | 14.78          | 2.71    |
| (i) Profit after Tax                                                                   | 236.78         | 303.07  |
| (j) Balance of Profit Brought Forward                                                  | 1390.86        | 1229.01 |
| (k) Profit available for Appropriation                                                 | 1627.64        | 1532.08 |
| (l) Reversal of Dividend on Equity Shares held by CFCL Employees Welfare Trust (Trust) | -              | 0.87    |
| (m) Appropriations:                                                                    |                |         |
| • General Reserve                                                                      | 50.00          | 50.00   |
| • Proposed Dividend on Equity Shares                                                   | 79.08          | 79.08   |
| • Tax on Dividend                                                                      | 16.10          | 13.44   |
| • Proposed Dividend on Equity Shares held by Trust                                     | (0.43)         | (0.43)  |
| (n) Balance Carried Forward to Balance Sheet                                           | 1482.89        | 1390.86 |

### 2. Operations

The Fertilisers and other Agri-inputs business of the Company contributes 87% of the total revenue, whereas Shipping and Textile contributes the remaining. The Company has registered an increase in the turnover mainly on account of increase in sale of branded products like fertilisers, pesticides and other agri-inputs, increase in prices of natural gas and depreciation in value of Indian Rupee vis-à-vis USD (as the natural gas prices are denominated in USD). The turnover of Shipping Division was higher mainly on account of revenue from in-chartered vessels, better realisations from own vessels and foreign exchange rate variations. The turnover of Textile Division was almost at the level of last year.

The Fertilisers business faced multiple challenges during the year. The Company had to shutdown Gadepan – II plant from February 8, 2015 due to un-favourable policy of the Government of India for production beyond 100% capacity. This has resulted into lower production of Urea. Delays in disbursement of subsidy by Government of India continued to affect the profitability of the Company as the interest burden continued to mount. However, impressive performance of branded products gave a major boost to the profitability of the Company. The Company has established itself as a major player in its marketing territory offering wide range of products to farming community.

The Shipping Division made a come-back by achieving much better performance in comparison to the last year. The year started with a subdued note but it was looking up during the later part of the year as charter rates firmed up in March 2015.

The performance of Textile Division remained subdued due to low demand scenario in the market. The realisations remained under stress causing lower profitability of the Textile Division. During the last quarter, the Board of Directors of your Company has approved the sale of its textile business to Sutlej Textile & Industries Limited, as a going concern on slump sale basis. The parties are in the process of obtaining necessary approvals for the transaction.

The detailed information on all the business segments of the Company and the respective industries are given in the Management Discussion and Analysis Report attached as Annexure "A" to this report.

### 3. Dividend

The Board recommends dividend @ Rs. 1.90 per equity share of Rs. 10 each (Previous Year – Rs. 1.90 per equity share) for the financial year ended March 31, 2015. The total outgo on this account will be Rs. 95.18 crore including dividend distribution tax.

### 4. 'Corporate Governance Report' and Code of Conduct

The Company is committed to maintain highest standards of Corporate Governance and strives to improve the corporate governance standards. Corporate Governance Report for the Financial Year 2014-15 is attached as Annexure "B". The declaration of the Managing Director confirming compliance with the 'Code of Conduct and Ethics' is enclosed as Annexure "C" and Auditors' Certificate confirming compliance with the conditions of Corporate Governance is enclosed as Annexure "D".

### 5. Joint Venture : Indo Maroc Phosphore S. A., Morocco (IMACID)

IMACID is a joint venture of your Company with two other partners - Tata Chemicals Limited and OCP, Morocco, each partner holding equal stake in the joint venture. IMACID is engaged in the manufacture of phosphoric acid in Morocco.

During the year 2014, IMACID achieved revenue of Moroccan Dirham (MAD) 2376.30 million (Rs. 16686.12 million) against revenue of MAD 2135.72 million (Rs. 14713.50 million) achieved during the year 2013. The profit after tax of IMACID was MAD 90.09 million (Rs. 632.60 million) during the year as against MAD 83.15 million (Rs. 572.80 million) in the year 2013.

During January - March 2015 quarter, IMACID achieved operating income of MAD 486.91 Million (Rs. 3045.17 million).

The Financial position of IMACID as at December 31, 2014 was as under:

Share Capital - MAD 620 Million  
Total Assets - MAD 1444.71 Million  
Reserves and Surplus - MAD 150.12 Million  
Total Liabilities - MAD 1444.71 Million  
Investments - NIL

### 6. Subsidiaries

#### (i) Chambal Infrastructure Ventures Limited and its Subsidiaries

Chambal Infrastructure Ventures Limited ("CIVL") is a wholly owned subsidiary of your Company. CIVL was set up to pursue the business opportunities in Power Sector. CIVL had established two down-stream wholly owned subsidiaries viz. Chambal Energy (Chhattisgarh) Limited and Chambal Energy (Orissa) Limited. CIVL has identified a new site for its project in Odisha and the matter is being pursued with the concerned authorities for approval of the new site and renewal of Memorandum of Understanding.

During the financial year 2014-15, the Board of Directors of CIVL approved merger and amalgamation of Chambal Energy (Chhattisgarh) Limited and Chambal Energy (Orissa) Limited with CIVL. CIVL is in the process of filing the scheme with the Hon'ble Delhi High Court.

(ii) **CFCL Overseas Limited, Cayman Islands**

In pursuance of Section 186 of the Companies Act, 2013, a company should make investment through not more than two layers of investment companies. Accordingly, your Company has approved voluntary winding of its wholly owned subsidiary - CFCL Overseas Limited ("COL"). In pursuance of voluntary liquidation, all the assets of COL including its investments in CFCL Technologies Limited, Cayman Islands have been transferred to your Company (being sole shareholder of COL). As a result, CFCL Technologies Limited has become direct subsidiary of your Company. As per the Certificate of Dissolution dated March 26, 2015 issued by the Registrar of Companies, Cayman Islands, COL will be deemed to be dissolved on June 26, 2015.

(iii) **CFCL Technologies Limited, Cayman Islands and its Subsidiaries**

CFCL Technologies Limited, a subsidiary of your Company, operates business through its step-down subsidiaries mainly in USA and India. The Software Business is end-to-end provider of technologies and services to the mortgage industry in USA.

There was sharp decline in the performance of Software Business during the Year 2014. There was significant reductions in business volumes from all the key clients in USA market due to downward trend in the mortgage industry.

(iv) **India Steamship Pte. Limited, Singapore and its Subsidiary**

India Steamship Pte. Limited, Singapore ("ISS, Singapore") is a wholly owned subsidiary of your Company. ISS, Singapore has hired a vessel on time-charter for one year in August 2014. India Steamship International FZE, UAE is a wholly owned subsidiary of ISS, Singapore. There was no business activity in this entity during the year under review.

(v) **India Steamship Limited, India (ISL)**

ISL is a wholly owned subsidiary of your Company. There was no business activity in ISL during the year under review.

Save and except voluntary liquidation of CFCL Overseas Limited as mentioned earlier, no subsidiary, associate or joint venture have been acquired/ included or ceased during the year under review.

The performance and financial position of the subsidiaries of the Company is summarized in Form AOC - 1 attached to the Financial Statements of the Company in pursuance of Section 129 of the Companies Act, 2013. The Company shall place the audited financial statements of its subsidiaries on its website in pursuance of Section 136 of the Companies Act, 2013 and shall provide a copy of these statements to any shareholder seeking it. These documents will also be available for inspection by members during business hours at the registered office of the Company at Gadepan, Dist. Kota, Rajasthan.

**7. Health, Safety and Environmental Protection**

The commitment of your Company to Environmental Protection and Safety begins with the comprehensive EHS (Environment, Health and Safety) policy formulated by the Company. Your Company accords highest priority to EHS which is reflected in the day to day operations of the Company. Apart from regular reviews and monitoring at the

operating levels, the senior management also continuously monitors the EHS parameters. The Company strives for continuous improvement through benchmarking studies and other appropriate methodologies. Your Company has established and is maintaining an Integrated Management System; based on OHSAS-18001:2007, ISO-14001:2004, ISO-9001:2008 and Process Safety Management (PSM) and guidelines of British Safety Council. The township at Gadepan is also OHSAS-18001 & ISO-14001 certified.

(a) **Health & Hygiene**

Health assessment and occupational disease monitoring of employees and associates is done through regular periodic medical examinations. The Health Centre at Gadepan provides its services round the clock to employees, their families, contractor work force and villagers in the vicinity of the plants. Specialist doctors like child specialist, Eye specialist, dental surgeon, Gynaecologist, ENT surgeon visit regularly at Health Centre. The up-gradation of the Health Centre by addition of new equipment is a continuous process.

Health and hygiene awareness campaigns were regularly held for employees through experts in various fields. Pulse polio vaccination, regular immunization programme to new born and swine flu vaccination drives were organised from time to time.

(b) **Safety Management**

A strong occupational health and safety management system is in place in your Company to ensure occupational health and safety of employees, contractor workforce as well as equipment and machinery. Further, your Company has implemented, in its operations at Gadepan, Process Safety Management System (PSM) developed by Occupational Safety and Health Administration (OSHA) for proactive identification, assessment & control of hazards. Effective implementation of the safety system is ensured through hazard identification, risk assessment and mitigation procedures, strong updated safety work permit system, etc.

The extensive trainings and drills were conducted by internal and external experts on rescue, work at height, working inside confined space, fire-fighting, emergency handling, electrical safety, material handling, road safety, use of Breathing Air sets, etc. To encourage safety awareness and involvement among employees and contractor workforce, scheme of "Near-Miss" & "Make-to Good" reporting is in place. Further, under the system of Pro-active safety observation, any one observing an unsafe act/ condition may immediately interact with and get the same corrected.

The concept of Behaviour Based Safety (BBS) for safety improvement in Urea bagging plant is working satisfactorily and noticeable improvement has been observed in work culture. The concept of BBS was introduced in the Single Super Phosphate (SSP) plant also. As a part of safety improvement initiatives, a Safety portal - Uttam Suraksha Setu has been developed and implemented during the year. This has enabled online reporting, management and monitoring of safety incidents and records.

Your Company has a well-defined "Onsite Disaster Management Plan" and MARG (Mutual Aid and Response Group) arrangement with neighbouring industry. Regular mock drills, fire drills and table top drills were conducted to verify emergency preparedness. Prompt services for fire-fighting were provided to villages surrounding Gadepan plants. Various fire-fighting and emergency handling equipment have been added to further improve the capability.

### (c) Environment Management

Environment protection is one of the top priorities of your Company and a strong Environment Management System is in place. Extensive environmental monitoring is carried out to assess pollution risk to all personnel working directly or indirectly with us and residing in surrounding areas and immediate corrective and preventive measures are taken. Online monitoring system for effluent and emissions are being installed.

The conservation of natural resources is a priority area for your Company. The measures like Rain Water Harvesting, Ground Water Recharging, Energy Conservation, etc. are some of the efforts continuously made by your Company for this purpose. Your Company continues to follow the 3R concept (Reduce, Re-use and Re-cycle) for waste management. Almost 100% condensate is recycled back to system. Your company has adopted best practices to manage solid / hazardous waste disposal after proper categorization. Use of polythene bags are strictly prohibited in Gadepan campus.

The Company's Gadepan complex made a positive change in Ecology due to development of a dense green belt with thousands of trees & shrubs with fruits and flowers in an area of about 153 hectares. Regular plantations are done in the campus. This has provided habitat to many species of birds. Only treated waste water is used in maintaining the green belt through irrigation network spread all over the complex.

### (d) Quality Management

Your company is ISO 9001:2008 certified and proper attention is accorded to maintain quality of end product and processes. The quality assurance is ensured at all stages of manufacturing processes, maintenance and support services. Quality is continually improved by: "determining and taking care of internal and external customer requirements, future needs and expectations". Quality reviews are regularly conducted and feedback from end users - farmers is accorded high value.

### (e) Health, Safety, Environment, Quality (HSEQ) Audits and Reviews

HSEQ system is continually improved by conducting periodic audits by teams of trained internal auditors and reputed external agencies. The better practices of other organisations are adapted as per our own requirements.

### (f) Achievements

Your Company regularly participates in national and international benchmarking surveys and awards for independent assessment and opportunity for continual improvement. Your Company has received following prestigious awards during the year under review:

- National Award for prevention of Pollution for the year 2010-11 under the Fertiliser category from Govt. of India, Ministry of Environment and Forests.
- Certificate of appreciation from National Safety Council of India (Safety awards 2013) for the year 2010-2012.
- Environmental Protection Award (Winner) in the Nitrogenous Fertiliser Plants Category for the year 2013-14 from Fertiliser Association of India.
- Rajasthan Energy Conservation Award (RECA – 2014) from Department of Energy, Govt. of Rajasthan.

## 8. Corporate Social Responsibility (CSR)

Your Company strives to make difference in the lives of people with a special focus on neighbouring areas. Your Company has identified and implemented various CSR programmes / Projects which made perceptible positive impact mainly in the area of education and general awareness. The CSR programmes / projects of the Company are implemented directly, through KK Birla Memorial Society as well as in collaboration with other established and reputed Non-Government Organisations. The major highlights of the CSR projects/ Programmes of the Company during the Financial Year 2014-15 are as under:

- a) **School Education:** The Company has adopted 32 Government Schools in 22 villages of District Kota in the vicinity of its plants at Gadepan. Intervention in school education is being carried out through two agencies namely Pratham Education Foundation and Kumar Classes for improving the education level of students. The education standards in Rajasthan are lower than the national average and that in Company's CSR area is substantially lower than the average standard of Rajasthan. After your Company's intervention, an impact assessment was carried out in March 2015. Good improvement has been observed in learning levels of students at all levels in 32 schools in last three quarters vis-à-vis baseline survey. As a pilot project, Computer education has been introduced in 10 schools to introduce digital literacy in Government Schools. The Company also provided free of charge school furniture, stationary, school bags, shoes, woollens, etc. in the adopted schools.

Major challenges faced in this intervention are (a) making government teachers accountable; and (b) availability of good private teachers, in particular the female teachers for Balwadi Centres.

- b) **Technical Education:** Your Company has adopted 2 Industrial Training Institutes (ITIs) at Sangod and Sultanpur in Kota district of Rajasthan. ITI Sangod was taken over 2 years back and has made very good progress in terms of number of courses offered, student enrolment and campus placement of the students. Almost 100% eligible students of ITI, Sangod were placed with reputed companies. ITI Sultanpur was adopted during the year 2014-15. We have built necessary infrastructure, bought equipment and sought fresh affiliation approval from Central Government for the existing courses as well as introduction of new courses. Apart from the ITIs, the company is running 2 vocational training centres to train about 400 youths annually on the lines of Skill India Mission.

- c) **Development of Infrastructure:** The Company has carried out following infrastructure development projects:

- i) Renovation of newly adopted 6 Government schools.
- ii) Construction of Girls toilets in 34 Secondary and Senior Secondary Government Schools in Sultanpur Block.
- iii) Construction of 125 individual toilets in adjoining villages.
- iv) Construction of pavements, drainage and roads in collaboration with MNREGA schemes.

- d) **Health Care:** The Company provides healthcare free of charge in adjoining 23 villages of Kota district and 5 villages in Mussoorie in collaboration with Manorama Devi Birla Charitable Trust.

- e) **Soil Health:** The Company is running Soil Health Laboratories at

Agra and Kota apart from mobile vans, with an annual capacity of 50,000 samples of soil and water.

- f) **Disaster Relief:** The Company has carried out relief work in Jammu & Kashmir through an NGO – Pragma International.

As part of its CSR programmes, the Company has also taken various initiatives under Swachh Bharat Mission, Gramin Swarojgar Yojana, etc.

The Company received various recognitions and awards for its CSR activities like ASSOCHAM- CSR Excellence Award, Think Media CSR Award etc. Further, the Manager (CSR) was selected amongst 50 talented CSR leaders by world CSR congress.

The composition of Corporate Social Responsibility Committee is given in the Corporate Governance Report. The details of the development and implementation of the Corporate Social Responsibility Policy and Annual Report on CSR activities as prescribed under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as Annexure “E”.

For the purpose of Section 135 of the Companies Act, 2013, the amount equivalent to 2% of the average net profits of the Company made during the immediately preceding three financial years works out to Rs. 9.10 crore. As against this, the Company spent Rs. 8.36 crore on CSR projects / programs. Due to the low monetary value of individual projects in villages, the mobilization of resources was extremely challenging in terms of availability of trained manpower and contractors to complete the projects. Hence, it was not able to spend the balance amount.

## 9. Directors and Key Managerial Personnel

### (i) Directors

The Board consists of eight directors - seven non-executive directors including four independent directors and a Managing Director. Mr. Saroj Kumar Poddar (DIN 0008654) is due for retirement at the forthcoming Annual General Meeting and has offered himself for re-appointment.

Mr. R.N. Bansal (DIN 00270908), Independent Director retired at the last Annual General Meeting of the Company. Further, M/s. Marco P.A. Wadia (DIN 00244357), Kashi Nath Memani (DIN 00020696), Dipankar Basu (DIN 00009653) and Ms. Radha Singh (DIN 02227854) were appointed in that meeting as Independent Directors for a term of 3 consecutive years.

Mr. Dipankar Basu submitted his resignation from the Board of Directors with effect from February 3, 2015. Mr. Basu was associated with the Company for 18 years and the Company immensely benefitted from his rich knowledge and experience. The Board expresses its sincere gratitude and appreciation of the outstanding contribution made by Mr. Basu during his tenure as a Director of the Company.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, had appointed Mr. Aditya Narayan (DIN 00012084) as an Additional Director of the Company in the category of Independent Director with effect from April 1, 2015. In pursuance of Section 149 of the Companies Act, 2013, the Board is recommending the appointment of Mr. Aditya Narayan as an Independent Director of the Company with effect from 1st April, 2015, to hold office upto the Annual general Meeting of the Company

to be held in the Year 2018. Mr. Aditya Narayan is not a relative (as defined under the Companies Act, 2013 and Rules thereunder) of any director of the Company.

The Board of Directors had re-appointed Mr. Anil Kapoor (DIN 00032299) as Managing Director of the Company for a period of 2 years with effect from February 16, 2015 and the Board commends the re-appointment of Mr. Anil Kapoor for approval of the shareholders.

During the year, the Managing Director has not received any commission or remuneration from any subsidiary of the Company.

All the Independent Directors have submitted declarations that they meet the criteria of independence as provided under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Board met seven times during the Financial Year 2014-15.

Other information on the directors and the Board Meetings is provided in the Corporate Governance Report annexed to this Report as Annexure “B”.

### (ii) Key Managerial Personnel

Pursuant to the provisions of the Companies Act, 2013, the Board appointed Mr. Abhay Baijal as the Chief Financial Officer of the Company and designated him Key Managerial Personnel in such capacity with effect from April 1, 2014. The Board has also designated Mr. Anil Kapoor, Managing Director and Mr. Multan Singh Rathore, Vice President – Legal, Corporate Communication and Secretary as Key Managerial Personnel, with effect from April 1, 2014. Mr. M.S Rathore will cease to be Secretary of the Company with effect from May 01, 2015. The Board has appointed Mr. Rajveer Singh as Secretary of the Company from the same date.

## 10. Internal Financial Controls

The Company has policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The details of internal control system are given in the Management Discussion and Analysis Report attached hereto as Annexure “A”.

## 11. Remuneration Policy

The Remuneration Policy of the Company including criterion for determining qualifications, positive attributes, independence of Directors and other matters as prescribed under Section 178 of the Companies Act and clause 49 of the listing agreement is annexed to this Report as Annexure “F”

## 12. Disclosures under the Companies Act, 2013 and Rules thereunder

- a) Your Company has not issued any shares during the Financial Year 2014-15.
- b) No significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
- c) All Related Party Transactions entered during the year were in ordinary course of business and on arm's length basis. No material Related Party Transaction (transaction exceeding ten percent of the annual consolidated turnover

as per last audited financial statements), was entered during the year by the Company.

Accordingly, disclosure of Related Party Transactions as required under section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

- d) The extract of annual return is attached to this Report as Annexure "G"
- e) The following information is given in the Corporate Governance Report attached to this Report as Annexure "B".
  - i. The Performance evaluation of the Board, the Committees of the Board, Chairperson and the individual Directors;
  - ii. The Composition of Audit Committee; and
  - iii. The details of establishment of Vigil Mechanism.
- f) The particulars of loans and guarantees given and investments made under Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

### 13. Directors Responsibility Statement

Your Directors hereby state that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit and loss of the Company for the year ended March 31, 2015;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### 14. Auditors

The Notes on Financial Statements read with the Auditors' Reports are self-explanatory and therefore, do not call for any further comments or explanations.

M/s. S. R. Batliboi & Co. LLP, Statutory Auditors (Registration No. 301003E) and M/s. Singhi & Co., Chartered Accountants (Registration No. 302049E) Branch Auditors of Shipping Business of the Company were re-appointed from the conclusion of 29th Annual General Meeting (AGM) of the Company till the conclusion of 31st AGM of the Company to be held in the year 2016. Your Directors are seeking ratification of the

appointment of M/s. S.R. Batliboi & Co. LLP, Statutory Auditors and M/s. Singhi & Co., Branch Auditors of Shipping Business of the Company from the conclusion of the ensuing 30th AGM of the Company till the conclusion of 31st AGM of the Company.

The Board of Directors of the Company appointed M/s. K.G. Goyal & Associates, Cost Accountants for conducting audit of cost accounts of the Company, as applicable, for the financial year 2014-15. As required under the Companies Act, 2013 and Rules framed thereunder, your directors are seeking ratification of the members for the remuneration payable to M/s K.G. Goyal & Associates, Cost Accountants.

### 15. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed M/s. RMG & Associates, Practicing Company Secretaries for conducting secretarial audit of the Company for the financial year 2014-15. The Secretarial Audit Report issued by the aforesaid Secretarial Auditors is annexed herewith as Annexure "H".

There is no qualification, reservation, observation, disclaimer or adverse remark in the Secretarial Audit Report which may require explanation from the Directors.

### 16. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The Company continuously endeavours to make its plants energy efficient and reviews various options to conserve energy on regular basis. The energy conservation is of paramount importance for sustainable business and it also results into saving of natural and financial resources. The Company has five double hull Aframax Tankers and these ships are more energy efficient as compared to the old vessels. The requisite information with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo in terms of the Companies (Accounts) Rules, 2014 is set out in Annexure "I" attached hereto.

### 17. Risk Management

Your Company has developed and implemented a Risk Management Policy. The Company has constituted Risk Management Committee which periodically reviews all risks, finalise the risk document and monitors various risks of the Company including the risks, if any, which may threaten the existence of the Company. The composition and terms of reference of the Risk Management Committee are given in the Corporate Governance Report.

The risk document containing Key and Non-Key risks including way forward for mitigation thereof, as approved by the Risk Management Committee, is also circulated to the Audit Committee and the Board of Directors for their review periodically.

### 18. Fixed Deposits

Your Company has discontinued accepting new deposits with effect from July 1, 2008. As on March 31, 2015, fixed deposit amount of Rs. 133,871 pertaining to 4 depositors remained unpaid / unclaimed despite regular reminders to the concerned depositors. In addition to this, a sum of Rs. 38,735 towards interest on deposits is lying unpaid / unclaimed with the Company. Your Company has not defaulted in repayment of deposits or payment of interest during the year. The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## 19. Particulars of employees

The human resource is one of the most important assets of the Company which has played pivotal role in its performance and growth. Your Company has very healthy work environment matched with adequate compensation packages which enables it to attract and retain high calibre employees. Information required to be disclosed in pursuance of Section 197 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report and is attached hereto as Annexure "J".

## 20. Employees Stock Option Scheme

The members of the Company had approved CFCL Employees Stock Option Scheme 2010 ("ESOS 2010") on August 27, 2010 for issue and allotment of options exercisable into not more than 41,62,000 equity shares of face value of Rs. 10/- each to eligible employees and Managing Director of the Company. Each option when exercised would be converted into one fully paid up equity share of Rs. 10 of the Company. The ESOS 2010 is administered by the Nomination and Remuneration Committee of the Board of Directors of the Company. The disclosure in respect of ESOS 2010 is given in Annexure "K" attached hereto.

## 21. Consolidated Financial Statements

In pursuance of the provisions of the Companies Act, 2013, Rules thereunder, listing agreement with the Stock Exchanges and the applicable Accounting Standards, the Company has prepared Consolidated Financial Statements. The Audited Consolidated Financial Statement alongwith Auditors' Report and the Statement containing salient features of financial

statements of subsidiaries and joint venture (Form AOC - 1) forms part of the Annual Report.

## 22. Investor Service Centre

The In-house Investor Service Centre of your Company located at New Delhi, provides prompt service to the investors. The Company takes various pro-active measures for investor satisfaction like timely reminders to investors about new corporate benefits, undelivered shares, unclaimed benefits, etc.

The equity shares of your Company are listed at National Stock Exchange of India Limited and BSE Limited. The Company has paid annual listing fees to these Stock Exchanges for the Financial Year 2015-16.

The members are requested to refer to general shareholders' information given in Corporate Governance Report appended hereto.

## 23. Acknowledgements

Your Directors wish to place on record their appreciation of the support and co-operation received from the Department of Fertilisers, Government of India, State Governments, Domestic and International Financial Institutions & Banks and other stakeholders. Your Directors also convey their sincere appreciation of the commitment, hard work and devotion of every employee of the Company which has enabled the Company to achieve sustained performance.

For and on behalf of the Board of Directors

Place: New Delhi  
Date: April 30, 2015

S. K. Poddar  
Chairman

## Annexure "A" to Directors' Report

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company has three businesses – Fertilisers and other Agri-inputs, Shipping and Textile. The Management Discussion and Analysis Report covering the aforesaid business segments of the Company is as under:

#### 1.0 FERTILISERS AND OTHER AGRI-INPUTS DIVISION

##### 1.1 Industry Structure and Developments

###### A) Urea

###### (i) Raw Material

Natural Gas is the main input and constitutes the major part of cost for production of Urea. The Company uses domestic gas and imported Re-gasified Liquefied Natural Gas (RLNG) under long term and short term supply arrangements. After upward trend for few years, the Gas prices came down sharply in the international market during the year 2014-15 due to fall in prices of Crude Oil.

RLNG constitutes a major part of gas requirement of the Company. The spot gas prices came down sharply in line with the international market. The prices of long term RLNG are linked to long term average of crude oil index. Hence, the impact of current low prices of Gas in international market will gradually reflect in the long term RLNG prices over next few years. The dwindling domestic gas supply is an area of concern. The Government of India (Government) revised the prices of domestic gas during the year. The Government has recently announced the pooling of Gas for Fertiliser sector which is a positive step. However, the final contours of gas pooling mechanism are awaited.

###### (ii) Demand-Supply Scenario

Urea production remained almost stagnant in India for many years despite steady increase in its demand. No new capacities were added during last 15 years except revamp of few existing plants. This has resulted into significant gap between demand and supply. India imported around 8.75 million MT of Urea during the year 2014-15, constituting about 28% of the total urea consumption in the country. Imported Urea prices remained volatile during the year ranging between USD 270 and USD 360 per MT (FOB – Arabian Gulf).

###### (iii) Developments in Government Policies

New Pricing Scheme Stage III which was valid upto March 31, 2010, has been extended till March 31, 2015. The new government policy for existing Urea plants is awaited.

In order to reduce the dependence on imports, the Government announced a New Investment Policy 2012 (NIP) with few amendments for attracting fresh investments in Urea sector.

###### B) Other Products

The Company is also engaged in manufacture of Single Super Phosphate (SSP). The installed capacity of the Company for SSP is 180,000 MT per annum. The SSP market is very fragmented with many small players. Apart from its own product, the Company also sources SSP manufactured by other parties. SSP is cheaper alternative of DAP which caters to specific segment of farmers and crops.

The Company imports and supplies Di-ammonium Phosphate (DAP) and Muriate of Potash (MOP) in its marketing territory. The Company competes with large players in DAP and MOP segment. The products are sourced from reputed international manufacturers to ensure quality of the product. India imported around 3.82 million MT of DAP during the year 2014-15, about 51% of the total DAP consumption in the country. Imported DAP prices were volatile during the year. The consumption of MOP in India is entirely met out of imports. MOP imports in the country during the year were 4.18 million MT as against 3.18 million MT during the previous year. The demand of DAP and MOP remained robust during the year.

The Company also deals in other agri-inputs like Sulphur, NPK fertilisers, micro-nutrients, insecticides, herbicides, fungicides, seeds, etc. under the single window concept. The products are sourced from reputed manufacturers including multinational companies. The insecticides market is dominated by multi-national companies and the products are either manufactured by them or they supply the basic ingredients to domestic manufactures for production of finished products. The seeds and micro-nutrients market is dominated by small manufactures. Hence, the products like seeds, zinc, gypsum, micro-nutrient mixtures, etc. are sourced from domestic manufacturers with tight controls on quality of the products.

### 1.2 Opportunities & Threats

The New Investment Policy 2012 (NIP) withheld earlier, was released during the year with few amendments. Since considerable time was taken by the Government in releasing the revised policy, the quoted prices of the suppliers for new Urea project has to be re-negotiated. Accordingly, the Company is reviewing its plans for capacity expansion for production of Urea and final decision will be taken in next few months.

The implementation of Nutrient Based Subsidy Policy by the Government gave a major boost to the Company's business of trading in branded fertilisers like DAP and MOP. The Company has established reliable supply channels in the international market and reinforced its marketing network to get full benefit of opportunities available in DAP and MOP segments. The Company has firmly established itself as a major player and achieved substantial increase in sales volumes of DAP and MOP. However, the volatility in the global prices of these fertilisers as well as variation in the foreign exchange rates are the challenges and your Company is conscious of these factors while making its marketing strategy.

Urea production beyond re-assessed capacity is becoming unviable for most of the urea manufacturing units due to increased cost of RLNG, price rise in domestic gas and fall in the international urea prices. The Company had to shut down one of its Urea plants in February 2015 because production beyond 100% capacity was not viable. The Urea industry needs immediate policy intervention from the Government to sustain the production beyond re-assessed capacity. The Company expects the Government to come out with a new policy for existing Urea Plants which can enable the Urea manufacturers to produce beyond re-assessed capacity. The proposed pooling of Gas for fertilizer industry is a positive step in this direction.

### 1.3 Risks and Concerns

The Urea segment of Fertiliser Industry operates in a

Government controlled regime highly dependent on the Government policies. During last few years, the Government has resorted to under-provisioning of fertilizer subsidy in the union budget. This has resulted into long delays in payment of subsidy to the fertilizer companies thereby substantially increasing industry's interest burden.

High volatility in foreign exchange rates, likely reduction in demand of DAP due to its high cost and interest burden due to delay in payment of subsidy may impact the profitability from trading activities of the Company. In the event of non-revision in Government policies on Urea, the likelihood of reduction in Urea production beyond re-assessed capacity is another area of concern.

### 1.4 Outlook

Subject to risks and concerns mentioned above, the Urea industry is unlikely to face any challenge in terms of sales volumes in near future in view of demand-supply gap. The outlook of branded products in trading segment also looks positive in view of lower inventory of DAP in the trade channel, strong marketing network and brand loyalty for the products of the Company.

### 1.5 Operational and Financial Performance

The performance of Fertilisers and other Agri-Inputs Division is summarized below:

| Particulars                                   | 2014-15 | 2013-14 |
|-----------------------------------------------|---------|---------|
| Urea Production (MT in lac)                   | 18.52   | 19.41   |
| Urea Sales (MT in lac)                        | 18.85   | 20.96   |
| Single Super Phosphate Production (MT in lac) | 1.38    | 1.03    |
| SSP Sales (MT in lac)                         | 1.65    | 0.64    |
| Sales including Agri-inputs (Rs. in crore)    | 7762.45 | 7014.36 |
| EBIDTA before exceptional item (Rs. in crore) | 677.80  | 626.75  |

The revenue from branded traded products was Rs. 3209.71 crore during the financial year 2014-15 in comparison to Rs. 2628.81 crore in the previous year. The sales of various products were as under:

| Products                    | 2014-15 | 2013-14 |
|-----------------------------|---------|---------|
| Di- Ammonium Phosphate      | 6.39    | 6.04    |
| Muriate of Potash           | 1.99    | 0.42    |
| Single Super Phosphate      | 0.22    | 0.54    |
| Other Fertilisers           | 0.42    | 0.60    |
| Pesticides – (Rs. in Crore) | 302.94  | 249.67  |
| Seeds – (Rs. in Crore)      | 64.97   | 51.56   |

Your Company is setting up an additional marketing office at Kolkata to expand its market presence in eastern India.

### 1.6 Material Developments in Human Resources/ Industrial Relations

People and Talent Management continue to be one of the key focus areas of the Company. The availability of qualified and trained manpower is critical for the Company's continued success.

Your Company's HR Strategy is aligned to business and seeks to ensure that appropriate talent acquisition and retention plans are in place and reviewed periodically. Your Company believes in regular employee engagement with a sense of belongingness.

The Company continues to adopt progressive policies and processes for its personnel through the reviews of best market practices and other surveys to keep pace with need of the hour. The Company has thus been able to maintain attrition rates below the Industry level for the last three years. Your company continues to build the talent pipeline through recruitment of fresh engineers and professionals on a continuous basis. Wherever necessary, company recruits experienced manpower to bridge the talent gap.

Your Company provides behavioural and functional training regularly to its employees based on their development needs. Employees were nominated for external training programs, including Management Development Programmes of premier Management Institutes. The employee strength of Fertilisers and Agri-inputs Division was 926 as on March 31, 2015 and it continues to maintain open and cordial employee relations across all locations.

## 2.0 INDIA STEAMSHIP-SHIPPING DIVISION

### 2.1 Industry Structure and Developments

The dry bulk, containers and tankers are three major segments of Shipping Industry. The oil tankers carry crude as well as refined products. Your Company owns and operates Aframax tankers. The Aframax spot rates strengthened considerably during the fourth quarter of 2014, being highest for a fourth quarter since 2008. The rates remained strong during January – March 2015 also. The increase in tanker rates was primarily due to a combination of winter weather delays and the impact of lower global oil prices.

### 2.2 Opportunities and Threats

The outlook for Aframax tankers is expected to remain positive in 2015. This is based on a shrinking mid-size crude tanker fleet and increase in long-haul tanker demand as more crude oil moves from the Atlantic to Pacific basins. The impact of low prices and the development of floating storage in the first quarter of 2015 are also expected to support positive tanker demand in the first half of 2015. The increase in tanker rates have also resulted into increase in asset rates of takers in the second-hand market. The growth is driven by emerging markets mainly China and India, with the refinery margins on the rise.

The addition of new capacities in the tanker segment and adverse movement in crude prices in future may impact the high charter rate scenario and thereby the profitability of the ships owned by the Company.

### 2.3 Risks and Concerns

The shipping being global industry, the developments in the world economy are bound to have its bearing on this industry. The changes in spot rates, production and demand for oil or trading patterns may affect overall vessel tonnage requirements. New building orders and tanker scrapping also have impact on charter rates.

The declining demand for oil in OECD countries, Europe and Japan is an area of concern. Russia's financial turmoil and conflict driven geo-political situation in Libya, Yemen, Iraq and Ukraine continues to be another major concern.

### 2.4 Outlook

Global oil demand is projected to rise at a slightly faster pace than that in 2014. There is positive outlook on account

of Asian growth although there is downward pressure due to contracting demand from Japan and Former Soviet block.

The demand for crude tanker tonnage is expected to increase in the year 2015 slightly over 2%. Overall, crude tanker demand growth is expected to be driven by increased demand for Very Large Crude Carriers and Suezmax tankers.

## 2.5 Financial and Operational Performance

The summarized performance of Shipping Division during the year was as under;

| Particulars           | 2014-15 | 2013-14 |
|-----------------------|---------|---------|
| Sales (Rs. in crore)  | 721.44  | 589.28  |
| EBIDTA (Rs. in crore) | 128.24  | 105.50  |

## 2.6 Material Developments in Human Resources development/Industrial Relations

Human Resources continue to be the thrust area for the organization. The committed on-shore staff continuously provides prompt and efficient support and guidance to the floating staff which results in effective performance and operational efficiency at all times. The organization's focus and emphasis on Occupational Health and Safety, Quality and Protection of environment further drives the performance of its employees. Training programs for shipboard officials help in building an efficient and well-qualified cadre of experienced seafarers for our fleet. The shipping division had 66 employees in its shore office and 133 floating staff on-board as on March 31, 2015. The Employee relations remained cordial during the year.

## 3.0 BIRLA TEXTILE MILLS - SPINNING DIVISION

### 3.1 Industry Structure and Developments

Indian textiles industry is well-established with strong features and the country is the second biggest textiles manufacturer worldwide after China. India ranks third in cotton production and consumption and fifth in synthetic fibre and yarn.

### 3.2 Opportunities and Threats

The Union Budget 2015-16 did not augur well for the Textile Industry. With the reduction of fund allocation for Technology Up-gradation Fund Scheme (TUFS), the operation of TUFS in the ensuing financial year may run into problems.

After a setback that lasted a few months, textile sector is showing some improvement both in domestic and global markets. Cotton prices have stabilized and the steep decline in the prices of crude oil has made synthetic fibre more affordable. After going through a tough period of rise in input costs as well as interest cost, it is unlikely that the sector's outlook will turn positive until fundamental issues such as power shortage and capital investments are resolved.

### 3.3 Risks and Concerns

Incremental capital investments in debt reliant textile industry is expected to remain subdued given unwillingness of banks to lend to the sector coupled with higher cost of funds. The withdrawal of global retailers like Walmart from their joint venture with Indian partners is a huge setback for the textile sector. The ongoing economic slowdown in USA and consequent lower orders from retailers may result in lower capacity utilisation and impact profitability of textile companies in India.

The primary risk for Textile Industry is raw material prices, mainly cotton, which is the largest component of cost. Since cotton is an agri-produce, it suffers from climatic volatility in the major cotton producing countries. The availability of power at reasonable price and adequate skilled manpower are the other challenges for textile industry.

### 3.4 Outlook

The textile industry is very volatile with low profitability and to compete effectively, it should be aggressively expanded to achieve reasonable scale of operations. The land in factory premises is fully utilized and there is a no further scope for expansion at the current location. It was therefore thought prudent to sell the business. Subject to necessary approvals, it is proposed to sell the textile business on a going concern basis by way of slump sale to Sutej Textile and Industries Limited.

### 3.5 Operational and Financial Performance

| Particulars           | 2014-15 | 2013-14 |
|-----------------------|---------|---------|
| Yarn Production (MT)  | 19577   | 19780   |
| Sale of Yarn (MT)     | 20232   | 18580   |
| Sales (Rs. in Crore)  | 403.35  | 396.01  |
| EBIDTA (Rs. in Crore) | 31.91   | 42.94   |
| Spindle Utilisation   | 94.25%  | 96%     |

### 3.6 Material development in human resources / industrial relations

Being a labour intensive industry, training and development of human resources is of paramount importance. The well-structured in-house training programmes conducted by experienced and competent faculty have improved the skill levels and the employee commitment. The results of the training efforts at the shop floor level have been excellent. Presently, the manpower deployments comprises of 1439 workers, 249 staff members and 216 trainees at Textile Division. Industrial relations remain cordial during the year.

## INTERNAL CONTROL SYSTEM

The Company has a strong internal control system comprising various levels of authorization, supervision, checks and balances and procedures through documented policy guidelines and manuals. The Internal Audit department regularly monitors the efficacy of internal controls and compliances with Standard Operating Procedures and Manuals with an objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance that all transactions are authorized, recorded and reported correctly and compliance with policies and statutes are made.

The managers exercise their control over business processes through operational systems, procedure manuals and financial limits of authority manual. These processes are reviewed and updated on an 'on-going basis' to improve their efficacy and meet the business needs.

During the year, the internal audit was carried out by the internal audit team of the Company and M/s. Deloitte Haskins & Sells, LLP in clearly demarcated areas as per the approved audit plan. Internal Audit develops a risk based annual audit programme which is aligned to the previous year's observations, suggestions from

the operating managers and statutory auditors. The Internal audit programme is approved by the Audit Committee.

The audit approach is based on random sample selection and takes into consideration the generally accepted business practices. The internal audit reports are first discussed by the Management Committee and subsequently placed before the Audit Committee of the Board of Directors along with the direction/ action plan recommended by the Management Committee. The directions are implemented by the respective departments and Action Taken Report is placed before the Audit Committee.

The Internal Audit department also assesses opportunities for improvement in business processes, systems and controls, gives recommendations and reviews the implementation of directions issued by the management, Board of directors or its committees.

## CAUTIONARY STATEMENT

The report may contain certain statements that the Company believes are, or may be considered to be "forward looking statements" that describe its objectives, plans or goals. All these forward looking statements are subject to certain risks and uncertainties, including but not limited to Government action, economic development, risks inherent to the Company's growth strategy and other factors that could cause the actual results to differ materially from those contemplated by the relevant forward looking statements.

For and on behalf of the Board of Directors

Place: New Delhi  
Date: April 30, 2015

S. K. Poddar  
Chairman

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## Annexure “B” to Directors’ Report

### REPORT ON CORPORATE GOVERNANCE

#### (1) Company’s Philosophy

At Chambal, we firmly believe that maintaining high standards of corporate conduct towards its shareholders, customers, employees, all other stakeholders and society in general is paramount for sustained growth and success of the Company. The Company has always focused on good corporate governance, which is a key driver of sustainable corporate growth and long-term value creation for its shareholders. Corporate Governance aligns the interests of individuals, corporations and society and integrates all the participants involved in a process, which is not only economic but also social. Corporate Governance goes beyond the practices enshrined in the laws and encompasses the basic business ethics and values that need to be adhered to in letter and spirit.

The Company believes that corporate governance is not just limited to creating checks and balances. It is more about creating organizational excellence leading to increase in employee and customer satisfaction and shareholders’ value. The Company believes in leveraging its resources to translate opportunities into reality, create awareness of corporate vision and inculcate dynamism and entrepreneurship at all levels.

Above all, corporate governance must balance individual interest with corporate goals and operate within accepted norms of propriety, equity, fair play and a sense of justice. Accountability, integrity and transparency are key drivers to improve decision-making and the rationale behind such decisions, which in turn creates stakeholder confidence.

#### (2) Board of Directors

As of March 31, 2015, the Board of Directors comprised of seven directors including a Managing Director. The Board of Director at its meeting held on February 6, 2015 appointed Mr. Aditya Narayan (DIN 00012084) as Additional Director in the category of Independent Director with effect from April 1, 2015. The non-executive directors bring an independent and wider perspective in Board deliberations and decisions on the matters of concern. They have an objective view of external factors affecting the Company in its business environment. These directors make a constructive contribution to the Company by ensuring fairness and transparency while considering the business plans devised by the management team.

Out of the seven non-executive directors of the Company (including Mr. Aditya Narayan appointed with effect from April 1, 2015), four are independent including one woman director. All the independent directors have an in-depth knowledge of business, in addition to the expertise in their area of specialisation and satisfy the criteria of independence as defined under the Companies Act, 2013 and Listing Agreement with the Stock Exchanges where the shares of the Company are listed.

Mr. Saroj Kumar Poddar (DIN: 00008654), Director of the Company is retiring by rotation at the forthcoming Annual General Meeting and is eligible and has offered himself for re-appointment. Mr. Dipankar Basu has resigned from the Board of the Company with effect from February 3, 2015.

In pursuance of Sections 149 and 152 of the Companies Act, 2013, the Board is recommending the appointment of Mr. Aditya Narayan as an Independent Director of the Company with effect from April 01, 2015 for a term upto the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2018.

The brief particulars of all the Directors are given below:

##### 2.1 Mr. Saroj Kumar Poddar

Mr Saroj Kumar Poddar (DIN: 00008654), Chairman of the Company, a gold medalist in B.Com (Hons.) from Calcutta University, is the Chairman of the Adventz group with a turnover exceeding USD 3 billion. The Adventz group comprises 23 leading companies in various verticals, constituting key drivers of the Indian economy and was repositioned under the Adventz banner by Mr. Poddar, to leverage its exemplary equity in terms of knowledge, best practices and technical excellence. Mr. Poddar, has promoted various seminal projects including joint ventures (JV) with leading international corporations. The most notable of these ventures are Hettich India Private Ltd (a JV with the Hettich Group of Germany, Texmaco UGL Rail Private Ltd (a JV with the United Group of Australia) and MCA Phosphates Pte Ltd. (a JV with Mitsubishi Corporation, Japan). Mr. Poddar was also instrumental in promoting Gillette India Limited (a venture with the Gillette Company of USA) and he was founder Chairman since 1984, before relinquishing the position in December 2013.

A recipient of the Rashtriya Samman from the Central Board of Direct Taxes, Mr. Poddar is a keen collector of contemporary Indian art and involved in the promotion and development of art, culture and sports. He is currently involved in setting up a museum in Delhi with the theme ‘India through the ages’. The museum will be named as ‘K.K. Birla Academy’ in the fond memory of Late Dr. K.K. Birla.

Having served as President of Federation of Indian Chambers of Commerce and Industry (FICCI) and International Chamber of Commerce in India, Mr. Poddar has been appointed by Government of India on the Board of Trade - the highest body on trade and on the Court of the Indian Institute of Science, Bangalore. Mr. Poddar has also served for a decade as a member of the Board of Governors of the Indian Institute of Technology, Kharagpur and also on local Board of the Reserve Bank of India. He was also on the Advisory Board of one of the most reputed investment brokers, M/s N M Rothschild & Sons (India) Pvt. Limited.

Mr. Poddar is the Chairman of India-Saudi Arabia Joint Business Council and a Member of the Indo-French CEO Forum.

Names of other Indian public limited companies in which Mr. Saroj Kumar Poddar is Chairman/ Director or Chairman / member of Committee(s):

| S. No. | Name of the Company                       | S. No. | Name of the Company                   |
|--------|-------------------------------------------|--------|---------------------------------------|
| 1      | Lionel India Limited                      | 6      | Zuari Agro Chemicals Limited          |
| 2      | Paradeep Phosphates Limited               | 7      | Zuari Cement Limited*                 |
| 3      | Simon India Limited                       | 8      | Zuari Fertilisers & Chemicals Limited |
| 4      | Texmaco Infrastructure & Holdings Limited | 9      | Zuari Global Limited                  |
| 5      | Texmaco Rail & Engineering Limited        |        |                                       |

\* Also Chairman of Audit Committee

## 2.2 Mr. Shyam Sunder Bhartia

Mr. Shyam S. Bhartia (DIN: 00010484) is founder and Chairman of M/s. Jubilant Bhartia Group headquartered in New Delhi, India. He is also Chairman of major companies of Jubilant Bhartia Group including Chairman and Managing Director of Jubilant Pharma Limited, Singapore. Mr. Bhartia holds Bachelor's degree from St. Xavier's College, Calcutta University and a fellow member of the Institute of Cost and Works Accountants of India.

Mr. Bhartia has been associated with various institutions and has served as a member of Board of Governors of Indian Institute of Technology, Mumbai and Indian Institute of Management, Ahmedabad. He has also served as member of Executive Committee of Federation of Indian Chambers of Commerce and Industry (FICCI) and Confederation of Indian Industry (CII) and was also a member of Task Force on Chemicals appointed by the Government of India. Mr. Bhartia is a regular participant at the World Economic Forum Annual Meeting at Davos. He is a member of the Chemistry & Advanced Material Governors of the World Economic Forum.

Names of other Indian public limited companies in which Mr. Shyam Sunder Bhartia is Chairman/ Director or Chairman/member of Committee(s):

| S. No. | Name of the Company        | S. No. | Name of the Company                          |
|--------|----------------------------|--------|----------------------------------------------|
| 1      | GeoEnpro Petroleum Limited | 4      | Jubilant Life Sciences Limited <sup>\$</sup> |
| 2      | Jubilant Foodworks Limited | 5      | Vam Holdings Limited <sup>\$</sup>           |
| 3      | Jubilant Generics Limited  |        |                                              |

<sup>\$</sup> Also member of Stakeholders' Relationship Committee

## 2.3 Mr. Anil Kapoor

Mr. Anil Kapoor (DIN: 00032299) is B.Tech from Indian Institute of Technology, New Delhi and M.S. in Chemical Engineering from State University of New York, USA. Mr. Kapoor started his career with Hindustan Petroleum Corporation Limited (erstwhile Esso India) in 1980. He was involved in hardcore engineering / plant operations during his tenure of around 7 years with ICI India Limited where he has handled both Explosives and Fertiliser plant operations. As General Manager - Projects, he has successfully set up state of the art world class Brewery of UB Group in India. Mr. Kapoor worked for around 5 years as Vice President – Technical with Cabot India Limited where he was responsible for entire plant operations including maintenance, logistics, etc. He has vast experience in the diverse fields of projects, operations, marketing, finance, strategic planning, logistics, etc. Mr. Kapoor had joined your Company in the Year 2000 as Vice President – Strategic Planning. He has been Managing Director of the Company since 2007.

Mr. Kapoor is on the Board of Indo Maroc Phosphore S.A. (IMACID), Morocco. He is also on the Board of Fertiliser Association of India and member of National Executive Committee of FICCI.

Names of other Indian public limited companies in which Mr. Anil Kapoor is a Director:

| S. No. | Name of the Company                   | S. No. | Name of the Company                     |
|--------|---------------------------------------|--------|-----------------------------------------|
| 1      | Chambal Energy (Chhattisgarh) Limited | 3      | Chambal Infrastructure Ventures Limited |
| 2      | Chambal Energy (Orissa) Limited       | 4      | India Steamship Limited                 |

He is not a member of any Committee of any of the aforesaid Companies.

## 2.4 Mr. Kashi Nath Memani

Mr. Kashi Nath Memani (DIN: 00020696) is a Chartered Accountant. He was Chairman and Country Managing Partner of Ernst & Young, India until March 31, 2004. He was also member of Ernst & Young Global Council for 10 years. Mr. Memani specialises in Business and Corporate Advisory, Foreign Taxation, Financial Consultancy, etc. and is consulted on the corporate matters by several domestic and foreign companies.

Post retirement, Mr. Memani has joined boards of various companies. He is also member of some of the foundations and charitable trusts as well as member of the Governing Council of some of the business schools.

He was also member of various Committees of the Institute of Chartered Accountants of India. For two consecutive years, Mr. Memani was on the External Audit Committee (EAC) of the International Monetary Fund and was appointed as the Chairman of EAC for the year 1999-2000, the first Indian so far appointed in the Committee. Mr. Memani is the past Chairman of American Chamber of Commerce in India and former President of Indo- American Chamber of Commerce and PHD Chamber of Commerce. He is also a member of managing committees of various Industry Bodies.

Mr. Memani was Co-Chairman of New Company Law Drafting Committee and first Chairman of Quality Review Board, both set-up by Government of India.

Names of other Indian public limited companies in which Mr. Kashi Nath Memani is a Director or Chairman/ member of Committee(s):

| S. No. | Name of the Company                            | S. No. | Name of the Company                             |
|--------|------------------------------------------------|--------|-------------------------------------------------|
| 1      | Aegon Religare Life Insurance Company Limited* | 5      | ICICI Venture Funds Management Company Limited* |
| 2      | DLF Limited*                                   | 6      | JK Lakshmi Cement Limited                       |
| 3      | Emami Limited                                  | 7      | National Engineering Industries Limited*        |
| 4      | HT Media Limited*                              | 8      | Spice Mobility Limited*                         |

\* Also Chairman/Member of Audit Committee

## 2.5 Mr. Aditya Narayan

Mr. Aditya Narayan (DIN 00012084) is a B. Tech. from Indian Institute of Technology, Kanpur and holds a L.L.B degree from Kanpur University. He did his M.S. from University of Rochester, USA and a senior executive course in strategic management from the Manchester Business School, UK on a commonwealth scholarship. He attended several development programmes including leadership programme at the Aspen Institute, Colorado, USA in 1998.

Mr. Narayan began his career with ICI India Limited (now Akzo Nobel India Limited) in 1973 and grew through diverse functions and businesses. He worked as Chief Executive Officer of fertilizer and catalyst business of Indian Explosives Limited (IEL) during 1990-1993. He was CEO of Industrial Explosives business of IEL in 1994-1995 and Corporate Planning Manager at ICI Group in London in 1996. He served as the Managing Director of ICI India during 1996 - 2003 and then as its Non-Executive Chairman over 2003 - 2010. He was Managing Director of Hindustan Zinc Limited during 2004-2005. He also served as the President and CEO of BHP Billiton India during 2005 – 2009.

He is a Member of Supervisory Board, Anand Group India and the Board member of the Deep C Anand Foundation. Mr. Aditya Narayan does not hold any shares in the Company.

Names of other Indian public limited companies in which Mr. Aditya Narayan is a Director or Chairman/ member of Committee(s):

| S. No. | Name of the Company         | S. No. | Name of the Company               |
|--------|-----------------------------|--------|-----------------------------------|
| 1      | Hindustan Unilever Limited* | 2      | Linde India Limited* <sup>§</sup> |

\* Also Chairman/Member of Audit Committee

<sup>§</sup> Also Chairman of Stakeholders' Relationship Committee

## 2.6 Mr. Chandra Shekhar Nopany

Mr. Chandra Shekhar Nopany (DIN: 00014587) is an industrialist having vast industrial experience in diverse fields like sugar, shipping, textiles and fertilisers. He is a Chartered Accountant and Master of Science in Industrial Administration from Carnegie Mellon University, Pittsburgh, U.S.A. He is former President of the Indian Chamber of Commerce, Kolkata and Indian Sugar Mills Association. He is also on the Board of Directors of several companies promoted by Dr. K.K. Birla, including few subsidiaries and joint venture of the Company. He contributed significantly to the organic and in-organic growth of the K K Birla Group and continues to lead as a new generation entrepreneur with concerted focus on efficiency and growth. He is also the Chairman of Vikas Vidyalaya, Ranchi (Jharkhand), a prestigious co-educational Higher Secondary residential school affiliated to CBSE, New Delhi.

Names of other Indian public limited companies in which Mr. Chandra Shekhar Nopany is a Chairman/Director or Chairman/ member of Committee(s):

| S. No. | Name of the Company                    | S. No. | Name of the Company                              |
|--------|----------------------------------------|--------|--------------------------------------------------|
| 1      | New India Retailing & Investment Ltd   | 5      | The Oudh Sugar Mills Limited                     |
| 2      | Ronson Traders Limited <sup>§</sup>    | 6      | Upper Ganges Sugar & Industries Ltd <sup>§</sup> |
| 3      | SIL Investments Limited <sup>§</sup>   | 7      | Uttar Pradesh Trading Co. Limited                |
| 4      | Sutlej Textiles and Industries Limited | 8      | Yashovardhan Investment & Trading Co. Ltd.       |

<sup>§</sup> Also Chairman of Stakeholders Relationship Committee

## 2.7 Ms. Radha Singh

Ms. Radha Singh (DIN: 02227854) has a Post Graduate degree in Public Policy/Administration from Harvard University, USA and a Master's degree in Social & Political Sciences from University of Delhi. She had retired from Indian Administrative Service. Prior to retirement, she was holding the position of Secretary, Agriculture and Cooperation, Government of India. She has 39 years' experience in public service, in several areas including rural and agricultural development, water resources, public finance and institution building. In her capacity as Agriculture and Cooperation Secretary, she headed several national and international organizations as a Board Member/ Chairperson.

In her long public career, she has held many high level policy and managerial positions in the Government of India. These include Secretary, Department of Animal Husbandry, Dairying and Fisheries, Additional Secretary/ Joint Secretary in the Ministry of Water Resources, Director General of the National Water Agency and positions in the Economic Affairs Department and field assignments. She had worked with the World Bank in Washington, DC, U.S.A. as an Institutional Specialist and several other capacities for six years (1992-1998).

Presently, Ms. Singh is Agriculture Advisor to Federation of Indian Chambers of Commerce and Industry (FICCI) and Non-executive Chairperson of the Board of Directors of Yes Bank Limited. She is also an Independent Director on the Board of Syngenta Foundation for Sustainable Agriculture, Switzerland.

Names of other Indian public limited companies in which Ms. Radha Singh is a Director or member of Committee(s):

| S. No. | Name of the Company | S. No. | Name of the Company  | S. No. | Name of the Company |
|--------|---------------------|--------|----------------------|--------|---------------------|
| 1      | Yes Bank Limited**  | 2      | IT Foods Limited**\$ | 3      | Cheminova India Ltd |

\* Also Member of Audit Committee \$ Also Member of Stakeholders' Relationship Committee

\*\* Also Member of Audit and Compliance Committee

## 2.8 Mr. Marco Philippus Ardeshir Wadia

Mr. Marco P.A. Wadia (DIN: 00244357) is B.A. (Hons.), L.L.B. and practicing Advocate since 1986, specializing in corporate matters. He has been a partner in the firm of M/s. Crawford Bayley & Co. Solicitors & Advocates, Mumbai since 2001. He is on the Boards and Committees of various companies including Indian Register of Shipping.

Names of other Indian public limited companies in which Mr. Marco Philippus Ardeshir Wadia is a Director or Chairman/member of Committee(s):

| S. No. | Name of the Company        | S. No. | Name of the Company                | S. No. | Name of the Company              |
|--------|----------------------------|--------|------------------------------------|--------|----------------------------------|
| 1      | Gobind Sugar Mills Limited | 2      | Jost's Engineering Company Limited | 3      | Paradeep Phosphates Limited*     |
| 4      | Simon India Limited*       | 5      | Stovec Industries Limited*         | 6      | Zuari Agro Chemicals Limited**\$ |
| 7      | Zuari Global Limited**\$   |        |                                    |        |                                  |

\* Also Chairman/ Member of Audit Committee

\$ Also Member of Stakeholders' Relationship Committee

## (3) Meetings and Attendance

The Meetings of the Board are generally held at the Corporate Office of the Company at Jasola, New Delhi - 110025. The Board meetings are scheduled within forty five days from the end of the quarter in the manner that it coincides with the announcement of quarterly financial results. In case of urgency, additional board meetings are convened. During the year under review, seven Board Meetings were held on May 9, 2014, August 8, 2014, September 8, 2014, September 18, 2014, November 7, 2014, February 6, 2015 and March 14, 2015.

The composition of the Board of Directors, their attendance at the Board Meetings held during the Financial Year 2014-15 and Annual General Meeting, number of other directorships in Indian public limited companies and membership of the Committees of the Boards of such companies are as follows:

| Name of Director                                              | Category of Director | Whether Attended Last AGM | No. of Board Meetings attended | Other Directorships | Membership of Committees of other Boards |        |
|---------------------------------------------------------------|----------------------|---------------------------|--------------------------------|---------------------|------------------------------------------|--------|
|                                                               |                      |                           |                                |                     | Chairman                                 | Member |
| Mr. S. K. Poddar                                              | NED/PG               | No                        | 5                              | 9                   | 1                                        | 0      |
| Mr. S. S. Bhartia                                             | NED/PG               | No                        | 5                              | 5                   | 0                                        | 2      |
| Mr. Anil Kapoor                                               | MD                   | Yes                       | 7                              | 4                   | 0                                        | 0      |
| Mr. K.N. Memani                                               | ID                   | No                        | 5                              | 8                   | 4                                        | 2      |
| Mr. C.S Nopany                                                | NED/PG               | No                        | 4                              | 8                   | 3                                        | 0      |
| Ms. Radha Singh                                               | ID                   | Yes                       | 6                              | 3                   | 3                                        | 0      |
| Mr. Marco Ph. A. Wadia                                        | ID                   | Yes                       | 7                              | 7                   | 2                                        | 5      |
| Mr. Aditya Narayan<br>(Appointed with effect from 01.04.2015) | ID                   | N.A                       | N.A                            | 2                   | 2                                        | 1      |
| Mr. R. N. Bansal<br>(ceased w.e.f. 18.09.2014)                | ID                   | No                        | 2                              | N.A                 | N.A                                      | N.A    |
| Mr. Dipankar Basu<br>(ceased w.e.f. 03.02.2015)               | ID                   | No                        | 2                              | N.A                 | N.A                                      | N.A    |

ID - Independent Director, MD - Managing Director, NED - Non Executive Director, PG - Promoter Group

Notes:

- Directorship excludes Indian private limited companies, foreign companies and companies registered under section 8 of the Companies Act, 2013.
- Committees mean Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies.
- The aforesaid Directors are not relatives of each other (as defined under the Companies Act, 2013 and Rules thereunder).

## (4) Board Agenda

The calendar of Board meetings is scheduled in the beginning of the year and shared with Board members. Apart from the annual board meeting calendar, the Board members are given a notice of a Board meeting more than a month before the meeting date except in case of emergent meetings. The Board members are provided with well-structured and comprehensive agenda papers with background information and analysis to enable the Board members to take informed decisions. Agenda papers are generally circulated a week prior to the meeting of the Board. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda.

## (5) Committees of the Board

The Board of Directors has constituted various Board committees with specific terms of reference and scope to ensure timely and effective working of the Board and the Company in addition to comply with the provisions of the listing agreement, regulations / guidelines of Securities and Exchange Board of India (SEBI), other statutory provisions. The committees operate as empowered bodies of the Board. In your Company, there are eight Committees of the Board of Directors, which have been delegated adequate powers to discharge their roles & responsibility and urgent business of the Company. These Committees are - (i) Audit Committee; (ii) Stakeholders Relationship Committee; (iii) Nomination and Remuneration Committee; (iv) Banking and Finance Committee; (v) Project Monitoring Committee; (vi) Corporate Social Responsibility Committee (vii) Risk Management Committee; and (viii) Strategy Committee. The Committees meet as often as required. The terms of reference and composition of these Committees are as follows:

### 5.1 Audit Committee

#### (i) Terms of reference:

The terms of reference of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges. It also discharges such other functions as may be delegated by the Board from time to time. Apart from this, the Audit Committee also reviews:

- the contracts entered into by the Company related to traded products, valuing more than Rs. 150 Million and the contracts entered in the register maintained under section 189 of the Companies Act, 2013, if any; and
- Status of material claims filed against the Company. The minutes of the Audit Committee meetings are circulated to the Board of Directors.

#### (ii) Composition:

The Committee comprises of three independent Directors. Mr. K. N. Memani being Chartered Accountant is a financial expert. The Company Secretary is the secretary of the Committee. The permanent invitees include Managing Director, Chief Financial Officer, representatives of statutory auditors and internal auditors. Further, the cost auditor and other executives of the Company are invited in the audit committee meetings, as and when required. The Chairman of the Audit Committee was present at the last Annual General Meeting. The Committee met six times during the year on May 9, 2014, August 7, 2014, September 8, 2014, November 6, 2014, February 5, 2015 and March 14, 2015 and the attendance of the members at the meetings was as follows:

| Name of the Member | Status   | Category    | Number of Meetings attended |
|--------------------|----------|-------------|-----------------------------|
| Mr. Marco Wadia    | Chairman | Independent | 6                           |
| Mr. R. N. Bansal*  | Ceased   | Independent | 2                           |
| Mr. K.N Memani     | Member   | Independent | 5                           |
| Ms. Radha Singh    | Member   | Independent | 5                           |

\* Ceased to be Member w.e.f August 08, 2014

### 5.2 Stakeholders Relationship Committee

#### (i) Terms of reference:

The terms of reference of the Committee are in accordance with the provisions of Companies Act, 2013 and the Listing Agreement. It discharges such other functions as may be delegated by the Board from time to time.

The Committee also approves the matters relating to allotment of securities, issue of duplicate certificates, decide the dates of book closure/ record dates in respect of the shares and other securities issued by the Company, etc. In order to provide quick service to investors and expedite the process of transfers, the Board has delegated sufficient powers to the company executives to deal with various matters including transfer of shares across the counter, transmission of securities, etc.

#### (ii) Composition:

The Committee comprises of three Directors. The Chairperson of the Committee was present at the last Annual General Meeting. The Committee met four times during the year on May 9, 2014, August 7, 2014, November 7, 2014 and February 5, 2015 and the attendance of members at the meetings was as follows:

| Name of the Member | Status      | Category          | Number of Meetings attended |
|--------------------|-------------|-------------------|-----------------------------|
| Ms. Radha Singh*   | Chairperson | Independent       | 4                           |
| Mr. R. N. Bansal** | Ceased      | Independent       | 2                           |
| Mr. Marco Wadia§   | Member      | Independent       | 2                           |
| Mr. Anil Kapoor    | Member      | Managing Director | 4                           |

\* Designated as Chairperson of the Committee w.e.f. August 08, 2014.

\*\* Ceased to be director with effect from September 18, 2014.

§ Appointed as Member of the Committee w.e.f. August 08, 2014.

The Company Secretary of the Company is designated as the Compliance Officer of the Company and can be contacted at:

Chambal Fertilisers and Chemicals Limited  
Corporate One, 1st Floor  
5, Commercial Centre, Jasola  
New Delhi-110 025  
Tel. : 91 11 41697900 Fax: 91 11 40638679  
E-mail: compliance.officer@chambal.in

**(iii) Shareholders' grievances received and resolved during the year:**

The Company has 1,57,860 investors as on March 31, 2015. During the year under review, the status of requests and complaints received, was as follows:

| Particulars | Opening Balance | Received | Total Resolved | Closing Balance |
|-------------|-----------------|----------|----------------|-----------------|
| Requests    | 7               | 9986     | 9981           | 12*             |
| Complaints  | 0               | 353      | 353            | 0               |

\* Since redressed.

### 5.3 Nomination and Remuneration Committee

**(i) Terms of reference:**

The Board has re-designated the "Remuneration Committee" as the "Nomination and Remuneration Committee" ("NRC") in compliance with the provisions of section 178 of the Companies Act, 2013 and Listing Agreement with the Stock Exchanges. The terms of reference of the Committee are in accordance with the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges. It discharges such other functions as may be delegated by the Board from time to time. NRC is also authorized and empowered to (i) superintend and administer the Employees Stock Option Scheme(s) of the Company including CFCL Employees Stock Option Scheme 2010, and (ii) recommend or approve as the case may be, the remuneration including compensation package, increments, incentives, additional perquisites, etc. of Managing Director/ Whole Time Director/ Manager and senior executives (including Key Managerial Personnel) of the Company.

**(ii) Composition:**

The Committee comprises of three Directors. The Chairperson of the Nomination and Remuneration Committee was present at the last Annual General Meeting. The Committee met seven times during the year on May 9, 2014, August 8, 2014, October 17, 2014, November 6, 2014, December 23, 2014, February 6, 2015 and March 12, 2015 and the attendance of members at the meetings was as follows:

| Name of the Member | Status      | Category      | Number of Meetings attended |
|--------------------|-------------|---------------|-----------------------------|
| Ms. Radha Singh*   | Chairperson | Independent   | 5                           |
| Mr. R. N. Bansal§  | Ceased      | Independent   | 2                           |
| Mr. C. S. Nopany   | Member      | Non-executive | 5                           |
| Mr. Marco Wadia    | Member      | Independent   | 6                           |

\* Appointed as Chairperson of the Committee w.e.f. August 08, 2014.

§ Ceased to be Member and Chairman w.e.f. August 08, 2014.

The Remuneration Policy of the Company is attached as Annexure "F" to the Directors Report.

### 5.4 Banking and Finance Committee

**(i) Terms of reference:**

The Committee was formed to approve avilment of various types of finances and any other specific matter delegated by the Board from time to time.

**(ii) Composition:**

The Committee comprises of three Directors. No Committee meeting was held during the Financial Year 2014 -15. The composition of the Committee is as follows:

| Name of the Member | Status   | Category      | Name of the Member | Status | Category          |
|--------------------|----------|---------------|--------------------|--------|-------------------|
| Mr. S. S. Bhartia  | Chairman | Non-executive | Mr. C. S. Nopany   | Member | Non-executive     |
| Mr. D. Basu*       | Ceased   | Independent   | Mr. Anil Kapoor    | Member | Managing Director |

\* Ceased to be Member w.e.f. February 03, 2015

### 5.5 Project Monitoring Committee

**(i) Terms of reference:**

The Committee was formed to review progress of various projects of the Company and approve contracts of certain value.

(ii) **Composition:**

The Committee comprises of four Directors. No Committee meeting was held during the Financial Year 2014-15. The composition of the Committee is as follows:

| Name of the Member | Status   | Category          | Name of the Member | Status | Category    |
|--------------------|----------|-------------------|--------------------|--------|-------------|
| Mr. C. S. Nopany   | Chairman | Non-executive     | Mr. K. N. Memani   | Member | Independent |
| Mr. R. N. Bansal*  | Ceased   | Independent       | Ms. Radha Singh    | Member | Independent |
| Mr. Anil Kapoor    | Member   | Managing Director |                    |        |             |

\*Ceased to be Member w.e.f. August 08, 2014.

## 5.6 Corporate Social Responsibility Committee

(i) **Terms of reference:**

The terms of reference of the Committee are as prescribed under the Companies Act, 2013 and the Rules framed thereunder and it discharges such other functions as may be delegated by the Board of Directors from time to time.

(ii) **Composition:**

The Committee comprises of three Directors. The Committee met twice during the year on May 9, 2014 and March 25, 2015 and the attendance of members at the meetings was as follows:

| Name of the Member | Status   | Category      | Number of Meetings attended |
|--------------------|----------|---------------|-----------------------------|
| Mr. S.S. Bhartia   | Chairman | Non-executive | 1                           |
| Mr. C. S. Nopany   | Member   | Non-executive | 1                           |
| Ms. Radha Singh    | Member   | Independent   | 2                           |

## 5.7 Strategy Committee

(i) **Terms of reference:**

The Committee was formed on September 18, 2014 and the terms of reference of the Committee include evaluation of non-core businesses of the Company from time to time, appointment of legal, tax, financial and other consultants and determine the scope of their services and terms of appointment and to recommend to the Board suitable option(s) pertaining to any of these businesses.

(ii) **Composition:**

The Committee comprises of three Directors. The Committee met twice during the year on September 18, 2014 and March 14, 2015 and the attendance of members at the meetings was as follows:

| Name of the Member | Status   | Category          | Number of Meetings attended |
|--------------------|----------|-------------------|-----------------------------|
| Mr. Marco Wadia    | Chairman | Independent       | 2                           |
| Mr. S.S Bhartia    | Member   | Non-executive     | 1                           |
| Mr. Anil Kapoor    | Member   | Managing Director | 2                           |

## 5.8 Risk Management Committee

(i) **Terms of reference:**

The Committee was formed on August 8, 2014 comprising the executives of the Company. The Committee was re-constituted with effect from April 1, 2015 as per the requirements of revised clause 49 of the Listing Agreement although such requirements regarding composition of Risk Management Committee are not applicable to the Company. The terms of reference of the Committee include review and monitor all business risks of the Company, finalise the risk document and to deal with other matters as may be prescribed in the Risk Management Policy of the Company or delegated to the Committee or as required under the Companies Act, 2013, Rules framed thereunder, listing agreement with the stock exchanges and other laws.

(ii) **Composition:**

The Committee comprises of three Directors, Chief Financial Officer and Company Secretary of the Company. The composition of the Committee as on April 1, 2015 is as follows:

| Name of the Member      | Status   | Category                 |
|-------------------------|----------|--------------------------|
| Mr. S.S Bhartia         | Chairman | Non-executive Director   |
| Mr. Aditya Narayan      | Member   | Independent Director     |
| Mr. Anil Kapoor         | Member   | Managing Director        |
| Chief Financial Officer | Member   | Key Managerial Personnel |
| Company Secretary       | Member   | Key Managerial Personnel |

During the year, the Board of Directors had dissolved the Compensation Committee and Quarterly Results Review Committee of the Board.

## (6) Details of remuneration paid to directors during the Financial Year 2014-15

### 6.1 Executive Director

(Amount in Rs.)

| Managing Director | Salary      | Performance Bonus | Perquisites | Retirement Benefits |
|-------------------|-------------|-------------------|-------------|---------------------|
| Mr. Anil Kapoor   | 2,14,14,875 | 84,00,000         | 14,64,403   | 30,78,000           |

- (i) Subject to the approval of the shareholders, the Board of Directors has re-appointed Mr. Anil Kapoor as Managing Director of the Company for a period of two years with effect from February 16, 2015. The term of appointment of Mr. Anil Kapoor is upto February 15, 2017, which can be terminated by either party by giving three months' written notice to other party.
- (ii) No sitting fee or severance fee is payable to Managing Director.
- (iii) The Performance Bonus payable by the Company to Managing Director is decided by the Board/ Nomination and Remuneration Committee on annual basis based on the performance of the Company and other relevant factors.

The Company has granted 150,000 stock options to the Managing Director during the Financial Year 2010-11. Each option is convertible into one equity share of Rs. 10 of the Company. The stock options were granted at the market price i.e. the latest available closing price on the stock exchanges where the shares of the Company are listed, prior to the date of the meeting of the Compensation Committee in which the options were granted. Out of 150,000 stock options granted to the Managing Director, 1,12,500 stocks vested till March 31, 2015 as per the details given below:

| Date of Vesting | No. of Options |
|-----------------|----------------|
| 16.09.2011      | 22,500         |
| 16.09.2012      | 22,500         |
| 16.09.2013      | 30,000         |
| 16.09.2014      | 37,500         |
| Total           | 1,12,500       |

The remaining 37,500 stock options shall vest on September 16, 2015. The stock options can be exercised within 5 years from the respective dates of vesting. Mr. Anil Kapoor has exercised 11,000 stock options till March 31, 2015.

### 6.2 Non - Executive Directors

The Company pays sitting fee for attending the Board and Committee meetings to its Non-Executive Directors. With effect from February 06, 2015, the Board of Directors have increased the sitting fees payable to the Non-Executive Directors from Rs. 20,000 to Rs.50,000 per Board meeting, from Rs. 15,000 to Rs. 25,000 per Audit Committee meeting and from Rs. 7,500 to Rs. 15,000 per meeting of other Committees of the Board. Apart from the sitting fee, the Company pays Commission to each of the Non-Executive Directors subject to the maximum of Rs. 4,00,000 per annum. The details of sitting fee and the commission paid/ payable are as follows:

| Name of the Director | Sitting fee paid (Rs.) | Commission paid for Financial Year 2013-14 (Rs.) | Commission payable for Financial Year 2014-15 (Rs.) |
|----------------------|------------------------|--------------------------------------------------|-----------------------------------------------------|
| Mr. S. K. Poddar     | 160,000                | 400,000                                          | 400,000                                             |
| Mr. S. S. Bhartia    | 190,000                | 400,000                                          | NIL*                                                |
| Mr. R.N. Bansal**    | 100,000                | 400,000                                          | 187,397                                             |
| Mr. D. Basu***       | 40,000                 | 400,000                                          | 337,534                                             |
| Mr. K.N. Memani      | 245,000                | 400,000                                          | 400,000                                             |
| Mr. C. S. Nopany     | 162,500                | 400,000                                          | 400,000                                             |
| Ms. Radha Singh      | 322,500                | 400,000                                          | 400,000                                             |
| Mr. Marco Wadia      | 390,000                | 400,000                                          | 400,000                                             |

\* Mr. S.S. Bhartia has opted out to receive any commission and sitting fee with effect from April 1, 2015.

\*\* Mr. R.N. Bansal ceased to be director with effect from September 18, 2014.

\*\*\* Mr. D Basu ceased to be Director with effect from February 03, 2015.

After considering the contribution of the individual directors in the affairs of the Company, the Board has decided to pay Commission to Non-executive Directors on uniform basis. In case a directors has served for part of the year, the Commission is payable on pro-rata basis. There was no other pecuniary relationship or transaction with the non-executive directors.

### (7) Board Diversity Policy

The Company has a diverse business portfolio serving different customer segments. Having members of the Board from different fields is therefore necessary as well as significant for sustained commercial success of the Company and in maintaining its competitive advantage. The Board of Directors have adopted "Board Diversity Policy" which set out the basic guidelines to constitute a diverse Board that can, inter alia, draw upon a range of perspectives, experience and knowledge.

### (8) Performance Evaluation

In pursuance of the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Performance Evaluation Policy has been laid down for effective evaluation of performance of the Board of Directors, the Committees thereof and individual Directors including the Chairman of the Board. After detailed discussion at Board level as well as taking input from each director, Nomination and Remuneration Committee ("NRC") finalized the proformas / questionnaires containing various parameters to evaluate

the performance of Board and its committee(s), Individual Directors and Chairperson of the Company. The performance evaluation parameters are based on their roles and responsibilities, contribution to the Company's goals, decision making process, flow of information and various other aspects.

The evaluation of performance of the Board as a whole, Committees of the Board, Individual Directors and Chairperson of the Company was carried out for the Financial Year 2014-15. NRC evaluated the performance of each director. The Independent Directors in their separate meeting carried out the evaluation of the Board of Directors as a whole, Chairperson of the Company and Non-Independent Directors. The Chairperson of NRC and the Independent Directors have submitted reports of their respective evaluations to the Chairperson of the Company.

Based on the questionnaires received from the Directors and considering the reports of Chairperson of NRC and Independent Directors, the Board evaluated its own performance and that of its committees and individual directors including independent directors.

#### (9) Vigil Mechanism and Whistle Blower Policy

The Company has a Whistle Blower Policy for establishing vigil mechanism for directors, employees and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's "Code of Conduct and Ethics for Directors and Employees". The Directors and Employees are not only encouraged but required to report their genuine concerns and grievances under this policy. The vigil mechanism under the Policy provides adequate safeguard against victimization of the directors and the employees who avail of the mechanism and also provide for direct access to Chairman of the Audit Committee in exceptional cases. No personnel were denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company at [www.chambalfertilisers.com](http://www.chambalfertilisers.com) & intranet site - [www.chambal.in](http://www.chambal.in)

#### (10) Related Party Transactions

During the financial year 2014-15, all transactions entered into with Related Parties, as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement, were in the ordinary course of business and on an arm's length basis. There were no materially significant transactions with related parties during the year that may have potential conflict with the interest of the Company at large. The Company has formulated a policy on dealing with related party transactions which has been uploaded on the website of the Company and can be accessed at the weblink - [http://www.chambalfertilisers.com/pdf/RPT\\_Policy\\_CFCL.pdf](http://www.chambalfertilisers.com/pdf/RPT_Policy_CFCL.pdf)

No material Related Party Transaction (transaction exceeding ten percent of the annual consolidated turnover as per last audited financial statements), was entered during the year by the Company. Accordingly, disclosure of Related Party Transactions as required under section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

#### (11) Shareholding of Directors as on March 31, 2015

| Name              | Number of Shares held | Name            | Number of Shares held |
|-------------------|-----------------------|-----------------|-----------------------|
| Mr. C. S. Nopany  | 3,23,775              | Mr. Anil Kapoor | NIL                   |
| Mr. S. K. Poddar  | 2,56,128              | Mr. K.N. Memani | NIL                   |
| Mr. Marco Wadia   | 6,000                 | Ms. Radha Singh | NIL                   |
| Mr. S. S. Bhartia | 110                   |                 |                       |

#### (12) General Body Meetings:

12.1 The last three Annual General Meetings of the Company were held as under:

| Financial year | Date       | Time       | Location                                                            |
|----------------|------------|------------|---------------------------------------------------------------------|
| 2013-14        | 18.09.2014 | 1030 hours | Registered Office of the Company at Gadepan, Distt. Kota, Rajasthan |
| 2012-13        | 13.09.2013 | 1030 hours |                                                                     |
| 2011-12        | 14.09.2012 | 1030 hours |                                                                     |

12.2 During the last three years, the Company had taken shareholders' approval by way of special resolutions as per the details given below:

| Date of Annual General Meeting | Nature of approval                                                                                                                                                                                           |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| September 18, 2014             | 1. Approval of the borrowing powers / limits of the Board of Directors of the Company.<br>2. Approval to make offer or invitation for subscription of non-convertible debentures on private placement basis. |
| September 13, 2013             | Amendment to 'CFCL Employees Stock Option Scheme 2010'.                                                                                                                                                      |

12.3 During the year 2014-15, the Company had taken Shareholders' approval by way of special resolution through postal ballot to mortgage, hypothecate, otherwise charge, alienate or dispose-off any and all immovable and movable properties of the Company pursuant to Section 180 (1) (a) of the Companies Act, 2013, as per details given below:

| Date of Announcement of Result | Total No. of Valid Votes | No. of Votes with Assent for the Resolution | No. of Votes with Dissent for the Resolution |
|--------------------------------|--------------------------|---------------------------------------------|----------------------------------------------|
| 18.09.2014                     | 28,05,10,850             | 27,16,34,392 (96.84%)                       | 88,76,458 (3.16%)                            |

Mr. M.L. Patodi, Advocate, Kota was appointed as scrutinizer for conducting the postal ballot exercise (including e-voting) for the aforesaid matter.

12.4 No special resolution is proposed to be conducted through postal ballot in the forthcoming Annual General Meeting of the Company.

### (13) Disclosures

- 13.1 No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority in any matter related to capital markets, for non-compliance by the Company.
- 13.2 Your Company is fully compliant with the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and quarterly compliance reports in the requisite format signed by the Compliance Officer, have been submitted to the concerned stock exchanges.
- 13.3 The Company has formulated a "Policy for determining Material Subsidiary" which has been uploaded on the website of the Company ([www.chambalfertilisers.in](http://www.chambalfertilisers.in)) and can be accessed at the weblink <http://chambalfertilisers.com/pdf/Policy-on-Material-Subsidiary.pdf>
- 13.4 The details of familiarization programmes for Independent Directors is available on the website of the Company and can be accessed at the weblink - <http://chambalfertilisers.com/pdf/Familiarization-Programme.pdf>
- 13.5 The Company has adopted the following non-mandatory requirements relating to:
- Maintenance of the office of Non-Executive Chairman at the Company's expense
  - Separate posts of Chairman and Managing Director
  - Unqualified Audited Financial statements of the Company
- 13.6 During the year, no case was filed with the Company under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- 13.7 The Company has circulated Sustainability Report for the Financial Year 2013-14 by email, wherever the email addresses of the shareholders were available with the Company.

### (14) Means of Communication

- 14.1 The Company regularly interacts with the shareholders through multiple channels of communication such as publication of results on quarterly, half-yearly and annual basis, published in the main editions of national and vernacular dailies (such as Mint, Rajasthan Patrika and Dainik Bhaskar), Annual Report, e-mails and the Company's website.
- 14.2 Information relating to shareholding pattern, quarterly corporate governance report, intimation of board meetings, etc. was also posted on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.
- 14.3 The results are simultaneously posted on the website of the Company at [www.chambalfertilisers.com](http://www.chambalfertilisers.com). The investors can also find on this website the Annual Reports, Quarterly Results, Sustainability Reports, quarterly corporate governance report, terms and conditions for appointment of independent directors, details of various services being provided to investors, guidance and procedure to be followed by the investors for transfer, transmission and transposition of the securities, de-materialisation, re-materialisation of shares, etc.
- 14.4 The Company had four Earning/ conference calls with investors/ analysts during the Financial Year 2014-15 in respect of its quarterly results, transcripts whereof are uploaded on the website of the Company.
- 14.5 Management Discussion and Analysis Report forms part of the Directors' Report.

### (15) Code of Conduct & Ethics

The Company had adopted Code of Conduct and Ethics which is available on the website of the Company ([www.chambalfertilisers.com](http://www.chambalfertilisers.com)). The object of the Code is to conduct the Company's business ethically and with responsibility, integrity, fairness, transparency and honesty. The Code of Conduct also serves as a tool in carrying out the Company's social responsibility in a more effective manner. This Code sets out a broad policy for one's conduct in dealing with the Company, fellow directors and employees and with the external environment in which the Company operates.

The declaration given by Managing Director of the Company affirming compliance of the Code by the Board Members and Senior Management Personnel of the Company during the Financial Year 2014-15 is enclosed as Annexure - "C" to Directors' Report.

### (16) General Shareholders' Information

#### 16.1 30th Annual General Meeting

Venue: Registered Office at Gadepan, Distt. Kota, Rajasthan - 325208

Time: 1030 hours

Day & Date: Tuesday, September 15, 2015

#### 16.2 Financial Year : April to March

#### 16.3 Tentative Financial Calendar

| Event                            | Date              | Event                            | Date                         |
|----------------------------------|-------------------|----------------------------------|------------------------------|
| Audited Annual Results (2014-15) | April 30, 2015    | Half Yearly Results              | Early November 2015          |
| Mailing of Annual Report         | August 2015       | Third Quarter Results            | Early February 2016          |
| First Quarter Results            | Early August 2015 | Audited Annual Results (2015-16) | Late April or Early May 2016 |

#### 16.4 Book Closure

The register of members and share transfer books of the Company shall remain closed from September 1, 2015 to September 3, 2015 (both days inclusive).

#### 16.5 Dividend Payment Date: September 21, 2015

#### 16.6 Listing on Stock Exchanges and Stock codes

The names and addresses of the stock exchanges at which the equity shares of the Company are listed and the respective stock codes are as under:

| S. No. | Name of the Stock Exchange                                                                                                                  | Stock Code |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 1      | BSE Limited (BSE)<br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001                                                               | 500085     |
| 2      | National Stock Exchange of India Limited (NSE)<br>Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 | CHAMBLFERT |

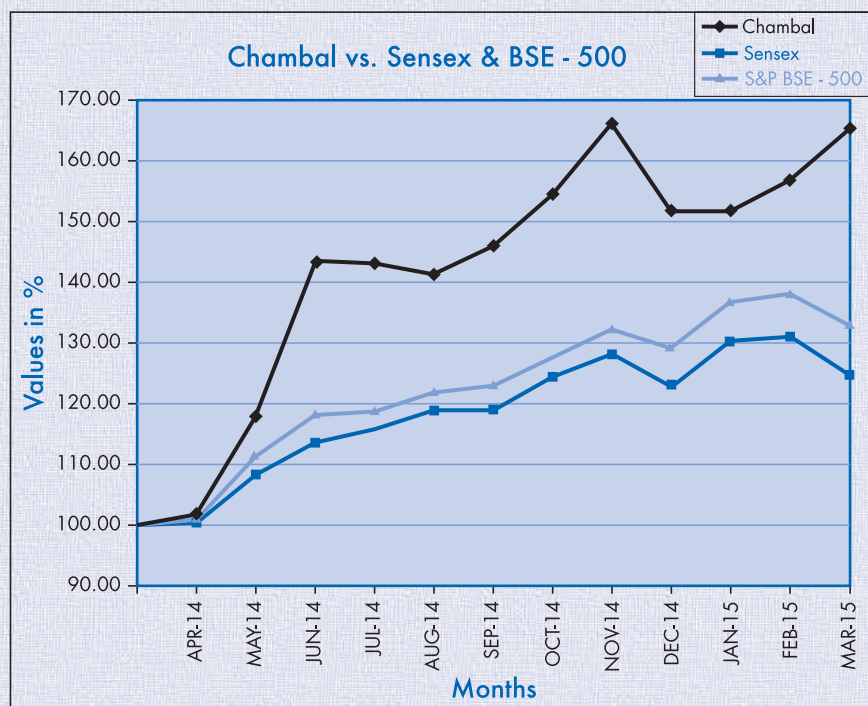
The Company has paid annual listing fees for the Financial Year 2015-16 to BSE and NSE.

#### 16.7 Market Price Data

High and low of market prices of the Company's equity shares traded on BSE and NSE during the financial year 2014-15 were as follows:

| Month           | BSE   |       | NSE   |       |
|-----------------|-------|-------|-------|-------|
|                 | High  | Low   | High  | Low   |
| April, 2014     | 45.05 | 40.10 | 45.20 | 40.10 |
| May, 2014       | 54.40 | 39.70 | 54.35 | 39.60 |
| June, 2014      | 61.65 | 46.05 | 61.70 | 46.05 |
| July, 2014      | 64.60 | 52.45 | 64.60 | 52.35 |
| August, 2014    | 62.50 | 54.35 | 62.55 | 54.10 |
| September, 2014 | 66.65 | 54.50 | 66.60 | 54.50 |
| October, 2014   | 63.60 | 57.80 | 63.70 | 57.70 |
| November, 2014  | 71.00 | 61.80 | 71.10 | 61.80 |
| December, 2014  | 67.50 | 59.00 | 67.65 | 58.70 |
| January, 2015   | 66.80 | 58.35 | 66.25 | 58.15 |
| February, 2015  | 73.50 | 59.05 | 73.45 | 58.80 |
| March, 2015     | 68.40 | 60.75 | 68.45 | 60.60 |

#### 16.8 Performance of Chambal's equity share in comparison to BSE Sensex and S&P BSE 500 on the basis of closing values:



The base of 100 is taken to be the closing price of shares and values of indices as on March 31, 2014.

#### 16.9 Registrar and Transfer Agents & Share Transfer System

M/s. Zuari Investments Ltd. is your Company's Share Transfer Agent. Share transfers in physical form and other communications regarding shares, dividends, change of address, etc., may be addressed to:

M/s. Zuari Investments Limited  
Corporate One, First Floor, 5, Commercial Centre, Jasola  
New Delhi- 110 025.

Tel : 011 - 41697900, 46581300

Fax : 011 - 40638679

E-mail : isc@chambal.in

The dematerialised shares are directly transferred to the beneficiaries by the Depositories.

The Share Transfer Agents have an online computerized system for transfer of shares in physical form. The designated officials of the Company are authorised to approve transfer of shares after they are processed by the Share Transfer Agents including transfer of shares 'Over the Counter' upto 10,000 shares per request. Average time taken in transfer of shares is around 2 working days from the date of receipt of the request.

#### 16.10 Address for Correspondence:

The Investors can personally contact or send their correspondence either to Share Transfer Agents at the aforesaid address or at the Company's Investor Service Centre at the following address:

Chambal Fertilisers and Chemicals Limited  
Investor Service Centre  
Corporate One, First Floor,  
5, Commercial Centre, Jasola  
New Delhi - 110 025

Tel : 011 - 41697900, 46581300

Fax : 011 - 40638679

E-mail : compliance.officer@chambal.in

Website : www.chambalfertilisers.com

#### 16.11 Dematerialisation of Shares and Liquidity

The Equity Shares of the Company are compulsorily traded in dematerialised form and the Company has signed agreements with both the Depositories i.e. National Securities Depositories Limited and Central Depository Services (India) Limited. As on March 31, 2015, about 93.15% of the share capital of the Company was held in dematerialised form.

#### 16.12 Transfer of shares in Unclaimed Suspense Account

Pursuant to Clause 5A (II) of the Listing Agreement, the Company has transferred to the 'Unclaimed Suspense Account' the unclaimed equity shares which were issued in physical form from time to time. The details of such unclaimed shares are as under:

| Particulars                                                                                                                                | No. of Shareholders | No. of Shares |
|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------|
| Aggregate Number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2014                    | 2,623               | 4,42,364      |
| Number of shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account during the Financial Year 2014-15 | 8                   | 1,358         |
| Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during Financial Year 2014-15                   | 8                   | 1,358         |
| Aggregate Number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2015                   | 2,615               | 4,41,006      |

The voting rights on the shares outstanding in the Unclaimed Suspense Account shall remain frozen till the rightful owner of such shares claims the shares.

#### 16.13 Distribution of Shareholding

The distribution of shareholding as on March 31, 2015 was as follows:

| S. No | No. of Equity Shares held | No. of Share Holders | Percentage of total Shareholders | No. of Shares held | Percentage of total shares |
|-------|---------------------------|----------------------|----------------------------------|--------------------|----------------------------|
| 1     | 1 to 500                  | 1,36,034             | 86.17                            | 2,45,56,301        | 5.90                       |
| 2     | 501 to 1000               | 12,779               | 8.10                             | 1,12,59,302        | 2.70                       |
| 3     | 1001 to 5000              | 7,581                | 4.80                             | 1,67,29,384        | 4.02                       |
| 4     | 5001 to 10000             | 792                  | 0.50                             | 60,41,466          | 1.45                       |
| 5     | 10001 to 100000           | 540                  | 0.34                             | 1,50,50,848        | 3.62                       |
| 6     | 100001 to 500000          | 65                   | 0.04                             | 1,54,78,988        | 3.72                       |
| 7     | 500001 & above            | 69                   | 0.05                             | 32,70,91,563       | 78.59                      |
|       | Total                     | 1,57,860             | 100.00                           | 41,62,07,852       | 100.00                     |

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The shareholding pattern of the Company alongwith top ten shareholders and other details are given in Annexure "G" to the Directors' Report.

16.14 Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity - NIL

16.15 a) Location of the Plants

Fertiliser Plants: Gadepan, Distt. Kota, Rajasthan, India, PIN – 325 208

Birla Textile Mills: Baddi, Distt. Solan, Himachal Pradesh, India, PIN -173 205

b) India Steamship - Shipping Division  
"Birla Building", 9th Floor, 9/1, R.N. Mukherjee Road, Kolkata – 700001

For and on behalf of the Board of Directors

Place: New Delhi  
Date: April 30, 2015

S. K. Poddar  
Chairman

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### Annexure "C" to Directors' Report

#### DECLARATION OF MANAGING DIRECTOR

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, I, Anil Kapoor, Managing Director of Chambal Fertilisers and Chemicals Limited, declare that all Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct and Ethics during the year 2014-15.

Anil Kapoor  
Managing Director

Place: New Delhi  
Date: April 30, 2015

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### Annexure "D" to Directors' Report

#### AUDITORS' CERTIFICATE

To

The Members of Chambal Fertilisers and Chemicals Limited

We have examined the compliance of conditions of corporate governance by Chambal Fertilisers and Chemicals Limited, for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For S.R. BATLIBOI & CO. LLP  
Chartered Accountants  
ICAI Firm registration number: 301003E

Place: Gurgaon  
Date: April 30, 2015

per Anil Gupta  
Partner  
Membership No.: 87921

**Annexure “E” to Directors’ Report**  
**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

|                                                                                        |                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                    |                                                             |                                                                                                                       |                                                            |                                                       |
|----------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------|
| 1                                                                                      | A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and Projects or Programmes | The Company is engaged in various social initiatives through its intervention in the area of Education, Infrastructure, Healthcare, Women empowerment, etc. The CSR activities are carried out by the Company itself, in partnership with NGOs or Government Agencies.<br><br>The Company has framed a CSR Policy which includes the details of projects or programs to be undertaken by the Company, in compliance with the provisions of the Companies Act, 2013. The Policy is placed on the Company's website and can be accessed at the web-link: <a href="http://www.chambalfertilisers.com/pdf/ChambalCSRPolicy2014.pdf">http://www.chambalfertilisers.com/pdf/ChambalCSRPolicy2014.pdf</a> |                                                                                                                    |                                                             |                                                                                                                       |                                                            |                                                       |
| 2                                                                                      | The Composition of the CSR Committee.                                                                                                                                                          | Mr. S. S. Bhartia - Chairman<br>Mr. C. S. Nopany - Member<br>Ms. Radha Singh - Member                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                    |                                                             |                                                                                                                       |                                                            |                                                       |
| 3                                                                                      | Average net profit of the company for last three financial years                                                                                                                               | Rs. 455.21 Crore                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                    |                                                             |                                                                                                                       |                                                            |                                                       |
| 4                                                                                      | Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)                                                                                                                     | Rs. 9.10 Crore                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                    |                                                             |                                                                                                                       |                                                            |                                                       |
| 5                                                                                      | Details of CSR spent during the financial year.                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                    |                                                             |                                                                                                                       |                                                            |                                                       |
|                                                                                        | a) Total amount to be spent for the Financial Year                                                                                                                                             | Rs. 9.10 Crore                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                    |                                                             |                                                                                                                       |                                                            |                                                       |
|                                                                                        | b) Total amount spent for the Financial Year                                                                                                                                                   | Rs. 8.36 Crore                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                    |                                                             |                                                                                                                       |                                                            |                                                       |
|                                                                                        | c) Amount unspent, if any                                                                                                                                                                      | Rs. 0.74 Crore                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                    |                                                             |                                                                                                                       |                                                            |                                                       |
|                                                                                        | d) Manner in which the amount spent during the financial year :                                                                                                                                | As per details given below.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                    |                                                             |                                                                                                                       |                                                            |                                                       |
| Details of amount spent on CSR Projects and Programs during the Financial Year 2014-15 |                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                    |                                                             |                                                                                                                       |                                                            |                                                       |
| S. No.                                                                                 | CSR Projects or activity identified                                                                                                                                                            | Sector in which the project is covered                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Projects or programs<br>1) Local Area or other<br>2) State or district where the project or program was undertaken | Amount outlay –(budget) Project / program wise (Rs. In lac) | Amount Spent on the projects or programs<br>1) Direct expenditure on project or programs<br>2) Overheads (Rs. in lac) | Cumulative expenditure up to reporting period (Rs. in lac) | Amount Spent : direct or through implementing agency* |
| (i)                                                                                    | Education initiative                                                                                                                                                                           | Education                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1) Local Area<br>2) Distt. Kota, Rajasthan                                                                         | 338.60                                                      | 1) 336.72<br>2) 15.65                                                                                                 | 352.37                                                     | Direct, Pratham and KKBMS                             |
| (a)                                                                                    | Elementary, Secondary & Technical Education                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                    |                                                             |                                                                                                                       |                                                            |                                                       |
| (b)                                                                                    | CFDAV School, Gadepan                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                    | 83.86                                                       | 1) 82.57<br>2) 3.84                                                                                                   | 86.41                                                      | DAV Trust and Management Society                      |
| (ii)                                                                                   | Vocational Training Centres                                                                                                                                                                    | Skill Enhancement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 1) Local Area<br>2) Distt. Kota, Rajasthan                                                                         | 10.48                                                       | 1) 8.83<br>2) 0.41                                                                                                    | 9.24                                                       | Direct, District Adult Education Association          |
| (iii)                                                                                  | Infrastructure                                                                                                                                                                                 | Infrastructure / Swacchh Bharat Mission                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1) Local Area<br>2) Distt. Kota, Rajasthan                                                                         | 132.61                                                      | 1) 144.42<br>2) 6.71                                                                                                  | 151.13                                                     | Direct and KKBMS                                      |
| (iv)                                                                                   | Health care Initiatives at Gadepan                                                                                                                                                             | Health                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1) Local Area<br>2) Distt. Kota, Rajasthan                                                                         | 16.77                                                       | 1) 13.16<br>2) 0.61                                                                                                   | 13.77                                                      | Direct and KKBMS                                      |
| (a)                                                                                    | At Gadepan                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                    |                                                             |                                                                                                                       |                                                            |                                                       |
| (b)                                                                                    | In Uttarakhand                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1) Other<br>2) Distt. Tehri and Dehradun, Uttarakhand                                                              | 31.45                                                       | 1) 30.00<br>2) 1.39                                                                                                   | 31.39                                                      | Manorama Devi Birla Charitable Trust                  |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                   |                               |                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                      |        |                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------|------------------|
| (v)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Various other schemes i.e. Self Help Groups, assistance in Government Pension Schemes / LPG connections, veterinary camps, etc.                                                   | Employability and Empowerment | 1) Local Area<br>2) Distt. Kota, Rajasthan                     | 8.91                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1) 10.90<br>2) 0.51  | 11.41  | Direct and KKBMS |
| (vi)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Soil Health Initiative                                                                                                                                                            | Maintaining quality of soil   | 1) Local Area & Other<br>2) Dist. Kota, Rajasthan & Agra, U.P. | 212.32                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1) 171.83<br>2) 7.99 | 179.82 | KKBMS            |
| Grand Total (i to vi)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                   |                               |                                                                | 835.00                                                                                                                                                                                                                                                                                                                                                                                                                                             | 835.54               | 835.54 |                  |
| <p><b>*Details of Implementing Agencies</b></p> <p>a. The Company had set up KK Birla Memorial Society (KKBMS) in the year 2012, inter-alia, for implementation of its CSR Projects and Programmes.</p> <p>b. Pratham Education Foundation (Pratham) is a pioneer in the field of Education and is partnering with the Company / KKBMS in improving education system in Government Schools.</p> <p>c. District Adult Education Association, supported by Jan Shikshan Sanssthan, Ministry of HRD, Govt. of India, is associated with the Company / KKBMS in imparting Vocational Training to unemployed rural youths.</p> <p>d. Manorama Devi Birla Charitable Trust, is associated with the Company / KKBMS for providing healthcare to the villages surrounding Mussoorie, Uttarakhand.</p> <p>e. DAV Trust and Management Society is running a School in Gadepan under a Memorandum of Understanding with the Company</p> |                                                                                                                                                                                   |                               |                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                      |        |                  |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount |                               |                                                                | The Company has made all out efforts to achieve the 2% CSR spend and was successful in achieving more than 90% thereof. However, due to the low monetary value of individual projects in villages, the mobilization of resources was extremely challenging in terms of availability of trained manpower and contractors to complete the projects. Hence, it was not able to spend the 2% of average net profits of the last three financial years. |                      |        |                  |

The CSR Committee confirms that the implementation and monitoring of CSR policy is in compliance with the CSR objectives and Policy of the company.

Anil Kapoor  
Managing Director

S.S. Bhartia  
Chairman- Corporate Social Responsibility Committee

Place: New Delhi  
Date: April 30, 2015

## Annexure “F” to Directors Report REMUNERATION POLICY

### 1. PURPOSE

To provide a framework and principles which will guide the remuneration strategy of Chambal Fertilisers and Chemicals Limited (“Company”) for its Directors, Key Managerial Personnel and other employees. The Policy shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate its Directors and personnel to guide and manage the Company successfully.

### 2. DEFINITIONS

- i. “Act” means the Companies Act, 2013 including any modification or re-enactment thereof.
- ii. “Board” means the Board of Directors of the Company.
- iii. “Committee” or “Nomination and Remuneration Committee” means a Committee of the Board, constituted in accordance with the provisions of Section 178 of the Act and the listing agreement with the stock exchanges.
- iv. “Employees’ Stock Options” means the options given or to be given by the Company to the Managing Director and employees of the Company in fertiliser and agri-input business which gives them the right to purchase, or to subscribe for, the equity shares of the Company at a future date at a pre-determined price.
- v. “Independent Director” means the Independent Director of the Company appointed in pursuance of the Act and listing agreement with the stock exchanges.
- vi. “Key Managerial Personnel” or “KMP” means the person(s) appointed as such in pursuance of Section 203 of the Act.
- vii. “Management Committee” means a committee of a particular business division of the Company comprising of members of Senior Management of such business division and KMPs.

- viii. "Rules" means the rules framed under the Act.
- ix. "Remuneration" means any money or its equivalent given or passed on to any person for services rendered by him/ her and includes perquisites and other benefits.
- x. "Senior Management" means the employees of the Company holding the position of Vice President or above in Fertiliser and agri-input business of the Company, Company Secretary, Chief Financial Officer and heads of Shipping and Textile businesses of the Company.

### 3. APPOINTMENT AND REMOVAL OF DIRECTORS, KMPs AND SENIOR MANAGEMENT PERSONNEL

#### 3.1 Appointment Criterion and Qualifications:

3.1.1 A person proposed to be employed by the Company at Senior Management shall fulfil the following criterion:

- a) He / she should be a person of integrity with high level of ethical standards;
- b) The person should possess adequate qualification, positive attributes, expertise and experience commensurate with the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / adequate for the concerned position.
- c) The person should not have been convicted by a court of law of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for 6 months or more during last 5 years or imprisonment for 7 years or more at any point in time.
- d) The person should possess all requisite qualifications (wherever applicable) as may be prescribed under any law, rules, regulations and listing agreement with the stock exchanges.

3.1.2 The persons proposed to be appointed as Directors and Managing Director or Whole Time Director shall fulfil the following criterion:

- a) He / she should be person of integrity with high level of ethical standards.
- b) The person should have requisite qualification and experience in any of the areas like technical, finance, law, public administration, management, accounting, marketing, production, human resource, etc., as may be required in the context of the business and operations of the Company. The Committee has discretion to decide whether the qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) The person should not have been disqualified to be a director as per the provisions of the Act, Rules and any other law and regulation for the time being in force.
- d) In case of appointment as Independent Director, the person should fulfil the criterion of independence prescribed under the Act, Rules and the listing agreement with the stock exchanges.

#### 3.2 Recommendation of the Committee:

Depending upon the requirement of the Company, the Committee shall identify the persons who fulfil the criterion mentioned above for appointment as Director, KMP or Senior Management Personnel and recommend to the Board for such appointment including the Remuneration and terms of their appointment.

The Committee shall also recommend to the Board the increment and performance incentive of Managing Director and Whole Time Director of the Company.

The Committee shall approve the increment and performance incentive of Senior Management personnel.

Unless it is required to be determined by the Board or Committee in pursuance of any provision of law, rules or regulation, the terms of employment and Remuneration including increment, performance incentive, etc. of the employees (excluding Senior Management) are determined by the Management Committee of the concerned business division of the Company.

#### 3.3 Removal:

Due to reasons for any disqualification mentioned in the Act, Rules or under any other law, rules and regulations or Code of Conduct & Ethics of the Company, the Committee may recommend to the Board, removal of a Director, KMP or Senior Management personnel from the services of the Company, with the reasons recorded in writing. The removal of a Director, KMP or Senior Management personnel by the Board shall be subject to the provisions and in compliance of the Act, Rules and any other laws, rules and regulations, as may be applicable.

#### 3.4 Retirement:

Unless removed by the competent authority,

- a) A Director including Managing Director and Whole Time Director, if any, shall retire as per the terms of his/ her appointment.
- b) Senior Management personnel shall retire as per the prevailing retirement policy of the Company.
- c) The Board shall have the discretion to retain KMPs or Senior Management personnel on the same or similar position, remuneration or otherwise even after their attaining the age of superannuation, as it may deem fit, for the benefit of the Company.

### 4. REMUNERATION STRUCTURE & COMPONENTS

#### 4.1 Managing Director and Whole Time Director

The Managing Director including Whole Time Director(s) shall be paid both fixed and variable components of Remuneration subject to

the provisions of the Act, Rules and other laws, rules and regulations and the listing agreement with the stock exchanges. The variable component of Remuneration shall have a co-relationship with the performance of such a Director against a prescribed benchmark along with the factors such as financial performance of the Company. The Committee shall formulate and recommend to the Board from time to time Remuneration packages for Managing Director(s) and Whole-Time Directors keeping a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals including internal comparison amongst compensation of whole time directors and median employee pay. The Company has granted Employees Stock Options to the Managing Director. The Managing Director(s) and Whole-Time Directors are not entitled to sitting fee for attending Board Meetings.

#### 4.2 Non Executive Directors

Non-Executive Directors shall be paid adequate and reasonable sitting fee for attending meetings of the Board and Committees thereof subject to the maximum amount permissible under the Act and Rules. Subject to the adequacy of the profits and approval of the Shareholders, the Company may pay commission to the Non-Executive Directors of the Company.

The Board shall determine appropriate criterion for payment of commission to Non-Executive Directors which may include the time devoted by the directors for the business of the Company, contribution made by the director in the functioning of the Company, etc.

#### 4.3 Other KMPs and Employees

CFCL has three businesses viz. Fertilisers & other Agri-inputs, Textile and Shipping. Each business has a unique requirement of talent, qualification and skill sets. Accordingly, the payment structure and salary levels are aligned keeping in view the particular industry requirement. Each business division has its own policies pertaining to perquisites and benefits including retirement benefits which are designed as per the industry practice, business needs or other factors related to such business.

The Human Resource Department undertakes review of the Remuneration through periodic benchmarking exercises, surveys and market trends. The various Remuneration components are combined to ensure an appropriate and balanced Remuneration package depending upon the level of employee, job profile, performance, future potential and other relevant variables.

The Remuneration of Senior Management personnel and other employees are based on the following fundamental principles:

- Demand-supply relationship of the concerned job expertise.
- Need of organization to retain and attract talent and its ability to pay.
- Employees' social aspiration for enhancing standard of living.
- Compensation trends in the industries in which the Company operates.

The compensation of Senior Management personnel comprises of fixed component as well as performance based incentives apart from perquisites and benefits including retirement benefits. While approving the increment and performance incentive of Senior Management personnel, the Committee shall strike a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The Remuneration package of other employees depends upon the nature of business, job profile and other factors mentioned above. Apart from fixed component, the package may include one or more variable components such as performance based incentives, annual bonus, production linked bonus, etc., as the case may be.

The Company has also granted Employees Stock Options to the KMPs and employees above a certain level in the Fertiliser & Agri-Inputs division of the Company.

For and on behalf of the Board of Directors

Place: New Delhi  
Date: April 30, 2015

S.K. Poddar  
Chairman

### Annexure "G" to Directors Report Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

| I. REGISTRATION AND OTHER DETAILS |                                                                           |                                                                                                                                                                                                |
|-----------------------------------|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i                                 | CIN                                                                       | L24124RJ1985PLC003293                                                                                                                                                                          |
| ii                                | Registration Date                                                         | May 7, 1985                                                                                                                                                                                    |
| iii                               | Name of the Company                                                       | Chambal Fertilisers and Chemicals Limited                                                                                                                                                      |
| iv                                | Category / Sub-Category of the Company                                    | Public Limited                                                                                                                                                                                 |
| v                                 | Address of the Registered office and contact details                      | Gadepan, District – Kota, Rajasthan PIN-325 208, Phone No. 0744-2782915                                                                                                                        |
| vi                                | Whether listed company Yes / No                                           | Yes                                                                                                                                                                                            |
| vii                               | Name, Address and Contact details of Registrar and Transfer Agent, if any | M/s Zuari Investments Limited, Corporate One, First Floor, 5, Commercial Centre, Jasola, New Delhi – 110025<br>Phone : 011 - 41697900, 46581300 Fax : 011 - 40638679<br>Email : isc@chambal.in |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--------------------------------------------------|----------------------------------|------------------------------------|
| 1       | Urea                                             | 20121                            | 49.51                              |
| 2       | DAP                                              | 20123                            | 25.70                              |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| S. No | Name and address of the Company                                                                                                                                              | CIN/ GLN              | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 1     | Chambal Infrastructure Ventures Limited, "Corporate One", First Floor, 5, Commercial Centre, Jasola, New Delhi – 110 025.                                                    | U45200DL2007PLC157223 | Subsidiary                     | 100              | 2(87)(ii)          |
| 2     | CFCL Overseas Limited, C/o M&C Corporate Services Limited, PO. Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands. (Under Liquidation) | Foreign Company       | Subsidiary                     | 100              | 2(87)(ii)          |
| 3     | India Steamship Pte Limited, 24, Raffles Place, #24-03 Clifford Centre, Singapore 48621                                                                                      | Foreign Company       | Subsidiary                     | 100              | 2(87)(ii)          |
| 4     | India Steamship International FZE, PO Box 42596, Hamriyah Free Zone, UAE                                                                                                     | Foreign Company       | Subsidiary                     | 100              | 2(87)(ii)          |
| 5     | India Steamship Limited, P.O. Gadepan, District – Kota, Rajasthan, PIN-325 208                                                                                               | U61100RJ2011PLC034702 | Subsidiary                     | 100              | 2(87)(ii)          |
| 6     | CFCL Technologies Limited, C/o M&C Corporate Services Limited, PO. Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.                 | Foreign Company       | Subsidiary                     | 72.27            | 2(87)(ii)          |
| 7     | Chambal Energy (Orissa) Limited, "Corporate One", First Floor, 5, Commercial Centre, Jasola, New Delhi – 110 025.                                                            | U40300DL2007PLC171736 | Subsidiary                     | 100              | 2(87)(ii)          |
| 8     | Chambal Energy (Chhattisgarh) Limited, "Corporate One", First Floor, 5, Commercial Centre, Jasola, New Delhi – 110 025.                                                      | U40300DL2007PLC171762 | Subsidiary                     | 100              | 2(87)(ii)          |
| 9     | ISGN Corporation, 2330, Commerce Park Drive, NE, Suite 2, Palm Bay, FL 32905, USA                                                                                            | Foreign Company       | Subsidiary                     | 72.27            | 2(87)(ii)          |
| 10    | CFCL Ventures Limited, C/o M&C Corporate Services Limited, PO. Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.                     | Foreign Company       | Subsidiary                     | 72.27            | 2(87)(ii)          |
| 11    | ISGN Solutions, Inc, 2330, Commerce Park Drive, NE, Suite 2, Palm Bay, FL 32905, USA                                                                                         | Foreign Company       | Subsidiary                     | 72.27            | 2(87)(ii)          |
| 12    | Richmond Title Genpar, LLC, 2330, Commerce Park Drive, NE, Suite 2, Palm Bay, FL 32905, USA                                                                                  | Foreign Company       | Subsidiary                     | 72.27            | 2(87)(ii)          |
| 13    | Richmond Investors, LLC, 2330, Commerce Park Drive, NE, Suite 2, Palm Bay, FL 32905, USA                                                                                     | Foreign Company       | Subsidiary                     | 72.27            | 2(87)(ii)          |
| 14    | Richmond Title Services, LP, 2330, Commerce Park Drive, NE, Suite 2, Palm Bay, FL 32905, USA                                                                                 | Partnership           | Subsidiary                     | 72.27            | 2(87)(ii)          |
| 15    | ISGN Fulfillment Services, Inc. (Pennsylvania), 2330, Commerce Park Drive, NE, Suite 2, Palm Bay, FL 32905, USA                                                              | Foreign Company       | Subsidiary                     | 72.27            | 2(87)(ii)          |
| 16    | ISGN Fulfillment Services, Inc., 2330, Commerce Park Drive, NE, Suite 2, Palm Bay, FL 32905, USA                                                                             | Foreign Company       | Subsidiary                     | 72.27            | 2(87)(ii)          |
| 17    | ISGN Fulfillment Agency, LLC, 2330, Commerce Park Drive, NE, Suite 2, Palm Bay, FL 32905, USA                                                                                | Foreign Company       | Subsidiary                     | 72.27            | 2(87)(ii)          |
| 18    | ISG Novasoft Technologies Limited, Ground Floor, Vayu Block, Salarpuria GR Tech Park, Whitefield, Bengaluru, PIN – 560 066                                                   | U72900KA2003PLC050528 | Subsidiary                     | 72.27            | 2(87)(ii)          |
| 19    | Inuva Info Management Private Limited, Flat No.3B, 3rd Floor, 208, S.P. Mukherjee Road, PS - Tollygunge, Kolkata – 700 026.                                                  | U72900WB2001PTC093549 | Subsidiary                     | 51.32            | 2(87)(ii)          |
| 20    | Indo Maroc Phosphore S.A, Morocco 2, Rue Al Abtal, Hay Erraha, 20200, Casablanca, Morocco.                                                                                   | Foreign Company       | Joint Venture                  | 33.33            | 2(6)               |

| IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) |                                                 |          |           |                   |                                           |          |           |                   |                          |
|----------------------------------------------------------------------------------------|-------------------------------------------------|----------|-----------|-------------------|-------------------------------------------|----------|-----------|-------------------|--------------------------|
| (i) Category-wise Share Holding                                                        |                                                 |          |           |                   |                                           |          |           |                   |                          |
| Category of Shareholders                                                               | No. of Shares held at the beginning of the year |          |           |                   | No. of Shares held at the end of the year |          |           |                   | % Change during the year |
|                                                                                        | Demat                                           | Physical | Total     | % of Total Shares | Demat                                     | Physical | Total     | % of Total Shares |                          |
| A. Promoters                                                                           |                                                 |          |           |                   |                                           |          |           |                   |                          |
| (1) Indian                                                                             |                                                 |          |           |                   |                                           |          |           |                   |                          |
| a) Individual/HUF                                                                      | 23369032                                        | 0        | 23369032  | 5.62              | 24199232                                  | 0        | 24199232  | 5.82              | 0.20                     |
| b) Central Govt                                                                        | 0                                               | 0        | 0         | 0                 | 0                                         | 0        | 0         | 0                 | 0                        |
| c) State Govt (s)                                                                      | 0                                               | 0        | 0         | 0                 | 0                                         | 0        | 0         | 0                 | 0                        |
| d) Bodies Corporate                                                                    | 212893771                                       | 0        | 212893771 | 51.15             | 212063771                                 | 0        | 212063771 | 50.95             | - 0.20                   |
| e) Banks / FI                                                                          | 0                                               | 0        | 0         | 0                 | 0                                         | 0        | 0         | 0                 | 0                        |
| f) Any Other                                                                           | 0                                               | 0        | 0         | 0                 | 0                                         | 0        | 0         | 0                 | 0                        |
| Sub-Total (A)(1)                                                                       | 236262803                                       | 0        | 236262803 | 56.77             | 236263003                                 | 0        | 236263003 | 56.77             | 0                        |
| (2) Foreign                                                                            |                                                 |          |           |                   |                                           |          |           |                   |                          |
| a) NRIs – Individuals                                                                  | NIL                                             | NIL      | NIL       | NIL               | NIL                                       | NIL      | NIL       | NIL               | NIL                      |
| b) Other – Individuals                                                                 | NIL                                             | NIL      | NIL       | NIL               | NIL                                       | NIL      | NIL       | NIL               | NIL                      |
| c) Bodies Corporate                                                                    | NIL                                             | NIL      | NIL       | NIL               | NIL                                       | NIL      | NIL       | NIL               | NIL                      |
| d) Banks / FI                                                                          | NIL                                             | NIL      | NIL       | NIL               | NIL                                       | NIL      | NIL       | NIL               | NIL                      |
| e) Any Other                                                                           | NIL                                             | NIL      | NIL       | NIL               | NIL                                       | NIL      | NIL       | NIL               | NIL                      |
| Sub – Total (A) (2)                                                                    | NIL                                             | NIL      | NIL       | NIL               | NIL                                       | NIL      | NIL       | NIL               | NIL                      |
| Total Shareholding of Promoters (A) = (A)(1)+(A)(2)                                    | 236262803                                       | 0        | 236262803 | 56.77             | 236263003                                 | 0        | 236263003 | 56.77             | NIL                      |
| B. Public Shareholding                                                                 |                                                 |          |           |                   |                                           |          |           |                   |                          |
| 1. Institutions                                                                        |                                                 |          |           |                   |                                           |          |           |                   |                          |
| a) Mutual Funds                                                                        | 8498741                                         | 32700    | 8531441   | 2.05              | 19727428                                  | 32400    | 19759828  | 4.75              | 2.70                     |
| b) Banks / FI                                                                          | 1600177                                         | 144295   | 1744472   | 0.42              | 1127701                                   | 144195   | 1271896   | 0.31              | - 0.11                   |
| c) Central Govt.                                                                       | 0                                               | 0        | 0         | 0                 | 0                                         | 0        | 0         | 0                 | 0                        |
| d) State Govt (s)                                                                      | 0                                               | 0        | 0         | 0                 | 0                                         | 0        | 0         | 0                 | 0                        |
| e) Venture Capital Funds                                                               | 0                                               | 0        | 0         | 0                 | 0                                         | 0        | 0         | 0                 | 0                        |
| f) Insurance Companies                                                                 | 35177723                                        | 100      | 35177823  | 8.45              | 34977929                                  | 100      | 34978029  | 8.40              | - 0.05                   |
| g) FIs                                                                                 | 22999483                                        | 14500    | 23013983  | 5.53              | 25640935                                  | 14500    | 25655435  | 6.16              | 0.63                     |
| h) Foreign Venture Capital Funds                                                       | 0                                               | 0        | 0         | 0                 | 0                                         | 0        | 0         | 0                 | 0                        |
| i) Others (specify)                                                                    | 0                                               | 0        | 0         | 0                 | 0                                         | 0        | 0         | 0                 | 0                        |
| Sub-total (B)(1):                                                                      | 68276124                                        | 191595   | 68467719  | 16.45             | 81473993                                  | 191195   | 81665188  | 19.62             | 3.17                     |
| 2. Non-Institutions                                                                    |                                                 |          |           |                   |                                           |          |           |                   |                          |
| a) Bodies Corporate                                                                    |                                                 |          |           |                   |                                           |          |           |                   |                          |
| i) Indian                                                                              | 11803004                                        | 280129   | 12083133  | 2.90              | 7470919                                   | 279283   | 7750202   | 1.86              | - 1.04                   |
| ii) Overseas                                                                           | 1210120                                         | 2000000  | 3210120   | 0.77              | 1210120                                   | 2000000  | 3210120   | 0.77              | 0                        |
| b) Individuals                                                                         |                                                 |          |           |                   |                                           |          |           |                   |                          |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh               | 42483251                                        | 21738986 | 64222237  | 15.43             | 34599382                                  | 21081207 | 55680589  | 13.38             | - 2.05                   |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh       | 24747562                                        | 4927000  | 29674562  | 7.13              | 19795485                                  | 4945100  | 24740585  | 5.94              | - 1.19                   |
| c) Others                                                                              |                                                 |          |           |                   |                                           |          |           |                   |                          |
| i. Foreign Portfolio Investors                                                         | 0                                               | 0        | 0         | 0                 | 5190091                                   | 0        | 5190091   | 1.25              | 1.25                     |
| ii. HUF                                                                                | 2102028                                         | 13500    | 2115528   | 0.51              | 1523674                                   | 13600    | 1537274   | 0.37              | - 0.14                   |
| iii. Trust                                                                             | 170750                                          | 1000     | 171750    | 0.04              | 169800                                    | 1000     | 170800    | 0.04              | 0                        |
| Sub-total (B)(2):                                                                      | 82516715                                        | 28960615 | 111477330 | 26.78             | 69959471                                  | 28320190 | 98279661  | 23.61             | - 3.17                   |

|                                              |           |          |           |       |           |          |           |       |   |
|----------------------------------------------|-----------|----------|-----------|-------|-----------|----------|-----------|-------|---|
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 150792839 | 29152210 | 179945049 | 43.23 | 151433464 | 28511385 | 179944849 | 43.23 | 0 |
| C. Shares held by Custodian for GDRs & ADRs  | NA        |          |           |       |           |          |           |       |   |
| Grand Total (A+B+C)                          | 387055642 | 29152210 | 416207852 | 100   | 387696467 | 28511385 | 416207852 | 100   | 0 |

(ii) Shareholding of Promoters

| S. No. | Shareholders' Name                            | Shareholding at the beginning of the year |                                  |                                                  | Shareholding at the end of the year |                                  |                                                  | % change in shareholding during the year |
|--------|-----------------------------------------------|-------------------------------------------|----------------------------------|--------------------------------------------------|-------------------------------------|----------------------------------|--------------------------------------------------|------------------------------------------|
|        |                                               | No. of Shares                             | % of total shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total shares of the Company | % of Shares Pledged / encumbered to total shares |                                          |
| 1      | Akshay Poddar                                 | 110000                                    | 0.03                             | 0                                                | 110000                              | 0.03                             | 0                                                | 0                                        |
| 2      | Chandra Shekhar Nopany                        | 323775                                    | 0.08                             | 0                                                | 323775                              | 0.08                             | 0                                                | 0                                        |
| 3      | Chandra Shekhar Nopany as Karta of C S Nopany | 240100                                    | 0.06                             | 0                                                | 240100                              | 0.06                             | 0                                                | 0                                        |
| 4      | Jyotsna Poddar                                | 3166666                                   | 0.76                             | 0                                                | 3996866                             | 0.96                             | 0                                                | 0.20                                     |
| 5      | Nandini Nopany                                | 15809667                                  | 3.80                             | 0                                                | 15809667                            | 3.80                             | 0                                                | 0                                        |
| 6      | Saroj Kumar Poddar                            | 256128                                    | 0.06                             | 0                                                | 256128                              | 0.06                             | 0                                                | 0                                        |
| 7      | Shobhana Bhartia                              | 2726686                                   | 0.66                             | 0                                                | 2726686                             | 0.66                             | 0                                                | 0                                        |
| 8      | Shradha Agarwala                              | 325900                                    | 0.08                             | 0                                                | 325900                              | 0.08                             | 0                                                | 0                                        |
| 9      | Shruti Vora                                   | 410000                                    | 0.10                             | 0                                                | 410000                              | 0.10                             | 0                                                | 0                                        |
| 10     | Shyam Sunder Bhartia                          | 110                                       | 0.00                             | 0                                                | 110                                 | 0.00                             | 0                                                | 0                                        |
| 11     | Adventz Finance Private Limited*              | 265407                                    | 0.06                             | 0                                                | 265407                              | 0.06                             | 0                                                | 0                                        |
| 12     | Adventz Securities Enterprises Limited        | 20022                                     | 0.00                             | 0                                                | 20022                               | 0.00                             | 0                                                | 0                                        |
| 13     | Deepshika Trading Co. Private Ltd.            | 200                                       | 0.00                             | 0                                                | 200                                 | 0.00                             | 0                                                | 0                                        |
| 14     | Duke Commerce Limited                         | 550200                                    | 0.13                             | 0                                                | 550200                              | 0.13                             | 0                                                | 0                                        |
| 15     | Earthstone Holding (Two) Limited              | 13656476                                  | 3.28                             | 0                                                | 13656476                            | 3.28                             | 0                                                | 0                                        |
| 16     | Earthstone Investment & Finance Limited       | 8424515                                   | 2.02                             | 0                                                | 8424515                             | 2.02                             | 0                                                | 0                                        |
| 17     | Govind Sugar Mills Limited                    | 0.00                                      | 0.00                             | 0                                                | 1947                                | 0.00                             | 0                                                | 0                                        |
| 18     | La Monde Trading & Investments Private Ltd.   | 15000                                     | 0.00                             | 0                                                | 15000                               | 0.00                             | 0                                                | 0                                        |
| 19     | Manavata Holdings Limited                     | 3425000                                   | 0.82                             | 0                                                | 3425000                             | 0.82                             | 0                                                | 0                                        |
| 20     | Manbhawani Investment Ltd.                    | 5300000                                   | 1.27                             | 0                                                | 5300000                             | 1.27                             | 0                                                | 0                                        |
| 21     | Master Exchange & Finance Limited             | 1701600                                   | 0.41                             | 0                                                | 1601600                             | 0.38                             | 0                                                | -0.03                                    |
| 22     | New Eros Tradecom Limited                     | 1947                                      | 0.00                             | 0                                                | 0                                   | 0.00                             | 0                                                | 0                                        |
| 23     | New India Retailing and Investment Ltd.       | 581163                                    | 0.14                             | 0                                                | 581163                              | 0.14                             | 0                                                | 0                                        |
| 24     | Nilgiri Plantations Limited                   | 4056740                                   | 0.97                             | 0                                                | 4056740                             | 0.97                             | 0                                                | 0                                        |
| 25     | Pavapuri Trading and Investment Company Ltd.  | 100000                                    | 0.02                             | 0                                                | 100000                              | 0.02                             | 0                                                | 0                                        |
| 26     | Premium Exchange and Finance Limited          | 2986500                                   | 0.72                             | 0                                                | 3086500                             | 0.74                             | 0                                                | 0.02                                     |
| 27     | Ricon Commerce Ltd.                           | 150200                                    | 0.04                             | 0                                                | 150200                              | 0.04                             | 0                                                | 0                                        |
| 28     | Ronson Traders Ltd.                           | 6004000                                   | 1.44                             | 0                                                | 6004000                             | 1.44                             | 0                                                | 0                                        |
| 29     | RTM Investment and Trading Co. Ltd.           | 1946200                                   | 0.47                             | 0                                                | 1946200                             | 0.47                             | 0                                                | 0                                        |
| 30     | RTM Properties Ltd.                           | 125000                                    | 0.03                             | 0                                                | 125000                              | 0.03                             | 0                                                | 0                                        |
| 31     | SCM Investment & Trading Co. Ltd.             | 561200                                    | 0.13                             | 0                                                | 561200                              | 0.13                             | 0                                                | 0                                        |
| 32     | Shital Commercial Limited                     | 138318                                    | 0.03                             | 0                                                | 138318                              | 0.03                             | 0                                                | 0                                        |

|       |                                            |           |       |      |           |       |      |        |
|-------|--------------------------------------------|-----------|-------|------|-----------|-------|------|--------|
| 33    | Shree Vihar Properties Limited             | 700000    | 0.17  | 0    | 700000    | 0.17  | 0    | 0      |
| 34    | Sidh Enterprises Limited                   | 153500    | 0.04  | 0    | 153500    | 0.04  | 0    | 0      |
| 35    | SIL Investments Limited                    | 31813455  | 7.64  | 7.56 | 31813455  | 7.64  | 4.42 | 0      |
| 36    | SIL Properties Ltd.                        | 100000    | 0.02  | 0    | 100000    | 0.02  | 0    | 0      |
| 37    | Simon India Limited                        | 2030000   | 0.49  | 0    | 1200000   | 0.29  | 0    | - 0.20 |
| 38    | Sonali Commercial Ltd.                     | 379350    | 0.09  | 0    | 379350    | 0.09  | 0    | 0      |
| 39    | Texmaco Infrastructure & Holdings Limited  | 106864    | 0.03  | 0    | 106864    | 0.03  | 0    | 0      |
| 40    | Texmaco Rail & Engineering Ltd.            | 1000000   | 0.24  | 0    | 1000000   | 0.24  | 0    | 0      |
| 41    | The Hindustan Times Limited                | 51074209  | 12.27 | 0    | 51074209  | 12.27 | 0    | 0      |
| 42    | Upper Ganges Sugar and Industries Limited  | 704160    | 0.17  | 0.15 | 704160    | 0.17  | 0.15 | 0      |
| 43    | Uttam Commercial Ltd.                      | 6777100   | 1.63  | 0    | 6777100   | 1.63  | 0    | 0      |
| 44    | Uttar Pradesh Trading Co. Ltd.             | 1262635   | 0.30  | 0.30 | 1262635   | 0.30  | 0.30 | 0      |
| 45    | Yashovardhan Investment & Trading Co. Ltd. | 7364500   | 1.77  | 0    | 7364500   | 1.77  | 0    | 0      |
| 46    | Zuari Global Limited                       | 59015360  | 14.18 | 0    | 59015360  | 14.18 | 0    | 0      |
| 47    | Zuari Investments Limited                  | 402950    | 0.10  | 0    | 402950    | 0.10  | 0    | 0      |
| Total |                                            | 236262803 | 56.77 | 8.02 | 236263003 | 56.77 | 4.88 | 0      |

\* Adventz Investments and Holdings Limited merged with Adventz Finance Private Limited.

| (iii) Change in Promoters' Shareholding |                                                                         |                                           |                                  |                                         |                                  |
|-----------------------------------------|-------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
| S. No.                                  | Particulars                                                             | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|                                         |                                                                         | No. of Shares                             | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |
| 1                                       | Gobind Sugar Mills Limited                                              |                                           |                                  |                                         |                                  |
|                                         | At the beginning of the year                                            | NIL                                       | NIL                              | NIL                                     | NIL                              |
|                                         | August 14, 2014 - Inter-Se Transfer from New Eros Tradecom Limited      | 1947                                      | 0.00                             | 1947                                    | 0.00                             |
|                                         | At the end of the year                                                  |                                           |                                  | 1947                                    | 0.00                             |
| 2                                       | New Eros Tradecom Limited                                               |                                           |                                  |                                         |                                  |
|                                         | At the beginning of the year                                            | 1947                                      | 0.00                             | 1947                                    | 0.00                             |
|                                         | August 14, 2014 - Inter - Se Transfer to M/s Gobind Sugar Mills Limited | (1947)                                    | 0.00                             | NIL                                     | NIL                              |
|                                         | At the end of the year                                                  |                                           |                                  | NIL                                     | NIL                              |
| 3                                       | Jyotsna Poddar                                                          |                                           |                                  |                                         |                                  |
|                                         | At the beginning of the year                                            | 3166666                                   | 0.76                             | 3166666                                 | 0.76                             |
|                                         | August 22, 2014 - Market purchase                                       | 830200                                    | 0.20                             | 3996866                                 | 0.96                             |
|                                         | At the end of the year                                                  |                                           |                                  | 3996866                                 | 0.96                             |
| 4                                       | Simon India Limited                                                     |                                           |                                  |                                         |                                  |
|                                         | At the beginning of the year                                            | 2030000                                   | 0.49                             | 2030000                                 | 0.49                             |
|                                         | August 22, 2014 - Market Sale                                           | (830000)                                  | 0.20                             | 1200000                                 | 0.29                             |
|                                         | At the end of the year                                                  |                                           |                                  | 1200000                                 | 0.29                             |
| 5                                       | Master Exchange & Finance Limited                                       |                                           |                                  |                                         |                                  |
|                                         | At the beginning of the year                                            | 1701600                                   | 0.41                             | 1701600                                 | 0.41                             |
|                                         | November 18, 2014 - Market Sale                                         | (100000)                                  | 0.02                             | 1601600                                 | 0.39                             |
|                                         | At the end of the year                                                  |                                           |                                  | 1601600                                 | 0.39                             |
| 6                                       | Premium Exchange and Finance Limited                                    |                                           |                                  |                                         |                                  |
|                                         | At the beginning of the year                                            | 2986500                                   | 0.72                             | 2986500                                 | 0.72                             |
|                                         | November 18, 2014 - Market purchase                                     | 100000                                    | 0.02                             | 3086500                                 | 0.74                             |
|                                         | At the end of the year                                                  |                                           |                                  | 3086500                                 | 0.74                             |

| (iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) |                                                                             |                                           |                                  |                                         |                                  |
|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
| Particulars                                                                                                      |                                                                             | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
| S. No.                                                                                                           | Name                                                                        | No. of Shares                             | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |
| 1                                                                                                                | Life Insurance Corporation of India                                         |                                           |                                  |                                         |                                  |
|                                                                                                                  | At the beginning of the year                                                | 27910373                                  | 6.71                             | 27910373                                | 6.71                             |
|                                                                                                                  | Date wise Increase (Buy) / Decrease (Sell) in Shareholding during the year. | NIL                                       | NIL                              | NIL                                     | NIL                              |
|                                                                                                                  | At the end of the year                                                      |                                           |                                  | 27910373                                | 6.71                             |
| 2                                                                                                                | Government Pension Fund Global                                              |                                           |                                  |                                         |                                  |
|                                                                                                                  | At the beginning of the year                                                | 5288165                                   | 1.27                             | 5288165                                 | 1.27                             |
|                                                                                                                  | Date wise Increase (Buy) / Decrease (Sell) in Shareholding during the year. | NIL                                       | NIL                              | NIL                                     | NIL                              |
|                                                                                                                  | At the end of the year                                                      |                                           |                                  | 5288165                                 | 1.27                             |
| 3                                                                                                                | The New India Assurance Company Limited                                     |                                           |                                  |                                         |                                  |
|                                                                                                                  | At the beginning of the year                                                | 3791342                                   | 0.91                             | 3791342                                 | 0.91                             |
|                                                                                                                  | Date wise Increase (Buy) / Decrease (Sell) in Shareholding during the year. | NIL                                       | NIL                              | NIL                                     | NIL                              |
|                                                                                                                  | At the end of the year                                                      |                                           |                                  | 3791342                                 | 0.91                             |
| 4                                                                                                                | Davos International Fund                                                    |                                           |                                  |                                         |                                  |
|                                                                                                                  | At the beginning of the year                                                | 3245025                                   | 0.78                             | 3245025                                 | 0.78                             |
|                                                                                                                  | Date wise Increase (Buy) / Decrease (Sell) in Shareholding during the year. | NIL                                       | NIL                              | NIL                                     | NIL                              |
|                                                                                                                  | At the end of the year                                                      |                                           |                                  | 3245025                                 | 0.78                             |
| 5                                                                                                                | Kuwait Investment Authority Fund                                            |                                           |                                  |                                         |                                  |
|                                                                                                                  | At the beginning of the year                                                | 2910212                                   | 0.70                             | 2910212                                 | 0.70                             |
|                                                                                                                  | Sale - May 30, 2014                                                         | (136111)                                  | 0.03                             | 2774101                                 | 0.67                             |
|                                                                                                                  | Sale - February 6, 2015                                                     | (199395)                                  | 0.05                             | 2574706                                 | 0.62                             |
|                                                                                                                  | Sale - March 6, 2015                                                        | (1015000)                                 | 0.24                             | 1559706                                 | 0.37                             |
|                                                                                                                  | Sale - March 13, 2015                                                       | (1174373)                                 | 0.28                             | 385333                                  | 0.09                             |
|                                                                                                                  | Sale - March 20, 2015                                                       | (385333)                                  | 0.09                             | NIL                                     | NIL                              |
|                                                                                                                  | At the end of the year                                                      |                                           | NIL                              | NIL                                     | NIL                              |
| 6                                                                                                                | Naveen Kumar Kapoor*                                                        |                                           |                                  |                                         |                                  |
|                                                                                                                  | At the beginning of the year                                                | 2253402                                   | 0.54                             | 2253402                                 | 0.54                             |
|                                                                                                                  | Date wise Increase (Buy) / Decrease (Sell) in Shareholding during the year. | NIL                                       | NIL                              | NIL                                     | NIL                              |
|                                                                                                                  | At the end of the year                                                      |                                           |                                  | 2253402                                 | 0.54                             |
|                                                                                                                  | *Trustee of CFCL Employees Welfare Trust                                    |                                           |                                  |                                         |                                  |
| 7                                                                                                                | General Insurance Corporation of India                                      |                                           |                                  |                                         |                                  |
|                                                                                                                  | At the beginning of the year                                                | 2231470                                   | 0.54                             | 2231470                                 | 0.54                             |
|                                                                                                                  | Date wise Increase (Buy) / Decrease (Sell) in Shareholding during the year. | NIL                                       | NIL                              | NIL                                     | NIL                              |
|                                                                                                                  | At the end of the year                                                      |                                           |                                  | 2231470                                 | 0.54                             |
| 8                                                                                                                | Dimensional Emerging Markets Value Fund                                     |                                           |                                  |                                         |                                  |
|                                                                                                                  | At the beginning of the year                                                | 2025212                                   | 0.49                             | 2025212                                 | 0.49                             |
|                                                                                                                  | Purchase - July 18, 2014                                                    | 21115                                     | 0.00                             | 2046327                                 | 0.49                             |
|                                                                                                                  | Purchase - August 8, 2014                                                   | 16828                                     | 0.00                             | 2063155                                 | 0.50                             |
|                                                                                                                  | Purchase - August 22, 2014                                                  | 130924                                    | 0.03                             | 2194079                                 | 0.53                             |
|                                                                                                                  | Purchase - August 29, 2014                                                  | 91110                                     | 0.02                             | 2285189                                 | 0.55                             |
|                                                                                                                  | Purchase - September 5, 2014                                                | 23558                                     | 0.01                             | 2308747                                 | 0.55                             |
|                                                                                                                  | Purchase - September 12, 2014                                               | 64917                                     | 0.02                             | 2373664                                 | 0.57                             |
|                                                                                                                  | Purchase - September 19, 2014                                               | 87073                                     | 0.02                             | 2460737                                 | 0.59                             |
|                                                                                                                  | Purchase - February 27, 2015                                                | 22697                                     | 0.01                             | 2483434                                 | 0.60                             |
|                                                                                                                  | Purchase - March 6, 2015                                                    | 55737                                     | 0.01                             | 2539171                                 | 0.61                             |
|                                                                                                                  | Purchase - March 13, 2015                                                   | 49821                                     | 0.01                             | 2588992                                 | 0.62                             |
|                                                                                                                  | Purchase - March 20, 2015                                                   | 82254                                     | 0.02                             | 2671246                                 | 0.64                             |
|                                                                                                                  | Purchase - March 27, 2015                                                   | 16156                                     | 0.00                             | 2687402                                 | 0.65                             |
|                                                                                                                  | At the end of the year                                                      |                                           |                                  | 2687402                                 | 0.65                             |

|    |                                                                               |          |      |         |      |
|----|-------------------------------------------------------------------------------|----------|------|---------|------|
| 9  | M/s Haldor Topsoe A/S                                                         |          |      |         |      |
|    | At the beginning of the year                                                  | 2000000  | 0.48 | 2000000 | 0.48 |
|    | Date wise Increase (Buy) / Decrease (Sell) in Shareholding during the year.   | NIL      | NIL  | NIL     | NIL  |
|    | At the end of the year                                                        |          |      | 2000000 | 0.48 |
| 10 | DSP Blackrock Tax Saver Fund                                                  |          |      |         |      |
|    | At the beginning of the year                                                  | 1807147  | 0.43 | 1807147 | 0.43 |
|    | Sale - May 30, 2014                                                           | (282952) | 0.07 | 1524195 | 0.37 |
|    | Sale - June 13, 2014                                                          | (307940) | 0.07 | 1216255 | 0.29 |
|    | Sale - June 20, 2014                                                          | (307665) | 0.07 | 908590  | 0.22 |
|    | Sale - June 30, 2014                                                          | (309658) | 0.07 | 598932  | 0.14 |
|    | Sale - December 12, 2014                                                      | (3227)   | 0.00 | 595705  | 0.14 |
|    | Sale - January 30, 2015                                                       | (133103) | 0.03 | 462602  | 0.11 |
|    | Sale - February 6, 2015                                                       | (17214)  | 0.00 | 445388  | 0.11 |
|    | Sale - February 27, 2015                                                      | (182675) | 0.04 | 262713  | 0.06 |
|    | Sale - March 6, 2015                                                          | (262713) | 0.06 | NIL     | NIL  |
|    | At the end of the year                                                        |          |      | NIL     | NIL  |
| 11 | DSP Blackrock Micro Cap Fund (Refer Note 2)                                   |          |      |         |      |
|    | At the beginning of the year                                                  | NIL      | NIL  | NIL     | NIL  |
|    | Purchase - July 11, 2014                                                      | 4030756  | 0.97 | 4030756 | 0.97 |
|    | Purchase - July 18, 2014                                                      | 199823   | 0.05 | 4230579 | 1.02 |
|    | Purchase - July 25, 2014                                                      | 348531   | 0.08 | 4579110 | 1.10 |
|    | Purchase - August 22, 2014                                                    | 1702028  | 0.41 | 6281138 | 1.51 |
|    | Purchase - September 12, 2014                                                 | 315200   | 0.08 | 6596338 | 1.58 |
|    | Purchase - September 19, 2014                                                 | 400000   | 0.10 | 6996338 | 1.68 |
|    | At the end of the year                                                        |          |      | 6996338 | 1.68 |
| 12 | Reliance Capital Trustee Co. Ltd – A/c Reliance Small Cap Fund (Refer Note 2) |          |      |         |      |
|    | At the beginning of the year                                                  | NIL      | NIL  | NIL     | NIL  |
|    | Purchase - May 17, 2014                                                       | 1326560  | 0.32 | 1326560 | 0.32 |
|    | Purchase - September 12, 2014                                                 | 500000   | 0.12 | 1826560 | 0.44 |
|    | Purchase - October 10, 2014                                                   | 342511   | 0.08 | 2169071 | 0.52 |
|    | Purchase - October 17, 2014                                                   | 233310   | 0.06 | 2402381 | 0.58 |
|    | Purchase - December 5, 2014                                                   | 500000   | 0.12 | 2902381 | 0.70 |
|    | Purchase - February 27, 2015                                                  | 1000000  | 0.24 | 3902381 | 0.94 |
|    | Purchase - March 6, 2015                                                      | 1946775  | 0.47 | 5849156 | 1.41 |
|    | Purchase - March 13, 2015                                                     | 53225    | 0.01 | 5902381 | 1.42 |
|    | At the end of the year                                                        |          |      | 5902381 | 1.42 |

Notes:

- 1) The details including sell and purchase transaction dates are given above based on beneficiary data received from the depositories as such details are not provided by the shareholders to the Company.
- 2) These entities were not in the list of top 10 shareholders as on April 1, 2014 but appearing in the list of top 10 shareholders as on March 31, 2015.

(v) Shareholding of Directors and Key Managerial Personnel

| Name of the Directors & KMP                                                | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|                                                                            | No. of Shares                             | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |
| <b>Mr. Saroj Kumar Poddar, Chairman</b>                                    |                                           |                                  |                                         |                                  |
| At the beginning of the year                                               | 256128                                    | 0.06                             | 256128                                  | 0.06                             |
| Date wise Increase (Buy) /Decrease (Sell) in shareholding during the year. | NIL                                       | NIL                              | NIL                                     | NIL                              |
| At the end of the year                                                     |                                           |                                  | 256128                                  | 0.06                             |
| <b>Mr. Shyam Sunder Bhartia</b>                                            |                                           |                                  |                                         |                                  |
| At the beginning of the year                                               | 110                                       | 0.00                             | 110                                     | 0.00                             |
| Date wise Increase (Buy) /Decrease (Sell) in shareholding during the year. | NIL                                       | NIL                              | NIL                                     | NIL                              |
| At the end of the year                                                     |                                           |                                  | 110                                     | 0.00                             |

|                                                                            |        |      |        |      |
|----------------------------------------------------------------------------|--------|------|--------|------|
| <b>Mr. Chandra Shekar Nopany</b>                                           |        |      |        |      |
| At the beginning of the year                                               | 323775 | 0.08 | 323775 | 0.08 |
| Date wise Increase (Buy) /Decrease (Sell) in shareholding during the year. | NIL    | NIL  | NIL    | NIL  |
| At the end of the year                                                     |        |      | 323775 | 0.08 |
| <b>Mr. Marco P.A. Wadia</b>                                                |        |      |        |      |
| At the beginning of the year                                               | 6000   | 0.00 | 6000   | 0.00 |
| Date wise Increase (Buy) /Decrease (Sell) in shareholding during the year. | NIL    | NIL  | NIL    | NIL  |
| At the end of the year                                                     |        |      | 6000   | 0.00 |
| <b>Mr. M.S. Rathore, Vice president – Legal, Corp. Com. and Secretary</b>  |        |      |        |      |
| At the beginning of the year                                               | 9200   | 0.00 | 9200   | 0.00 |
| Date wise Increase (Buy)/Decrease (Sell) in sharehol during the year.      | NIL    | NIL  | NIL    | NIL  |
| At the end of the year                                                     |        |      | 9200   | 0.00 |

The remaining Directors and Key Managerial Personnel did not hold any shares during the Financial Year 2014-15.

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment (Amount in Rs. Lacs)

| Particulars                                                | Secured Loans excluding deposits | Unsecured Loans | Deposits* | Total Indebtedness |
|------------------------------------------------------------|----------------------------------|-----------------|-----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |           |                    |
| i) Principal Amount                                        | 319627.72                        | 134804.20       | 2.77      | 454434.69          |
| ii) Interest due but not paid                              | NIL                              | NIL             | 1.14      | 1.14               |
| iii) Interest accrued but not due                          | 522.60                           | 135.99          | NIL       | 658.59             |
| Total ( i+ii+iii)                                          | 320150.32                        | 134940.19       | 3.91      | 455094.42          |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |           |                    |
| Addition                                                   | 214898.80                        | 875876.92       | NIL       | 1090775.72         |
| Reduction                                                  | 217879.61                        | 932545.38       | 2.19      | 1150427.18         |
| Net Change                                                 | (2980.81)                        | (56668.46)      | (2.19)    | (59651.46)         |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |           |                    |
| i) Principal Amount                                        | 316440.03                        | 78217.60        | 1.25      | 394658.88          |
| ii) Interest due but not paid                              | NIL                              | NIL             | 0.47      | 0.47               |
| iii) Interest accrued but not due                          | 729.48                           | 54.13           | NIL       | 783.61             |
| Total ( i+ii+iii)                                          | 317169.51                        | 78271.73        | 1.72      | 395442.96          |

\*The principal amount and interest due but not paid on deposits mentioned above has not been claimed by the concerned deposit holders.

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| S.No. | Particulars of Remuneration                                                         | Name of the Managing Director (In Rs.) | Total Amount (In Rs.) |
|-------|-------------------------------------------------------------------------------------|----------------------------------------|-----------------------|
|       |                                                                                     | Mr. Anil Kapoor                        |                       |
| 1     | Gross Salary                                                                        |                                        |                       |
|       | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 2,97,96,875                            | 2,97,96,875           |
|       | (b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961           | 29,60,393                              | 29,60,393             |
|       | (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961       | NIL                                    | NIL                   |
| 2     | Stock Options (Refer Note Below)                                                    | -                                      | -                     |
| 3     | Sweat Equity                                                                        | NIL                                    | NIL                   |
| 4     | Commission                                                                          | NIL                                    | NIL                   |
| 5     | Others - Retirement Benefits and Other perquisites                                  | 16,00,010                              | 16,00,010             |
|       | Total ( A )                                                                         | 3,43,57,278                            | 3,43,57,278           |
|       | Ceiling as per the Act                                                              | Rs. 2555.22 lac                        |                       |

Note: Total 1,50,000 stock options were granted to the Managing Director during the Financial Year 2010-11 out of which 1,39,000 stock options were outstanding as on March 31, 2015. These options were granted at the prevailing market price at the time of grant of options.

| B. Remuneration to other Directors:                                                                                |                   |                 |                 |              |                  |                        |
|--------------------------------------------------------------------------------------------------------------------|-------------------|-----------------|-----------------|--------------|------------------|------------------------|
| 1. Independent Directors                                                                                           |                   |                 |                 |              |                  |                        |
| Particulars of Remuneration                                                                                        | Name of Directors |                 |                 |              |                  | Total Amount in Rupees |
|                                                                                                                    | Mr. Marco Wadia   | Ms. Radha Singh | Mr. K.N. Memani | Mr. D. Basu* | Mr. R.N Bansal\$ |                        |
| Fee for attending Board / Committee Meetings                                                                       | 3,90,000          | 3,22,500        | 2,45,000        | 40,000       | 1,00,000         | 10,97,500              |
| Commission                                                                                                         | 4,00,000          | 4,00,000        | 4,00,000        | 3,37,534     | 1,87,397         | 17,24,931              |
| Others                                                                                                             | NIL               | NIL             | NIL             | NIL          | NIL              | NIL                    |
| Total (1)                                                                                                          | 7,90,000          | 7,22,500        | 6,45,000        | 3,77,534     | 2,87,397         | 28,22,431              |
| *For the period from April 1, 2014 to February 2, 2015. \$For the period from April 1, 2014 to September 18, 2014. |                   |                 |                 |              |                  |                        |

| 2. Other Non-Executive Directors                                                             |                        |                   |                 |                        |
|----------------------------------------------------------------------------------------------|------------------------|-------------------|-----------------|------------------------|
| Particulars of Remuneration                                                                  | Name of Directors      |                   |                 | Total Amount in Rupees |
|                                                                                              | Mr. Saroj Kumar Poddar | Mr. S.S. Bhartia  | Mr. C.S. Nopany |                        |
| Fee for attending Board/ Committee Meetings                                                  | 1,60,000               | 1,90,000          | 1,62,500        | 5,12,500               |
| Commission                                                                                   | 4,00,000               | NIL <sup>\$</sup> | 4,00,000        | 8,00,000               |
| Others                                                                                       | NIL                    | NIL               | NIL             | NIL                    |
| Total (2)                                                                                    | 5,60,000               | 1,90,000          | 5,62,500        | 13,12,500              |
| Total (B) = (1+2)                                                                            |                        |                   |                 | 41,34,931              |
| Total Managerial remuneration                                                                |                        |                   |                 | 3,68,82,209*           |
| Overall ceiling as per the Act (6% of net profit)                                            |                        |                   |                 | Rs. 3066.27 lac        |
| *Excluding sitting fee, \$Opted for non-payment of Commission for the Financial Year 2014-15 |                        |                   |                 |                        |

| C. Remuneration to Key Managerial Personnel Other than MD / Manager / WTD                                                                                                                                                                                                                                                                                                                       |                                                                                     |                                           |                                     |             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------|-------------|
| S. No.                                                                                                                                                                                                                                                                                                                                                                                          | Particulars of Remuneration                                                         | Key Managerial Personnel                  |                                     |             |
|                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                     | Mr. Abhay Bajjal, Chief Financial Officer | Mr. M.S. Rathore, Company Secretary | Total       |
| 1                                                                                                                                                                                                                                                                                                                                                                                               | Gross Salary                                                                        |                                           |                                     |             |
|                                                                                                                                                                                                                                                                                                                                                                                                 | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 73,78,050                                 | 68,09,850                           | 1,41,87,900 |
|                                                                                                                                                                                                                                                                                                                                                                                                 | (b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961           | 8,21,000                                  | 9,27,837                            | 17,48,837   |
|                                                                                                                                                                                                                                                                                                                                                                                                 | ( c ) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961     | NIL                                       | NIL                                 | NIL         |
| 2                                                                                                                                                                                                                                                                                                                                                                                               | Stock Options (Refer Note Below)                                                    |                                           |                                     |             |
| 3                                                                                                                                                                                                                                                                                                                                                                                               | Sweat Equity                                                                        | NIL                                       | NIL                                 | NIL         |
| 4                                                                                                                                                                                                                                                                                                                                                                                               | Commission                                                                          | NIL                                       | NIL                                 | NIL         |
| 5                                                                                                                                                                                                                                                                                                                                                                                               | Others, Retirement Benefits and Other perquisites                                   | 5,12,893                                  | 4,94,624                            | 10,07,517   |
|                                                                                                                                                                                                                                                                                                                                                                                                 | Total                                                                               | 87,11,943                                 | 82,32,311                           | 1,69,44,254 |
| Note: 1,00,000 stock options each were granted to Chief Financial Officer and Company Secretary during the Financial Year 2010-11. Out of these, 85,000 stock options granted to Chief Financial Officer and 90,000 stock options granted to Company Secretary were outstanding as on March 31, 2015. These options were granted at the prevailing market price at the time of grant of options |                                                                                     |                                           |                                     |             |
| VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL                                                                                                                                                                                                                                                                                                                                      |                                                                                     |                                           |                                     |             |

For and on behalf of the Board of Directors

Place: New Delhi  
Date: April 30, 2015

S. K. Poddar  
Chairman

**Annexure “H” to Directors Report  
Form No. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2015**

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the  
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
Chambal Fertilisers and Chemicals Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Chambal Fertilisers and Chemicals Limited (hereinafter referred as “the Company”), having its Registered Office at Gadepan, District Kota, Rajasthan - 325208. Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon. Based on our verification of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereunder:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2015 according to the provisions of:

- I. The Companies Act, 2013 (‘the Act’) and the rules made thereunder for which we report that the Company has:-
  - a. Maintained various statutory registers and minutes of the proceedings of the Board Meetings, Committee Meetings and General Meetings in compliance with the Act;
  - b. Filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies(‘ROC’) and other authorities and all the formalities relating to the same were complied with;
  - c. Circulated agenda of the Board Meetings and Committee Meetings adequately in advance. Further, Board Meetings and the Committee Meetings were held in compliance with the Act including the requirement of quorum for all the meetings and sought necessary approvals of the Board of Directors, Committee of Directors and members as per the requirement of the Act;
  - d. Complied with the provisions of appointment and re-appointment of Directors. Further, complied with the provisions of appointment and tenure of Independent directors on the board of the Company;
  - e. Served the notice of Annual General Meeting to all the Members, Directors and Auditors of the Company. Further the scrutinizer was appointed in compliance with the provisions of the Act for conducting e-voting and poll. All the necessary disclosures with respect to Annual General Meeting were made on the Company’s website;
  - f. Complied with the provisions of the declaration of dividend, separate bank account, dispatch of dividend warrants, and transfer of amount of dividend to unpaid Dividend account. Further, the Company has transferred the amount of unpaid and unclaimed dividends as required under the section 205C of Companies Act, 1956 to the Investor Education and Protection Fund and uploaded the details of unpaid and unclaimed dividends on the website of the Company;
  - g. As per the information furnished and on the basis of the books of accounts entered into certain Related Party Transactions wherein all the transactions were at arm’s length and in the ordinary course of business. The requirement of obtaining prior approval of Audit Committee for the transactions with related parties was complied with. The Company has also formulated a policy of Related Party Transactions and uploaded the same on its website;
  - h. Complied with the provisions of the Act with respect to registration of creation and satisfaction of charge. There was no modification of charge during the audit period;
  - i. Complied with the provisions of Loans and investments of its funds;
  - j. Complied with the provisions with respect to transfers and transmissions of the Company’s shares and issuance of duplicate share certificates as per the requirement of the Act;
  - k. Complied with all other applicable provisions of the Act and the Rules made thereunder.
- II. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under by the Depositories with regard to dematerialisation/ rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. Following regulations and guidelines as prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and policies under the said Regulations;

VI. Other acts/laws as applicable specifically to the Company being in Fertilisers and other Agri-inputs, Shipping and Textile business as listed in Annexure 1.

We have also examined the compliances with the applicable clauses of the Listing Agreements entered into by the Company with National Stock Exchange of India Limited and Bombay Stock Exchange Limited. Further, Secretarial Standards has been notified by The Institute of Company Secretaries of India and are effective from 1st July, 2015.

During the period under review, the Company had complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. The composition as on 31st March, 2015 is provided hereunder in Annexure 2.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings of the Board and Committees of the Board duly signed by the Chairman, all the decisions of the Board and Committees of the Board were unanimously passed and there were no dissenting views of the Board or Committee of the Board.

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

We further report that during the audit period following are the specific events having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:-

- 1) The Members in their 29th Annual General Meeting held on 18th September, 2014, approved the increase in borrowing limits of the Company from Rs. 6500 crore to Rs. 7500 crore.
- 2) The Board of Directors of the Company at its meeting held on March 14, 2015 approved the transfer of its textile business, i.e. Birla Textile Mills located in Himachal Pradesh, to Sutlej Textiles and Industries Limited, as a going concern on slump sale basis. The aforesaid transaction is subject to requisite approvals as may be required.

For RMG & Associates  
Company Secretaries  
(Firm Regn No. P2001DE016100)

Place: New Delhi  
Date: April 29, 2015

CS Manish Gupta  
Partner  
FCS : 5123; C.P. No.: 4095

Note: This report is to be read with 'Annexure 1' & 'Annexure 2' attached herewith and forms an integral part of this report.

**Annexure 1**

**LIST OF LAWS APPLICABLE SPECIFICALLY TO THE COMPANY BEING IN FERTILISERS AND OTHER  
AGRI-INPUTS, SHIPPING AND TEXTILE BUSINESS**

| S.NO. | Name of Acts                                                              |
|-------|---------------------------------------------------------------------------|
| 1     | Essential Commodities Act, 1955                                           |
| 2     | Fertiliser (Control) Order, 1985                                          |
| 3     | Fertiliser (Movement Control) Order, 1973                                 |
| 4     | Insecticides (Price, Stock Display and Submission of Reports) Order, 1986 |
| 5     | The Seeds Act, 1966 and Rules framed thereunder                           |
| 6     | Insecticides Act, 1968 and New Insecticides Rules, 1971                   |
| 7     | Textile (Development and Regulation) order, 2001                          |
| 8     | The Merchant Shipping Act, 1958                                           |
| 9     | Major Port Trust Act, 1963                                                |
| 10    | The Indian Ports Act, 1908                                                |
| 11    | The Dock Workers(Safety, Health and Welfare) Act, 1986                    |

**COMPOSITION OF THE BOARD OF DIRECTORS AS ON 31st MARCH, 2015**

| S.NO. | NAME                               | DESIGNATION       | CATEGORY                                             |
|-------|------------------------------------|-------------------|------------------------------------------------------|
| 1     | Mr. Anil Kapoor                    | Managing Director | Executive director                                   |
| 2     | Mr. Saroj Kumar Poddar             | Chairperson       | Non-Executive, Promoter Director                     |
| 3     | Mr. Shyam Sunder Bhartia           | Co-chairperson    | Non-Executive, Promoter Director                     |
| 4     | Mr. Chandra Shekhar Nopany         | Director          | Non-Executive, Promoter Director                     |
| 5     | Mr. Kashi Nath Memani              | Director          | Non-Executive and Independent Director               |
| 6     | Mr. Marco Philippus Ardeshir Wadia | Director          | Non-Executive and Independent Director               |
| 7     | Ms. Radha Singh                    | Director          | Non-Executive, Independent Director & Women Director |

**Notes:**

1. Mr. Saroj Kumar Poddar is the Chairperson and Non-Executive Director.
2. During the period under review, Mr. R.N. Bansal, Non-Executive Independent Director retired by rotation and did not seek re-appointment and Mr. Dipankar Basu, Non-Executive Independent Director resigned from the Board of the Company. Further, the Company has appointed Mr. Aditya Narayan as an Additional, Non-Executive and Independent Director on the Board of the Company with effect from 1st April, 2015.
3. Since, the Chairperson is from the Promoter Group, the composition of Board of Directors comprising of Independent Directors are one-half of the Board.
4. Out of the total composition of Board of Directors more than 50% are Non-Executive Directors on the Board.

**Annexure “1” to Directors’ Report**
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

**(A) Conservation of Energy:**
**(1) The steps taken or impact on Conservation of Energy**

The following steps were taken during the Financial Year 2014-15:

**(i) Fertilisers and other Agri-inputs Division**

- Installation of Variable Frequency Drive in Ammonia feed pump in Gadepan-I plant.
- Installation of additional cooling tower cell for Ammonia-II plant (Completed in April 2015)
- Installation of HT motor for Urea Cooling Tower pump in Gadepan-II Plant.

**(ii) Textile Division**

- Installation of 2000 Light Emitting Diode (LED) tubes of 20 Watt each replacing 36 Watt tubes.
- Installation of 3000 LED tubes of 16 Watt each replacing 36 Watt tubes.
- Installation of 40 LED Street Lights of 60 Watt each replacing 250 watt Sodium lamps.
- Installed Heat recovery system (Plate Heat Exchanger) to recover the heat from hot effluent of dye house.
- Boiler Automation System installed for fuel and electricity saving.
- Installation of 2 Variable Frequency Drives in waste collection system in cotton section.

The energy conservation steps in Fertiliser Division are expected to result in a saving of approximately 0.2% of energy consumption per MT of Urea in 2015-16.

The energy conservation steps in Textile Division will result in saving of around 67,560 units per month and 75 MT per month of boiler fuel-husk (approximate saving of Rs. 7.70 Lac per month).

**(2) The steps taken by the Company for utilising alternate sources of energy**

The existing boilers in Textile Division were converted to operate on multiple fuel. Earlier, rice husk / steam coke was used on these boilers. Now, the boilers are made suitable to operate on pet coke also.

**(3) The capital investment on energy conservation equipments**

The total capital investment in Fertilisers and Agri-inputs Division on the energy saving schemes mentioned above was Rs. 850.54 lac as on March 31, 2015.

The total capital investment in Textile Division on the energy saving schemes mentioned above was Rs. 123.29 lacs as on March 31, 2015.

**(B) Technology Absorption:**
**(1) The efforts made towards technology absorption**
**(i) Fertilisers & Other Agri-Inputs Division**

- Installation of Variable Frequency Drive in Ammonia feed pump in Gadepan-I plant.
- Up-gradation of Distributed Control system with latest version (CENTUM-VP) in Gadepan-II Plant.

## (ii) Textile Division

- Auto-doffing installed on 22 Ring Frames in cotton section which will reduce manpower requirement and improve machine efficiency and yarn quality.
- Lycra core yarn attachment installed on 4 ring frames in Cotton section.
- Slub attachment installed on 2 ring frames in Synthetic section.
- Replacement of winding Uster clearers on 2 machines with upgraded versions in cotton section for improvement of yarn quality.
- Installation of Neps & trash Indicator equipment (NATI) in Cotton Research & Development.
- The installation of sprinkler system in blow room of unit 1 and 1-A for safety aspects.
- Installation of bag filter in boiler house to improve exhaust air quality.

## (2) The benefits derived like product improvement, cost reduction, product development or import substitution

### (i) Fertilisers and Other Agri-Inputs Division

- Cost reduction on account of energy efficiency
- Operational flexibility

### (ii) Textile Division

- Increase in profitability (due to value added products)
- Reduction in manpower
- Increase in productivity
- More reliable quality assessment
- Pollution control measures i.e. Improvement in boiler exhaust air quality
- Safety of Plant & Machinery

## (3) Imported technology (imported during the last 3 years reckoned from the beginning of the financial year)

### (i) Fertilisers and Other Agri-Inputs Division

- (a) The details of technology imported: Advanced aero bundles for synthesis gas compressor
- (b) The year of import: 2013-14
- (c) Whether the technology been fully absorbed: Yes
- (d) If not fully absorbed, areas where absorption: N.A.  
has not taken place, and the reasons thereof

### (ii) Textile Division

- (a) The details of technology imported:
  - Lycra core yarn attachment installed on 4 ring frames in Cotton section.
  - Slub attachment installed on 2 ring frames in Synthetic section.
  - Upgraded version of winding Uster clearers on 2 machines in cotton section.
- (b) The year of import: 2014-15
- (c) Whether the technology been fully absorbed: Yes
- (d) If not fully absorbed, areas where absorption: N.A.  
has not taken place, and the reasons thereof

## (4) The expenditure incurred on Research and Development

- (i) The Company is a manufacturing organization and is not engaged in any major Research and Development activity. However, continuous efforts are made to improve the quality and efficiency and to develop new product/ product mix.
- (ii) Expenditure on Research & Deelopment (Textile Division)

- a) Capital : Rs.19.57 Lac
- b) Recurring : Rs. 3.34 Lac
- c) Total : Rs.22.91 Lac

## (C) The Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

Foreign Exchange used: Rs. 301165.07 lacs  
Foreign Exchange earned: Rs. 43611.55 lacs

For and on behalf of the Board of Directors

Place: New Delhi  
Date: April 30, 2015

S. K. Poddar  
Chairman

## Annexure “J” to Directors Report

### A) Information pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i) The percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and Company Secretary in the Financial Year 2014-15 and the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2014-15:

| Name              | Designation             | Increase/(Decrease) in Remuneration (%) | Ratio of remuneration of each director to the median remuneration of the employees |
|-------------------|-------------------------|-----------------------------------------|------------------------------------------------------------------------------------|
| Mr. S. K. Poddar  | Non-Executive Chairman  | 16.67                                   | 4.05                                                                               |
| Mr. Anil Kapoor   | Managing Director       | 13.09<br>(Refer Note 1)                 | 248.69                                                                             |
| Mr. S. S. Bhartia | Non-Executive Director  | (61.03)                                 | 1.38                                                                               |
| Mr. R. N. Bansal  | Independent Director    | (50.23)                                 | 2.08                                                                               |
| Mr. D. Basu       | Independent Director    | (14.20)                                 | 2.73                                                                               |
| Mr. K N Memani    | Independent Director    | 17.81                                   | 4.67                                                                               |
| Mr. C S Nopany    | Non-Executive Director  | 11.94                                   | 4.07                                                                               |
| Ms. Radha Singh   | Independent Director    | 25.11                                   | 5.23                                                                               |
| Mr. Marco Wadia   | Independent Director    | 42.34                                   | 5.72                                                                               |
| Mr. Abhay Baijal  | Chief Financial Officer | 8.12<br>(Refer Note 2)                  | Not Applicable                                                                     |
| Mr. M.S. Rathore  | Company Secretary       | 14.73<br>(Refer Note 3)                 | Not Applicable                                                                     |

Note 1: The increase in remuneration includes higher amount of leave encashment during the year 2014-15 in comparison to the previous year. The net increase in remuneration after eliminating the impact of higher leave encashment works out to 11.36%.

Note 2: The remuneration for the Financial 2013-14 included arrears of Leave Travel Assistance (LTA) of Rs. 1,50,000. The increase in remuneration during financial year 2014-15, after eliminating the impact of LTA arrear payments during the Financial Year 2013-14, works out to 10.18%.

Note 3: The remuneration for the Financial Year 2014-15 includes arrears of Leave Travel Assistance (LTA) of Rs. 1,50,000. The increase in remuneration after eliminating the impact of LTA arrear payments during the Financial Year 2014-15 works out to 10.33%.

There is no change in Commission payable to the Non-executive Directors. During the year, the Board of Directors increased the sitting fees payable to non-executive Directors for attending Board and Committee meetings as per details given below:

| Particulars                  | Sitting Fee Payable (Rs. Per Meeting) |                           |
|------------------------------|---------------------------------------|---------------------------|
|                              | 2013-14                               | Revised w.e.f. 06.02.2015 |
| Board Meeting                | 25,000                                | 50,000                    |
| Audit Committee Meetings     | 15,000                                | 25,000                    |
| Meetings of other Committees | 7,500                                 | 15,000                    |

- ii) The percentage increase in the median remuneration of employees in the financial year: 13.32%
- iii) The number of permanent employees on the rolls of Company: 2813
- iv) The explanation on the relationship between average increase in remuneration and Company performance:

The remuneration of the employees is normally effected from 1st April of each year. The performance of the Company during the previous year in terms of revenue and profitability is one of the important parameters considered while deciding the increase in the remuneration of the employees. In addition to this, the revision in remuneration of employees is based on the following fundamental principles, which directly impact the Company's Performance:

- Demand-supply relationship of the concerned job skill / expertise
  - Company's need to retain and attract the Human resources and talent
  - Employee's social aspiration for enhancing standard of living
  - Increase in the cost of living
- v) Comparison of the remuneration of the Key Managerial Personnel (KMPs) against the performance of the company:

| Total Remuneration of KMPs<br>(Rs. in Lac) |         |              | Revenue of the Company<br>2014-15 (Rs. in Lac) |           |              | Profit before Tax of the Company<br>(Rs. in Lac) |          |              |
|--------------------------------------------|---------|--------------|------------------------------------------------|-----------|--------------|--------------------------------------------------|----------|--------------|
| Financial Year                             |         | Increase (%) | Financial Year                                 |           | Increase (%) | Financial Year                                   |          | Increase (%) |
| 2013-14                                    | 2014-15 |              | 2013-14                                        | 2014-15   |              | 2013-14                                          | 2014-15  |              |
| 456.13                                     | 513.01  | 12.47        | 814335.72                                      | 901720.27 | 10.73        | 34592.26                                         | 40012.30 | 15.67        |

- vi) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies:

| Market Capitalisation (Rs. in Lac) |                      | Variation in Market capitalisation | Price Earnings Ratio |                      | Percentage increase in the market quotations of the shares of the company in comparison to public offer price |
|------------------------------------|----------------------|------------------------------------|----------------------|----------------------|---------------------------------------------------------------------------------------------------------------|
| As at March 31, 2014               | As at March 31, 2015 |                                    | As at March 31, 2014 | As at March 31, 2015 |                                                                                                               |
| 166275.03                          | 281148.40            | 69.09% (Increase)                  | 5.49                 | 11.87                | 575.5%                                                                                                        |

- vii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

- a) Average increase in salary of employees in the Financial year 2014-15 other than managerial personnel : 9.55%
- b) Percentage increase in the remuneration of Managing Director- 13.09%

The increase in remuneration of Managing Director includes the impact of higher leave encashment during the Financial Year 2014-15 and the net increase works out to 11.36% after eliminating the impact of leave encashment. Despite the tough market scenario during the Financial Year 2013-14, the Managing Director steered the Company ahead and maintained the market share of the Company in the Fertilisers segment. The growth in revenue and profit before tax has been achieved despite various challenges.

- viii) Comparison of the remuneration of each Key Managerial Personnel (KMP) against the performance of the company:

| Remuneration of KMPs (Rs. in Lac)         |                |         |            | Increase in Revenue of the Company (%) | Increase in Profit before Tax of the Company (%) |
|-------------------------------------------|----------------|---------|------------|----------------------------------------|--------------------------------------------------|
| Name & Designation                        | Financial Year |         | Increase % |                                        |                                                  |
|                                           | 2013-14        | 2014-15 |            |                                        |                                                  |
| Mr. Anil Kapoor, Managing Director        | 303.80         | 343.57  | 13.09      | 10.73                                  | 15.67                                            |
| Mr. Abhay Baijal, Chief Financial Officer | 80.57          | 87.12   | 8.12       |                                        |                                                  |
| Mr. M.S. Rathore, Company Secretary       | 71.75          | 82.32   | 14.73      |                                        |                                                  |
| Total                                     | 456.12         | 513.01  | 12.47      |                                        |                                                  |

- ix) The key parameters for any variable component of remuneration availed by the Managing Director:

The Performance Bonus payable by the Company to Managing Director is decided by the Board/ Nomination and Remuneration Committee on annual basis. The performance bonus is decided based on the factors like performance of the Company in terms of revenue, profitability, market expansion, overall market scenario, etc.

- x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: No such case

It is hereby affirmed that that the remuneration given to all employees, Directors and Key Managerial Personnel is as per the remuneration policy of the company.

B) Information pursuant to Section 197 of the Companies Act, 2013 read with the Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

| Sr. No.                                                                                                                                                                       | Name                        | Designation of the employee                    | Qualifications                               | Age (Years) | Experience (years) | Date of Commencement of Employment | Remuneration Received (Rs.) | Last Employment                               |                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------------------------|----------------------------------------------|-------------|--------------------|------------------------------------|-----------------------------|-----------------------------------------------|----------------------------|
|                                                                                                                                                                               |                             |                                                |                                              |             |                    |                                    |                             | Employer's Name                               | Post Held                  |
| I. Employees who were employed throughout the financial year 2014-15 and were in receipt of remuneration in aggregate of not less than Rs. 60,00,000 for that financial year: |                             |                                                |                                              |             |                    |                                    |                             |                                               |                            |
| 1                                                                                                                                                                             | Mr. Anil Kapoor             | Managing Director                              | B.Tech., M.S.                                | 61          | 35                 | 11.12.2000                         | 3,43,57,278                 | Cabot India Limited                           | Vice President- Technical  |
| 2                                                                                                                                                                             | Mr. Abhay Bajjal            | Chief Financial Officer                        | B.E., P.G.D.M.                               | 54          | 30                 | 01.11.2003                         | 87,11,943                   | Birla Home Finance Limited                    | Vice President- Operations |
| 3                                                                                                                                                                             | Mr. Vinod Mehra             | President - Projects                           | B.Tech.(Hons.)                               | 63          | 41                 | 01.01.1991                         | 84,72,377                   | Zuari Industries Limited                      | Process Manager            |
| 4                                                                                                                                                                             | Mr. Multan Singh Rathore    | Vice President - Legal, Corp. Com. & Secretary | M.A., L.L.B., F.C.S.                         | 60          | 42                 | 28.09.1992                         | 82,32,311                   | Rajasthan State Seeds Corporation Limited     | Company Secretary          |
| 5                                                                                                                                                                             | Mr. Abhai Kumar Bhargava    | Vice President - Works                         | B.E (Chemical Engineering)                   | 59          | 36                 | 21.09.2009                         | 67,55,193                   | Indian Farmers Fertiliser Cooperative Limited | General Manager            |
| 6                                                                                                                                                                             | Mr. Virendra kumar Gupta    | Vice President - Marketing                     | B.Tech(Agricultural engineering) & PGDM      | 58          | 33                 | 24.09.1991                         | 64,46,753                   | J K B M Limited                               | Zonal Manager              |
| 7                                                                                                                                                                             | Mr. Satischandrar, K.       | Executive President - India Steamship          | BE (Mechanical), FICS (London), FICA (Delhi) | 60          | 37                 | 20.10.2011                         | 1,46,48,718                 | Blue Lines Shipping                           | Head of Commercial         |
| II. Employees who were employed for a part of the financial year 2014-15 and were in receipt of remuneration in aggregate of not less than Rs. 5,00,000 per month:            |                             |                                                |                                              |             |                    |                                    |                             |                                               |                            |
| 1                                                                                                                                                                             | Amardeep Singh Sandhu       | Master                                         | Master - F.G.                                | 42          | 14                 | Note 1                             | 57,67,778                   | Dymacom Tanker Management Ltd.                | Master                     |
| 2                                                                                                                                                                             | Amit Bhandari               | Second Engineer                                | MEO - CL II(M)                               | 33          | 13                 | Note 1                             | 12,57,990                   | Herald Marine Services                        | Third Engineer             |
| 3                                                                                                                                                                             | Amit Kumar Sharma           | Second Engineer                                | MEO - CL II(M)                               | 30          | 8                  | Note 1                             | 10,69,355                   | Fleet Management Ltd.                         | Second Engineer            |
| 4                                                                                                                                                                             | Anindam Mandal              | Master                                         | Master - F.G.                                | 38          | 15                 | Note 1                             | 50,20,113                   | VR Maritime                                   | Master                     |
| 5                                                                                                                                                                             | Anirban Chatterjee          | Master                                         | Master - F.G.                                | 38          | 19                 | Note 1                             | 59,29,020                   | The Great Eastern Shipping Co. Ltd.           | Master                     |
| 6                                                                                                                                                                             | Ashish Suresh Ogale         | Chief Engineer                                 | MEO - Class-I(M)                             | 38          | 12                 | Note 1                             | 58,46,470                   | The Great Eastern Shipping Co. Ltd.           | Chief Engineer             |
| 7                                                                                                                                                                             | Asit Kumar Das              | Chief Engineer                                 | MEO - Class-I(M)                             | 46          | 20                 | Note 1                             | 7,29,032                    | Elegant Ship Management                       | Chief Engineer             |
| 8                                                                                                                                                                             | Atul Jar                    | Second Engineer                                | MEO - CL II(M)                               | 33          | 14                 | Note 1                             | 35,51,308                   | Shipping Corporation of India Limited         | Second Engineer            |
| 9                                                                                                                                                                             | Balendu Dhari Sinha         | Chief Officer                                  | First Mate - F.G.                            | 38          | 9                  | Note 1                             | 35,98,611                   | The Great Eastern Shipping Co. Ltd.           | Second Officer             |
| 10                                                                                                                                                                            | Bhoopinder Singh Garcha     | Chief Officer                                  | Master - F.G.                                | 47          | 27                 | Note 1                             | 37,14,470                   | MSC Crewing Services Pvt. Ltd.                | Chief Officer              |
| 11                                                                                                                                                                            | Chalapathi Rao Bagadi       | Second Engineer                                | MEO - CL II(M)                               | 30          | 7                  | Note 1                             | 35,29,576                   | Transocean Singapore                          | Second Engineer            |
| 12                                                                                                                                                                            | C.S. Subramanyam            | Delhi Representative                           | ICWA                                         | 78          | 52                 | 15.05.1989                         | 31,55,761                   | Scindia Steamship                             | Dy. Gen. Manager           |
| 13                                                                                                                                                                            | Debdulal Mukherjee          | Chief Officer                                  | First Mate - F.G.                            | 36          | 16                 | Note 1                             | 37,10,960                   | First Employment                              | Not Applicable             |
| 14                                                                                                                                                                            | Deepesh Kantilal Merchant   | Second Engineer                                | MEO - Class-I(M)                             | 33          | 12                 | Note 1                             | 44,59,882                   | Mercator Lines Ltd.                           | Second Engineer            |
| 15                                                                                                                                                                            | Gautam Biswas               | Chief Engineer                                 | MEO - Class-I(M)                             | 42          | 18                 | Note 1                             | 50,49,757                   | Mitsubishi Corporation                        | Second Engineer            |
| 16                                                                                                                                                                            | Gautam Giri                 | Second Engineer                                | MEO - CL II(M)                               | 51          | 26                 | Note 1                             | 41,17,694                   | Five Star Shipping Co. Pvt. Ltd.              | Second Engineer            |
| 17                                                                                                                                                                            | Indranil Bhadury            | Chief Engineer                                 | MEO - Class-I(M)                             | 52          | 23                 | Note 1                             | 25,60,161                   | The Great Eastern Shipping Co. Ltd.           | Chief Engineer             |
| 18                                                                                                                                                                            | Jahur Ahmed                 | Chief Engineer                                 | MEO - Class-I(M)                             | 40          | 16                 | Note 1                             | 14,62,188                   | Nos Ship Management Pvt. Ltd.                 | Chief Engineer             |
| 19                                                                                                                                                                            | Jawahar Thanumalaya Perumal | Chief Officer                                  | First Mate - F.G.                            | 34          | 13                 | Note 1                             | 38,62,451                   | MMS Co. Ltd.                                  | Chief Officer              |
| 20                                                                                                                                                                            | Kamlesh Kumar               | Chief Engineer                                 | MEO - Class-I(M)                             | 43          | 21                 | Note 1                             | 35,64,000                   | The Great Eastern Shipping Co. Ltd.           | Chief Engineer             |

|    |                           |                 |                     |    |    |        |           |                                                  |                 |
|----|---------------------------|-----------------|---------------------|----|----|--------|-----------|--------------------------------------------------|-----------------|
| 21 | Kaushik Basu              | Master          | Master - F.G.       | 39 | 13 | Note 1 | 45,44,721 | V. Ships                                         | Chief Officer   |
| 22 | Kaushendra Pratap Singh   | Chief Officer   | First Mate - F.G.   | 33 | 15 | Note 1 | 42,74,288 | Transocean                                       | Chief Officer   |
| 23 | Kaushik Dey               | Chief Engineer  | MEO - Class I - (M) | 41 | 22 | Note 1 | 56,69,044 | Thome Ship Management                            | Chief Engineer  |
| 24 | Manish Madhukar Khadse    | Chief Engineer  | MEO - Class I - (M) | 41 | 21 | Note 1 | 67,43,079 | Torm Ohio                                        | Chief Engineer  |
| 25 | Manish Kumar              | Master          | Master - F.G.       | 34 | 14 | Note 1 | 47,13,387 | Andromedia Shipping                              | Master          |
| 26 | Mehmood Farid Ahmed       | Master          | Master - F.G.       | 49 | 27 | Note 1 | 59,19,620 | World Tanker Management Pte Ltd.                 | Master          |
| 27 | Midhun T Aakkalam         | Chief Officer   | First Mate - F.G.   | 31 | 11 | Note 1 | 30,66,232 | First Employment                                 | Not Applicable  |
| 28 | Mithlesh Kumar            | Master          | Master - F.G.       | 43 | 26 | Note 1 | 51,80,606 | The Great Eastern Shipping Co. Ltd.              | Master          |
| 29 | Nagendra Shukla           | Chief Engineer  | MEO - Class I - (M) | 38 | 18 | Note 1 | 50,03,547 | Torm Shipping                                    | Chief Engineer  |
| 30 | Pinak Chakrabarti         | Second Engineer | MEO - CL III(M)     | 44 | 24 | Note 1 | 20,16,008 | Seateam (Frontline)                              | Second Engineer |
| 31 | Pyush Rawri               | Chief Officer   | First Mate - F.G.   | 30 | 11 | Note 1 | 12,75,968 | Accord Ship Management                           | Chief Officer   |
| 32 | Prabhat Kumar Ratna       | Chief Officer   | Master - F.G.       | 43 | 19 | Note 1 | 44,29,247 | Executive Ship Management                        | Chief Officer   |
| 33 | Prabir Naiya              | Chief Engineer  | MEO - Class I - (M) | 40 | 11 | Note 1 | 53,35,450 | Fleet Management Ltd.                            | Second Engineer |
| 34 | Rahul Singh Baghel        | Second Engineer | MEO - CL III(M)     | 31 | 9  | Note 1 | 19,26,239 | Shipping Corporation of India Limited            | Second Engineer |
| 35 | Ranjit Singh Sohal        | Chief Officer   | First Mate - F.G.   | 31 | 12 | Note 1 | 32,57,239 | The Great Eastern Shipping Co. Ltd.              | Chief Officer   |
| 36 | Shankar Lal Bhattacharjee | Master          | Master - F.G.       | 57 | 35 | Note 1 | 51,49,504 | V. Ships                                         | Master          |
| 37 | Shekhar Kirtania          | Chief Engineer  | MEO - Class I - (M) | 43 | 23 | Note 1 | 36,46,290 | Vellas Maritime Canada                           | Chief Engineer  |
| 38 | Soma Shubhra Barman       | Second Engineer | MEO - CL III(M)     | 32 | 10 | Note 1 | 34,63,871 | Doehle Danautic Nt Ltd                           | Second Engineer |
| 39 | Sridhar Chandramauli      | Second Engineer | MEO - CL III(M)     | 33 | 9  | Note 1 | 35,26,710 | Executive Ship Management                        | Second Engineer |
| 40 | Sudipta Mandal            | Chief Engineer  | MEO - CL IV(M)      | 40 | 16 | Note 1 | 19,77,581 | Shipping Corporation of India Limited            | Chief Engineer  |
| 41 | Sukumar Chandra Jana      | Second Engineer | MEO - CL III(M)     | 60 | 35 | Note 1 | 48,67,876 | Shipping Corporation of India Limited            | Second Engineer |
| 42 | Tapas Dasgupta            | Chief Engineer  | MEO - Class I - (M) | 52 | 29 | Note 1 | 6,37,092  | The Great Eastern Shipping Co. Ltd.              | Chief Engineer  |
| 43 | Umesh Kumar Bhatia        | Master          | Master - F.G.       | 37 | 14 | Note 1 | 17,17,424 | Seacarlund Management Services (India) Pvt. Ltd. | Chief Officer   |
| 44 | Yagnesh Bhupendra Rathod  | Chief Officer   | First Mate - F.G.   | 29 | 6  | Note 1 | 31,57,602 | V Ships                                          | Chief Officer   |
| 45 | Yogeshwar Singh           | Master          | Master - F.G.       | 40 | 16 | Note 1 | 50,84,473 | The Great Eastern Shipping Co. Ltd.              | Chief Officer   |

NOTES:

1. These persons were employed on contractual basis on various dates during the year.
2. The Remuneration has been computed as per definition given under Section 2 (78) of the Companies Act, 2013
3. None of the above employees is a relative of any Director of the Company.
4. None of the above employees himself or alongwith his spouse and dependent children holds 2% or more equity shares of the Company.
5. All appointments are / were on contractual basis.
6. None of the employees was in receipt of remuneration in excess of remuneration drawn by Managing Director of the Company

For and on behalf of the Board of Directors

S. K. Poddar  
Chairman

Place: New Delhi  
Date: April 30, 2015

**Annexure “K” to the Directors Report**  
**DISCLOSURE ABOUT EMPLOYEES STOCK OPTION SCHEME**

| I)    | Options Granted                                                                                                                                                                                         | Date of Grant                                                                                                                             | Options Granted                                            | Exercise Price (Rs.) |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|----------------------|
|       |                                                                                                                                                                                                         | 16.09.2010                                                                                                                                | 28,50,000                                                  | 73.50                |
|       |                                                                                                                                                                                                         | 22.01.2011                                                                                                                                | 3,00,000                                                   | 76.85                |
|       |                                                                                                                                                                                                         | 10.05.2011                                                                                                                                | 2,20,000                                                   | 82.90                |
|       |                                                                                                                                                                                                         | 17.10.2011                                                                                                                                | 1,00,000                                                   | 101.10               |
|       |                                                                                                                                                                                                         | 11.05.2012                                                                                                                                | 2,70,000                                                   | 69.40                |
|       |                                                                                                                                                                                                         | Total Options Granted                                                                                                                     | 37,40,000                                                  |                      |
| II)   | Options Vested                                                                                                                                                                                          | 22,60,500                                                                                                                                 |                                                            |                      |
| III)  | Options Exercised                                                                                                                                                                                       | 1,88,800                                                                                                                                  |                                                            |                      |
| IV)   | Total no. of shares arising as a result of exercise of options                                                                                                                                          | 1,88,800                                                                                                                                  |                                                            |                      |
| V)    | Options Lapsed                                                                                                                                                                                          | 7,48,400                                                                                                                                  |                                                            |                      |
| VI)   | Variation of terms of options                                                                                                                                                                           | None                                                                                                                                      |                                                            |                      |
| VII)  | Money realised by exercise of options (Rs.)                                                                                                                                                             | 1,38,83,835                                                                                                                               |                                                            |                      |
| VIII) | Total no. of options in force                                                                                                                                                                           | 28,02,800                                                                                                                                 |                                                            |                      |
| IX)   | Employee wise details of Options Granted to:                                                                                                                                                            |                                                                                                                                           |                                                            |                      |
|       | a) Key Managerial Personnel                                                                                                                                                                             | Name                                                                                                                                      | No. of Options                                             |                      |
|       |                                                                                                                                                                                                         | Mr. Anil Kapoor                                                                                                                           | 150,000                                                    |                      |
|       |                                                                                                                                                                                                         | Mr. Abhay Baijal                                                                                                                          | 100,000                                                    |                      |
|       |                                                                                                                                                                                                         | Mr. M.S Rathore                                                                                                                           | 100,000                                                    |                      |
|       | b)                                                                                                                                                                                                      | Any other employee who receives a grant of options in any one year of options amounting to 5% or more of options granted during that year | No options were granted during the financial year 2014-15. |                      |
| c)    | Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant | NIL                                                                                                                                       |                                                            |                      |

The Company has calculated the employee compensation cost using the intrinsic value of stock options. If the employee compensation cost was calculated using fair value of options based on Black Scholes methodology, total cost to be recognised in the Financial Statements for the Financial Year 2014-15 would be higher by Rs. 49.92 lac. Other details of the Employees Stock Option Scheme are given in the Notes to the Financial Statements.

The CFCL Employees Stock Option Scheme 2010 (“ESOS 2010”) is administered by CFCL Employees Welfare Trust (“Trust”). The Trustee of the Trust is holding 22,53,402 equity shares (0.54% of the paid up share capital) of the Company for the purpose of ESOS 2010. The ownership of these shares cannot be attributed to any particular employee till he / she exercises the options granted to him. Hence, the concerned employees to whom the stock options were granted under ESOS 2010 cannot exercise voting rights in respect of shares held by the Trustee of the Trust as such employees are not holders of such shares.

The Trustee has not exercised the voting right in respect of the aforesaid shares in the Annual General Meeting of the Company held during the Financial Year 2014-15.

For and on behalf of the Board of Directors

Place: New Delhi  
Date: April 30, 2015

S. K. Poddar  
Chairman

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Chambal Fertilisers and Chemicals Limited

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of Chambal Fertilisers and Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's Shipping Division at Kolkata.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its profit, and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
  - (c) The report on the accounts of the Shipping Division of the Company audited under Section 143 (8) of the Act by branch auditor has been sent to us and have been properly dealt by us in preparing this report;
  - (d) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
  - (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (f) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act;

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note no.32(A) and 32(B) to the financial statements;
  - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts – Refer note no. 8 and 12 to the financial statements;
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

#### Other Matter

The accompanying financial statements include total assets of Rs.154683.08 lacs as at March 31, 2015, total revenues and profit before tax of Rs. 73755.33 lacs and Rs. 2095.75 lacs respectively for the year ended on that date, in respect of Shipping Division and CFCL Employees Welfare Trust ('Trust'), which have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us. Our opinion, in so far as it relates amounts and disclosures included in respect of such division and Trust is based solely on the report(s) of other auditors. Our opinion is not modified in respect of this matter.

For S.R. BATLIBOI & CO. LLP  
Chartered Accountants  
ICAI Firm registration number: 301003E

Place: Gurgaon  
Date: April 30, 2015

per Anil Gupta  
Partner  
Membership No.: 87921

#### Annexure referred to in paragraph under the heading "Report on Other Legal and Regulatory requirements" of our report of even date

Re: Chambal Fertilisers and Chemicals Limited ('the Company')

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - Fixed assets have been physically verified by the management during the year based on a phased programme of verifying all the assets over a period of two years, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on physical verification.
- The management has conducted physical verification of inventory at reasonable intervals during the year.
  - The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- The Company has granted loan (brought forward from last year) to three companies covered in the register maintained under Section 189 of the Companies Act, 2013. In respect of loan granted, repayment of the principal amount is as stipulated and payment of interest has been regular.
  - There is no overdue amount of loan granted to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.
- In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- The Company has not accepted any deposits from the public.
- We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of urea, SSP, cotton yarn and synthetic yarn and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, duty of customs, duty of excise, value added taxes, cess and any other statutory dues applicable to it.
    - According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, duty of customs, duty of excise, value added taxes, cess and any other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

| Name of the Statute                                              | Nature of the Dues                                                                                                                  | Amount<br>(Rs. in lacs) | Period to which the<br>amount relates           | Forum where dispute is<br>pending                                                                   |
|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Rajasthan Sales-Tax Act, 1994                                    | Sales tax demand on usage of natural gas other than urea manufacture.                                                               | 352.34                  | 1996 To 2001                                    | Rajasthan High Court, Jodhpur                                                                       |
| The Income Tax Act, 1961                                         | Demand raised on short deduction of TDS                                                                                             | 1.37                    | 2010-11,<br>2012-13<br>to<br>2014-15            | Commissioner of Income Tax(Appeals), Kota and Deputy Commissioner of Income Tax, CPC-TDS, Ghaziabad |
| Service Tax Law, Finance Act, 1994                               | Demand raised in respect of service tax not paid on tax deducted at source (TDS) portion on services received from foreign parties. | 2.43                    | 2008-09                                         | Customs, Excise & Service Tax Appellate Tribunal, New Delhi                                         |
| Central Excise Act, 1944                                         | Demand raised on account of wrong input credit of Cenvat credit taken                                                               | 52.52                   | 2008-09<br>to<br>2009-10                        | Commissioner (Appeals), Chandigarh                                                                  |
| Himachal Pradesh Tax on entry of goods into Local Area Act, 2010 | Entry tax                                                                                                                           | 382.68                  | March 2011, 2011-12, 2012-13, 2013-14 & 2014-15 | High Court, Himachal Pradesh                                                                        |
| Uttar Pradesh Value Added Tax Act, 2008                          | Sales Tax                                                                                                                           | 19.43                   | 2010-11<br>&<br>2011-12                         | Additional Commissioner, Grade-2 (Appeal)- 1st, Commercial Tax, Agra                                |
| Finance Act, 1994                                                | Service Tax                                                                                                                         | 31.22                   | FY 2008-09 to June 2012                         | Commissioner (Appeals), Central Excise & Service Tax, Lucknow                                       |

- (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank. The Company did not have any outstanding debentures and loan from financial institution during the year.
- (x) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from financial institutions.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & CO. LLP  
Chartered Accountants  
ICAI Firm registration number: 301003E

per Anil Gupta  
Partner  
Membership No.: 87921

Place: Gurgaon  
Date: April 30, 2015

**BALANCE SHEET AS AT MARCH 31, 2015**

(Rs. in Lacs)

| Particulars                                | Notes | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|--------------------------------------------|-------|-------------------------|-------------------------|
| <b>EQUITY AND LIABILITIES</b>              |       |                         |                         |
| Shareholders' funds                        |       |                         |                         |
| Share capital                              | 3     | 41395.45                | 41395.45                |
| Reserves and surplus                       | 4     | 190159.51               | 177225.34               |
|                                            |       | <u>231554.96</u>        | <u>218620.79</u>        |
| Non-Current liabilities                    |       |                         |                         |
| Long-term borrowings                       | 5     | 78183.62                | 101908.53               |
| Deferred tax liabilities (net)             | 6     | 42705.61                | 41880.83                |
| Other long term liabilities                | 7     | 335.71                  | 375.31                  |
| Long-term provisions                       | 8     | 1144.74                 | 2522.69                 |
|                                            |       | <u>122369.68</u>        | <u>146687.36</u>        |
| Current liabilities                        |       |                         |                         |
| Short-term borrowings                      | 9     | 287913.01               | 330099.40               |
| Trade payables                             | 10    | 19946.95                | 18623.65                |
| Other current liabilities                  | 11    | 53015.73                | 51520.33                |
| Short-term provisions                      | 12    | 12615.35                | 12082.38                |
|                                            |       | <u>373491.04</u>        | <u>412325.76</u>        |
| Total                                      |       | <u>727415.68</u>        | <u>777633.91</u>        |
| <b>ASSETS</b>                              |       |                         |                         |
| Non-current assets                         |       |                         |                         |
| Fixed assets                               |       |                         |                         |
| Tangible assets                            | 13    | 254799.43               | 263075.75               |
| Intangible assets                          | 14    | 289.14                  | 138.39                  |
| Capital work-in-progress                   |       | 9134.89                 | 4233.54                 |
| Intangible assets under development        |       | 101.21                  | 20.40                   |
| Non-current investments                    | 15    | 48738.23                | 56035.10                |
| Long term loans and advances               | 16    | 7891.46                 | 16820.69                |
| Other non-current assets                   | 17    | 1430.24                 | 1711.16                 |
|                                            |       | <u>322384.60</u>        | <u>342035.03</u>        |
| Current assets                             |       |                         |                         |
| Inventories                                | 18    | 69368.32                | 64212.32                |
| Trade receivables                          | 19    | 304943.28               | 344049.11               |
| Cash and bank balances                     | 20    | 2136.59                 | 2366.23                 |
| Short-term loans and advances              | 21    | 20321.91                | 18397.63                |
| Other current assets                       | 22    | 8260.98                 | 6573.59                 |
|                                            |       | <u>405031.08</u>        | <u>435598.88</u>        |
| Total                                      |       | <u>727415.68</u>        | <u>777633.91</u>        |
| Summary of significant accounting policies | 2 (a) |                         |                         |

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

As per our report of even date

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 301003E

per Anil Gupta  
Partner  
Membership No - 87921

Place : Gurgaon  
Date : April 30, 2015

For and on behalf of the Board of Directors of  
Chambal Fertilisers and Chemicals Limited

Anil Kapoor  
Managing Director

Abhay Baijal  
Chief Financial Officer

Place : New Delhi  
Date : April 30, 2015

S.K. Poddar  
Chairman

M.S. Rathore  
Vice President - Legal,  
Corporate Communication & Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

(Rs. in Lacs)

| Particulars                                                                                                                                         | Notes   | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------|------------------------------|------------------------------|
| <b>Income</b>                                                                                                                                       |         |                              |                              |
| Revenue from operations (gross)                                                                                                                     |         | 890134.13                    | 800512.01                    |
| Less: Excise duty                                                                                                                                   |         | 1920.37                      | 2322.98                      |
| Revenue from operations (net)                                                                                                                       | 23      | 888213.76                    | 798189.03                    |
| Other income                                                                                                                                        | 24      | 13506.51                     | 16146.69                     |
| Total Revenue (I)                                                                                                                                   |         | 901720.27                    | 814335.72                    |
| <b>Expenses:</b>                                                                                                                                    |         |                              |                              |
| Cost of materials consumed                                                                                                                          | 25      | 239975.57                    | 221707.05                    |
| Purchase of traded goods                                                                                                                            | 26      | 289393.51                    | 186896.04                    |
| (Increase)/ decrease in inventories of finished goods, work-in-progress, traded goods and waste                                                     | 26      | (5959.40)                    | 57616.76                     |
| Employee benefits expense                                                                                                                           | 27      | 15976.17                     | 14791.31                     |
| Depreciation and amortization expense                                                                                                               | 13 & 14 | 17331.70                     | 23030.58                     |
| Finance costs                                                                                                                                       | 28      | 15748.64                     | 19895.23                     |
| Freight to charter-in ship                                                                                                                          |         | 32199.17                     | 22796.67                     |
| Other expenses                                                                                                                                      | 29      | 246340.52                    | 233009.82                    |
| Exceptional item                                                                                                                                    | 30      | 10702.09                     | -                            |
| Total Expenses (II)                                                                                                                                 |         | 861707.97                    | 779743.46                    |
| Profit before tax {including profit of Rs. 1422.73 lacs (previous year Rs. 2382.84 lacs) from discontinuing operation - refer note no. 50} (I - II) |         | 40012.30                     | 34592.26                     |
| Tax expenses :                                                                                                                                      |         |                              |                              |
| Current tax                                                                                                                                         |         | 14929.94                     | 10009.33                     |
| Tax related to earlier years                                                                                                                        | 48      | (74.18)                      | (5995.21)                    |
| Deferred tax charge (including Rs. 914.52 lacs for earlier years, Previous year NIL)                                                                |         | 1478.22                      | 271.04                       |
| Total tax expense {including tax expense of Rs. 403.48 lacs (previous year Rs. 684.11 lacs) from discontinuing operation - refer note no. 50}       |         | 16333.98                     | 4285.16                      |
| Profit for the year {including profit of Rs. 1019.25 lacs (previous year Rs. 1698.73 lacs) from discontinuing operation - refer note no. 50}        |         | 23678.32                     | 30307.10                     |
| Earnings per equity share {nominal value of share Rs.10 (Previous year Rs.10)}                                                                      |         |                              |                              |
| Basic and Diluted (in Rs.)                                                                                                                          | 31      | 5.69                         | 7.28                         |
| Summary of significant accounting policies                                                                                                          | 2 (a)   |                              |                              |

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 301003E

per Anil Gupta  
Partner  
Membership No - 87921

Place : Gurgaon  
Date : April 30,2015

For and on behalf of the Board of Directors of  
Chambal Fertilisers and Chemicals Limited

Anil Kapoor  
Managing Director

Abhay Baijal  
Chief Financial Officer

Place : New Delhi  
Date : April 30,2015

S.K. Poddar  
Chairman

M.S. Rathore  
Vice President - Legal,  
Corporate Communication & Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

(Rs. in Lacs)

| Particulars                                                                  | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
|------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>A. Cash flow from operating activities :</b>                              |                              |                              |
| Profit before tax                                                            | 40012.30                     | 34592.26                     |
| Adjustments for :                                                            |                              |                              |
| Depreciation/ Amortisation                                                   | 17331.70                     | 23030.58                     |
| (Profit) on sale of Current Investments                                      | (1360.25)                    | (1104.91)                    |
| Exceptional Item (refer note no. 30)                                         | 10702.09                     | -                            |
| Unrealised foreign exchange fluctuation                                      | 290.66                       | 781.21                       |
| Premium on forward contracts amortised                                       | 10261.25                     | 12296.22                     |
| Reversal of provision for (gain) on derivative transaction                   | (1398.45)                    | (1389.02)                    |
| Loss on disposal of fixed assets (net)                                       | 209.28                       | 169.85                       |
| Provision for doubtful advances and debts                                    | 8.66                         | 81.96                        |
| Reversal of provision for doubtful advances                                  | -                            | (573.98)                     |
| Liabilities no longer required written back                                  | (273.36)                     | (48.43)                      |
| Catalyst charges written off                                                 | 872.55                       | 508.08                       |
| Irrecoverable debts/ advances written off                                    | 33.23                        | -                            |
| Interest expense                                                             | 15349.32                     | 19345.31                     |
| Interest (income)                                                            | (2369.77)                    | (4688.77)                    |
| Dividend (income) on investment in Joint Venture and Subsidiaries            | (4389.37)                    | (5020.77)                    |
| Operating profit before working capital changes                              | <u>85279.84</u>              | <u>77979.59</u>              |
| Movement in working capital :                                                |                              |                              |
| Decrease/ (Increase) in trade receivables                                    | 39097.26                     | (775.92)                     |
| Decrease / (increase) in inventories                                         | (5762.71)                    | 57719.11                     |
| Decrease/ (Increase) in other current assets                                 | 338.98                       | (203.40)                     |
| (Increase) in loans and advances                                             | (980.11)                     | (356.41)                     |
| (Decrease) in trade payables, other liabilities and provisions               | (11388.64)                   | (35367.57)                   |
| Cash generated from operations                                               | <u>106584.62</u>             | <u>98995.40</u>              |
| Direct taxes paid (net of refunds)                                           | (10124.07)                   | (14740.23)                   |
| Net cash flows from operating activities                                     | <u>96460.55</u>              | <u>84255.17</u>              |
| <b>B. Cash flow from investing activities</b>                                |                              |                              |
| Purchase of fixed assets including CWIP and capital advances                 | (13795.12)                   | (11806.02)                   |
| Proceeds from sale of fixed assets                                           | 107.91                       | 581.85                       |
| Purchase of investments                                                      | (847415.87)                  | (1002184.68)                 |
| Proceeds from sale of non trade investments                                  | 843160.25                    | 1001204.91                   |
| Proceeds from reduction of share capital of a subsidiary company             | -                            | 490.00                       |
| Inter Corporate deposits given- repaid                                       | 6903.60                      | 6662.27                      |
| Inter Corporate deposits given                                               | (903.60)                     | (8612.27)                    |
| Deposits (with original maturity more than three months)                     | (584.66)                     | (540.63)                     |
| Advance repaid / (given) against purchase of shares of subsidiary company    | -                            | 142.00                       |
| Proceeds of deposits matured (with original maturity more than three months) | 540.63                       | 6590.23                      |
| Advance received against slump sale transaction (refer note no. 50)          | 500.00                       | -                            |
| Interest received                                                            | 2367.29                      | 4777.35                      |
| Dividend received                                                            | 5746.78                      | 3512.54                      |
| Net cash flow from / (used in) investing activities                          | <u>(3372.79)</u>             | <u>817.55</u>                |

|                                                                                   |                              | (Rs. in Lacs)                |
|-----------------------------------------------------------------------------------|------------------------------|------------------------------|
| Particulars                                                                       | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
| <b>C. Cash flow from financing activities</b>                                     |                              |                              |
| Proceeds from long term borrowings                                                | -                            | 541.86                       |
| Repayment of long term borrowings                                                 | (22093.27)                   | (26285.30)                   |
| Availment of buyers credit                                                        | 189368.69                    | 152152.99                    |
| Repayment of buyers credit                                                        | (130391.50)                  | (235931.39)                  |
| Net proceeds from short term borrowings                                           | (105912.89)                  | 39409.53                     |
| Interest paid                                                                     | (15216.19)                   | (19853.27)                   |
| Dividend paid                                                                     | (7791.14)                    | (7832.30)                    |
| Tax on dividend paid                                                              | (1343.96)                    | (1343.97)                    |
| Net cash flow (used in) financing activities                                      | <u>(93380.26)</u>            | <u>(99141.85)</u>            |
| Net (decrease) in cash and cash equivalents (A+B+C)                               | <u>(292.50)</u>              | <u>(14069.13)</u>            |
| Cash and cash equivalents at the beginning of the year                            | <u>1845.59</u>               | <u>15914.72</u>              |
| Cash and cash equivalents at the end of the year                                  | <u>1553.09</u>               | <u>1845.59</u>               |
| Components of cash and cash equivalents as at                                     |                              |                              |
| Cash/ Cheque on hand                                                              | 181.16                       | 9.25                         |
| Balances with banks :                                                             |                              |                              |
| - on unpaid dividend / preference share redemption amount/ fixed deposit accounts | 1091.46                      | 1017.36                      |
| - on current accounts                                                             | 215.49                       | 670.10                       |
| - on cash credit accounts                                                         | 61.04                        | 87.86                        |
| - on saving accounts                                                              | 2.93                         | 54.72                        |
| - on deposits accounts                                                            | <u>584.66</u>                | <u>540.63</u>                |
| Cash and bank balances                                                            | 2136.74                      | 2379.92                      |
| Less: Fixed deposits not considered as cash equivalents                           | <u>584.66</u>                | <u>540.63</u>                |
| Cash and cash equivalents as per note no.20                                       | <u>1552.08</u>               | <u>1839.29</u>               |
| Add: Foreign Exchange fluctuation on overseas account                             | 1.01                         | 6.30                         |
| Net cash and cash equivalents                                                     | <u>1553.09</u>               | <u>1845.59</u>               |
| Summary of significant accounting policies note no 2 (a)                          |                              |                              |

Note: Bank balances of Rs. 1091.46 lacs (Previous year Rs. 1017.36 lacs) is earmarked for payment of unpaid dividend/ unclaimed preference share redemption amount/fixed deposit accounts and will not be available for use for any other purposes.

As per our report of even date

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 301003E

per Anil Gupta  
Partner  
Membership No - 87921

Place : Gurgaon  
Date : April 30,2015

For and on behalf of the Board of Directors of  
Chambal Fertilisers and Chemicals Limited

Anil Kapoor  
Managing Director

Abhay Baijal  
Chief Financial Officer

Place : New Delhi  
Date : April 30,2015

S.K. Poddar  
Chairman

M.S. Rathore  
Vice President - Legal,  
Corporate Communication & Secretary

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### 1. Corporate Information

The Company is one of the largest manufacturer of Urea in private sector in India and is also into the trading of fertilisers and other agri inputs. The Company is also into manufacturing of Synthetic and Cotton Yarn. Shipping Division of the Company is engaged in the business of running of ships for cargo.

### 2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention except for derivative financial instruments and investment acquired in exchange for another asset which have been measured at fair value.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

#### 2a) Summary of significant Accounting Policies

##### i) Change in Accounting Policy

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, although these rates in certain cases are different from lives prescribed under Schedule II. The Company was previously not identifying components of fixed assets separately for depreciation purposes; rather, a single useful life was used to depreciate each item of fixed asset. Due to application of Schedule II to the Companies Act, 2013, the Company has changed the manner of providing depreciation on its fixed assets. Now, the Company identifies and determines separate useful life for each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset. The Company has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. If a component has zero remaining useful life on the date of Schedule II becoming effective, i.e., 1 April 2014, its carrying amount, after retaining any residual value, is charged to the opening balance of retained earnings. The carrying amount of other components, i.e., components whose remaining useful life is not NIL on 1 April 2014, is depreciated over their remaining useful life.

Had the Company continued to use the earlier policy of depreciating fixed asset, the profit for the current year would have been lower by Rs. 3986.58 lacs (net of tax impact of Rs. 2052.78 lacs) (including Rs. 732.10 lacs towards change in residual value of ships from NIL to 5%), retained earnings at the beginning of the current year would have been higher by Rs. 1269.02 lacs (net of tax impact of Rs. 653.42 lacs) and the fixed assets would correspondingly have been lower by Rs. 4116.92 lacs.

##### ii) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### iii) Tangible Fixed Assets

Fixed assets, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred except when significant parts of fixed assets are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

The Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated August 09, 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period.

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

#### iv) Depreciation on Tangible Fixed Assets

Depreciation is provided using Straight Line Method as per the useful life of the asset estimated by the management which are equal to the useful life prescribed under Schedule II to the Companies Act, 2013 other than the cases as mentioned in para (i) to (viii) below where the useful life is different from those prescribed in Schedule II to the Companies Act, 2013. A major portion of the plant at Fertiliser division of the Company has been considered as continuous process plant.

| S. No. | Assets                                                                      | Useful lives                                                                                                                                                                                                                                                                                                                                                         |
|--------|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i)    | Second hand fixed assets at Textile division                                | On technically assessed remaining useful lives of such assets ranging from 3 to 7 years.                                                                                                                                                                                                                                                                             |
| (ii)   | - Leasehold Land<br>- Leasehold Improvement<br>- Assets under finance lease | Amortised over 99 Years<br>Ranging from 4 to 15 Years<br>Ranging from 3 to 9 Years<br>These assets are amortised over the period of respective leases or useful life of assets, whichever is lower.                                                                                                                                                                  |
| (iii)  | Insurance/ Machinery Spares                                                 | Over the remaining useful lives of mother assets ranging from 1 to 18 years.                                                                                                                                                                                                                                                                                         |
| (iv)   | Ships of Shipping Division                                                  | 25 years based on the technical evaluation, as the ships are double hull crude oil/product tankers the life is estimated to be 25 years, as such kind of ships are allowed for acquisition without technical clearance and further charter-in of such ships are permitted subject to CAP2 (condition assessment program) rating provided the life is below 25 years. |
| (v)    | Vehicles                                                                    | Depreciated over 5 years. After the expiry of 5 years, the vehicle gets normally replaced.                                                                                                                                                                                                                                                                           |
| (vi)   | Railway Siding                                                              | 25 years based on technical evaluation that the railway siding is currently in use.                                                                                                                                                                                                                                                                                  |
| (vii)  | Plant and Machinery at Textile division                                     | 9.19 years based on the technical assessment carried out by the management.                                                                                                                                                                                                                                                                                          |
| (viii) | Certain Plant & Machinery of fertiliser division                            | On technically assessed remaining useful life of such assets ranging from 1 to 2 years.                                                                                                                                                                                                                                                                              |

Assets costing below Rs.5,000 are depreciated in the year of purchase.

#### v) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over the estimated useful economic life. The following are the acquired intangible assets:

##### Software

Cost of software is amortized over their estimated useful life of five years on straight line basis.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS-5, "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies".

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

#### vi) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available, and if no such transactions can be identified an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGU's to which the individual assets are allocated. These budgets and forecast calculations are generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

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

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### vii) Leases

Finance leases, which effectively transfer to the Company substantially, all the risk and benefits incidental to the ownership of the leased item,

are capitalized at inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule II to the Companies Act, 2013, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule II to the Companies Act, 2013.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

#### viii) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/ subsidy will be received.

Where the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

#### ix) Investments

Investments, which are readily realizable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

#### x) Inventories

Inventories are valued as follows:

|                                                                    |                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bunkers remaining on board*                                        | Lower of cost and net realizable value. Cost is determined on weighted average basis.                                                                                                                                                                                                                             |
| Spares and Lubricants                                              | Lower of cost and net realizable value. Cost is determined on First -In -First -Out basis.                                                                                                                                                                                                                        |
| Naphtha, Raw materials, Packing materials, other stores and spares | Lower of cost and net realizable value. However, materials and other items held for use in the production of finished goods are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis. |
| Catalyst in Use                                                    | At depreciated cost on the basis of amortization over their estimated useful lives ranging from three to fifteen years as technically assessed.                                                                                                                                                                   |
| Loose Tools                                                        | At depreciated cost arrived at on the basis of amortization over a period of three years.                                                                                                                                                                                                                         |
| Work in Process and Finished Goods                                 | Lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of Finished goods includes excise duty where ever applicable. Cost is determined on a weighted average basis.                                 |
| Traded products                                                    | Lower of cost and net realizable value. Cost includes the cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.                                                                                            |
| Waste                                                              | At net realisable value.                                                                                                                                                                                                                                                                                          |

\*included under the inventory of stores and spares.

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

#### xi) Borrowing Costs

Borrowing costs include interest and amortization of ancillary costs incurred in connection with the arrangement of borrowing.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

## xii) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised:

### (a) Sale of Goods

Revenue, including subsidy, in respect of sale of products is recognised when the significant risks and rewards of ownership of the goods are passed on to the buyer. Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability accruing during the year. The Company collects Sales Tax and VAT on behalf of Government and therefore, these are not economic benefits flowing to the Company. Hence, these are excluded from the revenue.

Subsidy on Urea is recognized based on Concession price including freight as notified under the New Pricing Scheme (NPS-Stage III), Uniform Freight Policy and New Investment Policy 2008. The concession price and freight is accounted based on notified prices, further adjusted for input price escalation/ de-escalation and as estimated by the management based on the prescribed norms in line with known policy parameters.

Subsidy on Phosphatic and Potassic (P&K) fertilizers is recognized as per concession rates notified by the Government of India and the estimates by the management, in accordance with Nutrient Based Subsidy Policy from time to time. Freight subsidy has been accounted for as per the Uniform Freight Policy.

Subsidy on Gypsum is recognized based on district wise concession rates, as notified by the Government of Rajasthan.

### (b) Income from operations of Ships

In respect of voyage charter, revenue is recognized on proportionate number of days of respective voyage. In case of time charter (including cost plus charter), revenue is recognized on time proportion basis.

### (c) Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head 'other income' in the statement of profit and loss. Further, interest on delayed payment from customers are accounted on accrual basis to the extent these are measurable and ultimate collection is reasonably certain.

### (d) Dividend

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

### (e) Insurance Claims

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

### (f) Export Benefits

Export benefits under Duty Drawback Scheme, Focus Market Scheme, Status holder incentive scheme and Focus Product Scheme are accounted for in the year of export of goods.

## xiii) Foreign Currency Translation

### (a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### (b) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are, translated using the exchange rates that existed when such values were determined.

### (c) Exchange differences

The Company accounts for exchange differences arising on translation / settlement of foreign currency monetary items as below:

- i) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
- ii) Exchange differences arising on other long-term foreign currency monetary items are accumulated in the 'Foreign Currency Monetary Item Translation Difference Account' and amortized over the remaining life of the concerned monetary item.
- iii) All other exchange differences are recognized as income or as expense in the period in which they arise.

For the purpose of i) and ii) above, the Company treats a foreign currency monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated 09 August 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period.

**(d) Forward exchange contracts not intended for trading or speculation purposes**

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense / income over the life of the contract. Exchange differences on such contracts, except the contract which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on calculation or renewal of such forward exchange contract is also recognized as income or as expense for the period. Any gain/loss arising on forward contracts which are long-term foreign currency monetary items is recognized in accordance with paragraph (c) (i) above.

**xiv) Retirement and other employee benefits**

- (a) Retirement benefit in the form of Provident Fund is a defined benefit obligation in case of fertiliser and shipping division of the Company and is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year. The difference between the actuarial valuation of the provident fund of employees at the year-end and the balance of own managed fund is provided for as liability in the books. Any excess of plan asset over projected benefit obligation is ignored as such surplus is distributed to the beneficiaries of the trust.

Provident Fund in respect of Textile division of the Company and Pension Fund of all divisions of the Company are defined contribution scheme. The division has no obligation, other than the contribution payable to the provident fund. The division recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

- (b) Superannuation Fund is a defined contribution scheme. Liability in respect of Superannuation Fund to the concerned employees of Fertiliser and Shipping division is accounted for as per the Company's Scheme and contributed to Life Insurance Corporation of India (LIC) / ICICI Prudential Life Insurance Company Limited (ICICI) every year. The divisions do not have any other obligation, other than the contribution payable to the superannuation fund. The divisions recognize contribution payable to the superannuation fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.
- (c) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. However, in respect of Fertiliser division, the Company has taken policies from LIC, ICICI and Birla Sunlife Insurance Company Limited (BSLI) and for Shipping and Textile divisions, the Company has taken a policy from LIC to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with LIC, ICICI and BSLI is provided for as liability in the books.
- (d) Retirement benefit in the form of post retirement medical benefits is a defined benefit obligation in case of fertiliser division of the Company and is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year.
- (e) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.
- (f) The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**xv) Income Taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may

be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income, will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

#### xvi) Segment Reporting Policies

##### Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products manufactured, traded and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the locations of customers.

##### Allocation of common costs

Common allocable costs are allocated to each segment in proportion to the relative sales of each segment.

##### Unallocated items

All the common income, expenses, assets and liabilities, which are not possible to be allocated to different segments, are treated as unallocated items.

##### Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Company as a whole.

#### xvii) Earnings per share

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

For the purpose of calculating diluted earning per share, net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

#### xviii) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting period and adjusted to reflect the current best estimates.

#### xix) Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

#### xx) Derivative Instruments

In accordance with the ICAI Announcement, derivative contracts, other than foreign currency forward contracts covered under Accounting Standard 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect on the underlying hedge item, is charged to the Statement of Profit and Loss and the net gain, if any, is ignored.

#### xxi) Employee Stock Option Scheme

Measurement and disclosure of the employee stock option scheme is done in accordance with Securities and Exchange Board of India (Share based employee benefits) regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

#### xxii) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in

extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

#### xxiii) Basis of classification of Current and Non Current

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Schedule III to the Companies Act, 2013.

An asset has been classified as current if (a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realized within twelve months after the reporting date; or (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

A liability has been classified as current when (a) it is expected to be settled in the Company's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non-current.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

### NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2015

(Rs. in Lacs)

| Particulars                                                                                                                                                                         | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>NOTE 3 : SHARE CAPITAL</b>                                                                                                                                                       |                         |                         |
| Authorised :                                                                                                                                                                        |                         |                         |
| 440,000,000 (Previous year 440,000,000) Equity Shares of Rs.10/- each                                                                                                               | 44000.00                | 44000.00                |
| 210,000,000 (Previous year 210,000,000) Redeemable Preference Shares of Rs.10/- each                                                                                                | 21000.00                | 21000.00                |
|                                                                                                                                                                                     | <u>65000.00</u>         | <u>65000.00</u>         |
| Issued, Subscribed and Paid Up :                                                                                                                                                    |                         |                         |
| 416,207,852 (Previous year 416,207,852) Equity Shares of Rs.10/- each, fully paid up.                                                                                               | 41620.79                | 41620.79                |
| Less : 2,253,402 (Previous year 2,253,402) Equity Shares of Rs.10/- each, fully paid up acquired by CFCL Employee Welfare Trust ("Trust") from the secondary market (refer note 49) | 225.34                  | 225.34                  |
|                                                                                                                                                                                     | <u>41395.45</u>         | <u>41395.45</u>         |

#### a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

There is no movement in the shares outstanding at the beginning and at the end of the reporting period.

#### b) Terms / rights attached to equity shares

The Company has only one class of shares having a par value of Rs.10 per share fully paid up. Each holder of equity shares is entitled to one vote per share and will rank pari passu with each other in all respects. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing annual general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after payment of all liabilities.

#### c) Details of shareholders holding more than 5% shares in the Company

| Name                                                             | 31 March, 2015 |           | 31 March, 2015 |           |
|------------------------------------------------------------------|----------------|-----------|----------------|-----------|
|                                                                  | No. of Shares  | % holding | No. of Shares  | % holding |
| Zuari Global Limited (formely known as Zuari Industries Limited) | 5,90,15,360    | 14.18     | 5,90,15,360    | 14.18     |
| The Hindustan Times Limited                                      | 5,10,74,209    | 12.27     | 5,10,74,209    | 12.27     |
| SIL Investments Limited                                          | 3,18,13,455    | 7.64      | 3,18,13,455    | 7.64      |
| Life Insurance Corporation of India                              | 2,79,10,373    | 6.71      | 2,79,10,373    | 6.71      |

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

### NOTE 4 : RESERVES AND SURPLUS

|                                                   |       |       |
|---------------------------------------------------|-------|-------|
| Capital Reserve (arising on forfeiture of shares) |       |       |
| Balance as per the last financial statements      | 20.95 | 20.95 |
| Capital Redemption Reserve                        |       |       |
| Balance as per the last financial statements      | 25.00 | 25.00 |

|                                                                                                                                                                  |                         |                         | (Rs. in Lacs) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|---------------|
| Particulars                                                                                                                                                      | As at<br>March 31, 2015 | As at<br>March 31, 2014 |               |
| Securities Premium Account                                                                                                                                       |                         |                         |               |
| Balance as per the last financial statements                                                                                                                     | 641.59                  | 641.59                  |               |
| General Reserve                                                                                                                                                  |                         |                         |               |
| Balance as per the last financial statements                                                                                                                     | 33176.57                | 29695.36                |               |
| Add: Transferred from Statement of Profit and Loss                                                                                                               | 5000.00                 | 5000.00                 |               |
| Less : Adjustment of carrying amount of fixed assets as per Schedule II of Companies Act, 2013 (net of deferred tax of Rs. 653.42 lacs) {refer note no. 2(a)(i)} | 1269.02                 | -                       |               |
| Less : Excess of investment over and above face value of equity shares held by Trust (refer note no. 49)                                                         | -                       | 1518.79                 |               |
|                                                                                                                                                                  | <u>36907.55</u>         | <u>33176.57</u>         |               |
| Tonnage Tax Reserve under Section 115 VT of Income Tax Act, 1961                                                                                                 |                         |                         |               |
| Balance as per the last financial statements                                                                                                                     | 425.00                  | 425.00                  |               |
| Tonnage Tax Reserve (utilised) account under Section 115 VT of Income Tax Act, 1961                                                                              |                         |                         |               |
| Balance as per the last financial statements                                                                                                                     | 3850.00                 | 3850.00                 |               |
|                                                                                                                                                                  | <u>3850.00</u>          | <u>3850.00</u>          |               |
| Surplus in the statement of profit and loss                                                                                                                      |                         |                         |               |
| Balance as per the last financial statements                                                                                                                     | 139086.23               | 122901.13               |               |
| Add : Profit for the year                                                                                                                                        | 23678.32                | 30307.10                |               |
| Reversal of proposed dividend on equity shares held by trust {net of expenses (refer note 49)}                                                                   | -                       | 87.21                   |               |
| Appropriations:                                                                                                                                                  |                         |                         |               |
| Transfer to General Reserve                                                                                                                                      | 5000.00                 | 5000.00                 |               |
| Proposed Equity Dividend {amount per share Rs.1.90 per share (Previous year Rs.1.90 per share)}                                                                  | 7908.05                 | 7908.05                 |               |
| Add : Proposed dividend on equity shares held by trust                                                                                                           | 42.81                   | 42.81                   |               |
| Tax on Proposed Equity Dividend                                                                                                                                  | 1609.89                 | 1343.97                 |               |
| Net surplus in the statement of profit and loss                                                                                                                  | <u>148289.42</u>        | <u>139086.23</u>        |               |
|                                                                                                                                                                  | <u>190159.51</u>        | <u>177225.34</u>        |               |

| Particulars                                                                          | As at March 31, 2015 |                       | As at March 31, 2014 |                       |
|--------------------------------------------------------------------------------------|----------------------|-----------------------|----------------------|-----------------------|
|                                                                                      | Non<br>Current       | Current<br>Maturities | Non<br>Current       | Current<br>Maturities |
| <b>NOTE 5: LONG-TERM BORROWINGS</b>                                                  |                      |                       |                      |                       |
| Secured Loans:                                                                       |                      |                       |                      |                       |
| Term loans from banks                                                                |                      |                       |                      |                       |
| - Rupee term loans                                                                   | -                    | 1908.60               | 1932.00              | 2000.00               |
| - Foreign currency term loans                                                        | 78022.68             | 26985.16              | 99774.37             | 20626.15              |
| Finance lease obligation                                                             | 160.94               | 41.22                 | 202.16               | 31.45                 |
|                                                                                      | <u>78183.62</u>      | <u>28934.98</u>       | <u>101908.53</u>     | <u>22657.60</u>       |
| Less : Current maturities shown under "other current liabilities" (refer note no.11) | -                    | 28934.98              | -                    | 22657.60              |
|                                                                                      | <u>78183.62</u>      | <u>-</u>              | <u>101908.53</u>     | <u>-</u>              |

Notes:

- i Rupee term loans of Rs. 1908.60 lacs (including current maturities of Rs. 1908.60 lacs) (Previous year Rs. 3932.00 lacs and Rs. 2000.00 lacs respectively) carry interest rate in the range of 11.10%-12.75% p.a. Out of these, one term loan amounting to Rs. 916.60 lacs is repayable in 3 quarterly installments of Rs. 235 lacs each starting from June 30, 2015 and last installment of Rs. 211.60 lacs. Another term loan amounting to Rs. 992 lacs is repayable in 3 quarterly installments of Rs. 250 lacs each starting from June 30, 2015 and last installment of Rs. 242 lacs. These loans are secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the Company, both present and future (save and except assets of shipping division), subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.

- ii Foreign currency term loans of USD 395.51 lacs (Rs.24721.57 lacs including current maturities of Rs.14092.33 lacs) (Previous year Rs.31075 lacs and Rs.8266.53 lacs respectively) carry interest rate in the range of 3/6 months LIBOR plus 1.45%-4.50% p.a. Out of these, one term loan amounting to USD 163.51 lacs (Rs.10220.42 lacs) is repayable in 11 equal quarterly installments starting from April 1, 2015. Another term loan amounting to USD 32.00 lacs (Rs.2000.16 lacs) is repayable in 8 equal quarterly installments starting from May 27, 2015. Another term loan amounting to USD 200.00 lacs (Rs.12501.00 lacs) carry interest rate of 6 months LIBOR plus 2.75% p.a. and is repayable in 4 equal quarterly installment starting from August 06, 2015. These loans are secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the Company, both present and future (save and except assets of shipping division), subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.
- iii (a) Foreign currency term loan of USD 240 lacs (Rs.15001.20 lacs including current maturities of Rs.2500.20 lacs) (Previous year Rs.16777.60 lacs and Rs.2396.80 lacs respectively) carry interest @ 3 months LIBOR plus 1.125% p.a. The loan is repayable in 4 quarterly installments of USD 10.00 lacs each (Rs.625.05 lacs) starting from June 08, 2015 and the last installment of USD 200.00 lacs (Rs.12501.00 lacs). The loan is secured by first priority mortgage on the Company's vessel-Ratna Puja and assignment of earnings, insurance and requisition compensation in respect of such vessel.
- (b) Foreign currency term loan of USD 370 lacs (Rs.23126.85 lacs including current maturities of Rs.2500.20 lacs) (Previous year Rs.24567.20 lacs and Rs.2396.80 lacs respectively) carry interest @ 3 months LIBOR plus 0.875% p.a. The loan is repayable in 19 quarterly installments of USD 10.00 lacs each (Rs.625.05 lacs) starting from June 09, 2015 and the last installment of USD 180.00 lacs (Rs.11250.90 lacs). The loan is secured by first priority mortgage on the Company's vessel-Ratna Shalini and assignment of earnings, insurance and requisition compensation in respect of such vessel and second priority mortgage on the Company's vessel-Ratna Puja and assignment of earnings, insurance and requisition compensation in respect of such vessel.
- iv Foreign currency term loans of USD 674.48 lacs (Rs.42158.22 lacs including current maturities of Rs.7892.43 lacs) (Previous year Rs.47980.72 lacs and Rs.7566.02 lacs respectively) carry interest @ 3 months LIBOR plus 0.40% p.a. One tranche of the aforesaid term loan amounting to USD 210 lacs (Rs.13126.05 lacs) is repayable in 21 equal quarterly installment starting from April 22, 2015. Another tranche of the aforesaid term loan amounting to USD 210 lacs (Rs.13126.05 lacs) is repayable in 21 equal quarterly installment starting from June 03, 2015. Another tranche of the aforesaid term loan amounting to USD 254.48 lacs (Rs.15906.12 lacs) is repayable in 22 equal quarterly installment starting from April 15, 2015. These loans are secured by first priority mortgage on the Company's three vessels i.e. Ratna Shruti, Ratna Shradha and Ratna Namrata and assignment of earnings, insurance and requisition compensation in respect of such vessels.
- v Finance lease obligation of Rs.202.16 lacs (including current maturities of Rs.41.22 lacs) (Previous year Rs.233.61 lacs and Rs.31.45 lacs respectively) is repayable in 41 monthly installments of Rs.6.77 lacs each (i.e. lease obligation including interest) starting from April, 2015 and carry interest rate of around 27.34% p.a. This is secured by assets acquired under the facility.

(Rs. in Lacs)

| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>NOTE 6 : DEFERRED TAX LIABILITIES (NET)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                         |                         |
| <b>Deferred Tax Liabilities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         |                         |
| Differences in depreciation and other differences in block of fixed assets as per tax and financial books                                                                                                                                                                                                                                                                                                                                                                                                          | 45498.00                | 44201.33                |
| <b>Gross Deferred Tax Liabilities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <u>45498.00</u>         | <u>44201.33</u>         |
| <b>Deferred Tax Assets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                         |                         |
| Effect of expenditure debited to statement of profit and loss in the current year/ earlier years but allowable for tax purposes in following years                                                                                                                                                                                                                                                                                                                                                                 | 490.16                  | 367.02                  |
| Provision for gratuity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 158.70                  | 112.12                  |
| Provision for leave encashment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 797.00                  | 749.62                  |
| Provision for doubtful debts and advances                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 163.57                  | 173.68                  |
| Carry forward capital loss *                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 1182.96                 | -                       |
| Provision for Mark to Market (MTM) on derivative contract                                                                                                                                                                                                                                                                                                                                                                                                                                                          | -                       | 918.06                  |
| <b>Gross Deferred Tax Assets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <u>2792.39</u>          | <u>2320.50</u>          |
| <b>Net Deferred Tax Liabilities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <u>42705.61</u>         | <u>41880.83</u>         |
| * In view of the capital gain expected on the slump sale of Textile Division as per the provision of Income Tax Act, 1961 pursuant to the Board of Director's decision to sell its Textile division in its meeting held on 14th March, 2015, management of the Company has created deferred tax assets on the capital loss (to the extent of capital gain to be arisen on slump sale as above) as per the provision of Income Tax Act, 1961 arising out of the liquidation of its wholly owned subsidiary company. |                         |                         |
| <b>NOTE 7 : OTHER LONG TERM LIABILITIES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                         |                         |
| Trade Payables (other than Micro and Small Enterprises)                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 335.31                  | 374.91                  |
| Earnest money / security deposits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0.40                    | 0.40                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <u>335.71</u>           | <u>375.31</u>           |
| <b>NOTE 8 : LONG TERM PROVISIONS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                         |                         |
| Provision for gratuity (refer note no.36)                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 99.50                   | 103.15                  |
| Provision for post retirement medical benefits (refer note no.36)                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 223.97                  | 162.91                  |
| Provision for loss on derivative contract                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 821.27                  | 2256.63                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <u>1144.74</u>          | <u>2522.69</u>          |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                         | (Rs. in Lacs)           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
| <b>NOTE 9 :SHORT-TERM BORROWINGS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         |                         |
| Secured Loans:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                         |                         |
| From Banks:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                         |                         |
| - Rupee loans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 23500.00                | 189393.07               |
| - Cash credit facilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 41172.98                | 5902.13                 |
| - Foreign currency loans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 145022.43               | -                       |
| Unsecured Loans:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                         |                         |
| Commercial Papers (Short term)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 30000.00                | -                       |
| From Banks:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                         |                         |
| - Rupee loans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | -                       | 4400.00                 |
| - Foreign currency loans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 46821.73                | 128119.30               |
| - Packing credit foreign currency loans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 1395.87                 | 2284.90                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <u>287913.01</u>        | <u>330099.40</u>        |
| i Rupee loans of Rs. 23500.00 lacs (Previous year Rs.43,500.00 lacs) carrying interest in the range of 10.10% - 10.25% p.a., Cash credit facilities carrying interest in the range of 10.35% - 14.95% p.a. and Foreign currency loans of Rs.13323.75 lacs (Previous year NIL) carrying interest in the range of 0.55% - 0.90% p.a., from banks are secured by hypothecation of all the Company's current assets including all stocks and book debts and other movable assets, both present & future (except assets of Shipping Division). These loans are further secured by second charge on all the immovable properties (except assets of Shipping Division) of the Company. Foreign currency loans and Packing credit foreign currency loans carry interest in the range of 0.55% - 0.95% p.a. and 1.14% - 1.33% p.a. respectively. |                         |                         |
| ii Foreign currency loans of Rs. 131698.68 lacs (Previous year NIL) is secured by second charge on the Company's current assets (except assets of Shipping Division), carried interest @ 0.63% - 0.83% p.a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                         |                         |
| iii Rupee loans include NIL (Previous year Rs.80893.07 lacs) from consortium of Banks under Special Banking Arrangement against the subsidy on Urea and Phosphatic and Potassic (P&K) fertilisers receivable from the Government of India. The Banks had charged interest @ 10.40% p.a. (including 8% p.a. paid by Government of India directly to banks). Accordingly, Rs.188.14 lacs (at the rate 2.25% to 2.40% p.a.) (Previous year Rs. 327.35 lacs (at the rate of 2.40% p.a.)) has been charged as interest expense. These loans were secured by hypothecation of subsidy receivables upto NIL (Previous year Rs. 80900.00 lacs) from Government of India.                                                                                                                                                                        |                         |                         |
| iv Rupee loans of NIL (Previous year Rs. 65000.00 lacs) were to be secured by second charge on the Company's current assets (except assets of Shipping Division), carried interest @ 10.40% p.a.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                         |                         |
| v Maximum amount of commercial papers outstanding during the year - Rs. 185000.00 lacs (Previous year Rs.172500.00 lacs).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                         |                         |
| <b>NOTE 10 : TRADE PAYABLES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                         |                         |
| Trade payables                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                         |                         |
| Outstanding dues to Micro and Small Enterprises (Refer note no.42)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 22.75                   | 43.58                   |
| Outstanding dues to other than Micro and Small Enterprises                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 19924.20                | 18580.07                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <u>19946.95</u>         | <u>18623.65</u>         |
| <b>NOTE 11 : OTHER CURRENT LIABILITIES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                         |                         |
| Current Maturity of long term borrowings (refer note no.5)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 28934.98                | 22657.60                |
| Interest accrued but not due on borrowings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 783.61                  | 658.59                  |
| Advance from customers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 1188.25                 | 877.93                  |
| Advance received against slump sale transaction (refer note no.50)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 500.00                  | -                       |
| Earnest money / security deposits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 6368.19                 | 5800.28                 |
| Unclaimed statutory liabilities (as referred in Section 205C of the Companies Act, 1956):*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                         |                         |
| - Unpaid dividend                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 1091.46                 | 1017.36                 |
| - Unpaid matured deposit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 1.34                    | 2.98                    |
| - Unpaid interest on above                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0.67                    | 1.22                    |
| Payable for capital goods                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1497.92                 | 2938.09                 |
| Forward contracts payable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 9050.11                 | 13925.02                |
| Statutory obligation payable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1533.11                 | 1580.05                 |
| Accrued employee liabilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1988.61                 | 1884.58                 |
| Other liabilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 77.48                   | 176.63                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <u>53015.73</u>         | <u>51520.33</u>         |

\*Amount payable to Investor Education and Protection Fund is Rs. 0.09 lac (previous year Rs.0.12 lac), since paid on due date.

(Rs. in Lacs)

| Particulars                                                       | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|-------------------------------------------------------------------|-------------------------|-------------------------|
| <b>NOTE 12 : SHORT-TERM PROVISIONS</b>                            |                         |                         |
| Provision for employee benefits                                   |                         |                         |
| Provision for gratuity (Refer note no.36)                         | 323.50                  | 194.48                  |
| Provision for leave encashment                                    | 2309.26                 | 2211.75                 |
| Provision for post retirement medical benefits (refer note no.36) | 8.21                    | 7.21                    |
| Other provisions:                                                 |                         |                         |
| Provision for wealth tax                                          | 17.99                   | 15.38                   |
| Provision for loss on derivative contract                         | 481.25                  | 444.35                  |
| Proposed dividend on equity shares                                | 7908.05                 | 7908.05                 |
| Less : Proposed dividend on equity shares held by trust           | 42.81                   | 42.81                   |
| Tax on proposed equity dividend                                   | 1609.90                 | 1343.97                 |
|                                                                   | <b>12615.35</b>         | <b>12082.38</b>         |

**NOTE 13 : TANGIBLE ASSETS**

(Rs. In lacs)

| Particulars                                                   | Land-Freehold | Land-Leasehold | Buildings | Leasehold Improvements | Leasehold Improvements (on Finance Lease) | Railway Siding | Plant and Machinery | Factory Equipment | Office Equipment | Furniture and Fittings | Vehicles | Ships     | Total     |
|---------------------------------------------------------------|---------------|----------------|-----------|------------------------|-------------------------------------------|----------------|---------------------|-------------------|------------------|------------------------|----------|-----------|-----------|
| Cost                                                          |               |                |           |                        |                                           |                |                     |                   |                  |                        |          |           |           |
| At 1 April 2013                                               | 743.20        | 931.80         | 18166.80  | 677.86                 | 302.26                                    | 2205.11        | 304230.12           | 1953.99           | 2099.24          | 683.83                 | 911.55   | 185729.27 | 518635.03 |
| Additions                                                     | -             | -              | 1586.96   | 21.57                  | -                                         | -              | 10669.66            | 191.73            | 256.08           | 36.62                  | 158.70   | 387.23    | 13308.55  |
| Deletions                                                     | -             | (344.52)       | (28.92)   | -                      | -                                         | -              | (5838.13)           | (23.79)           | (71.37)          | (14.36)                | (119.65) | -         | (6440.74) |
| Adjustment                                                    | -             | -              | 85.05     | -                      | -                                         | -              | 2092.29             | -                 | -                | -                      | -        | 11627.58  | 13804.92  |
| At 31 March 2014                                              | 743.20        | 587.28         | 19809.89  | 699.43                 | 302.26                                    | 2205.11        | 311153.94           | 2121.93           | 2283.95          | 706.09                 | 950.60   | 197744.08 | 539307.76 |
| Additions                                                     | -             | -              | 848.89    | 24.28                  | -                                         | -              | 5080.98             | 79.12             | 223.11           | 52.94                  | 247.56   | 1.10      | 6557.98   |
| Deletions                                                     | -             | -              | (28.53)   | (30.22)                | -                                         | -              | (2498.62)           | (19.03)           | (179.93)         | (8.44)                 | (174.18) | -         | (2938.95) |
| Adjustment                                                    | -             | -              | 27.67     | -                      | -                                         | -              | 486.02              | (0.74)            | -                | -                      | -        | 4128.74   | 4641.69   |
| At 31 March 2015                                              | 743.20        | 587.28         | 20657.92  | 693.49                 | 302.26                                    | 2205.11        | 314222.32           | 2181.28           | 2327.13          | 750.59                 | 1023.98  | 201873.92 | 547568.48 |
| Depreciation                                                  |               |                |           |                        |                                           |                |                     |                   |                  |                        |          |           |           |
| At 1 April 2013                                               | -             | 138.18         | 5169.54   | 274.66                 | 114.51                                    | 1701.68        | 206511.60           | 1087.17           | 1139.65          | 466.25                 | 378.57   | 41852.79  | 258834.60 |
| Charge for the year                                           | -             | 5.94           | 422.56    | 9.94                   | 34.54                                     | 94.34          | 11549.21            | 89.11             | 152.16           | 90.42                  | 159.99   | 10358.31  | 22966.52  |
| Deletions                                                     | -             | -              | (0.99)    | -                      | -                                         | -              | (5402.74)           | (20.21)           | (44.24)          | (7.33)                 | (93.60)  | -         | (5569.11) |
| Adjustment                                                    | -             | -              | -         | -                      | -                                         | -              | -                   | -                 | -                | -                      | -        | -         | -         |
| At 31 March 2014                                              | -             | 144.12         | 5591.11   | 284.60                 | 149.05                                    | 1796.02        | 212658.07           | 1156.07           | 1247.57          | 549.34                 | 444.96   | 52211.10  | 276232.01 |
| Charge for the year                                           | -             | 5.94           | 502.96    | 6.18                   | 34.54                                     | 28.55          | 8620.29             | 105.55            | 339.97           | 87.92                  | 176.06   | 7347.93   | 17255.89  |
| Deletions                                                     | -             | -              | (15.64)   | (28.71)                | -                                         | -              | (2279.78)           | (6.56)            | (167.70)         | (7.66)                 | (135.24) | -         | (2641.29) |
| Transfer to opening retained earnings (refer note no.2(a)(i)) | -             | -              | 1159.26   | -                      | -                                         | 2.64           | 387.41              | 128.80            | 228.16           | 16.17                  | -        | -         | 1922.44   |
| At 31 March 2015                                              | -             | 150.06         | 7237.69   | 262.07                 | 183.59                                    | 1827.21        | 219385.99           | 1383.86           | 1648.00          | 645.77                 | 485.78   | 59559.03  | 292769.05 |
| Net Block                                                     |               |                |           |                        |                                           |                |                     |                   |                  |                        |          |           |           |
| At 31 March 2014                                              | 743.20        | 443.16         | 14218.78  | 414.83                 | 153.21                                    | 409.09         | 98495.87            | 965.86            | 1036.38          | 156.75                 | 505.64   | 145532.98 | 263075.75 |
| At 31 March 2015                                              | 743.20        | 437.22         | 13420.23  | 431.42                 | 118.67                                    | 377.90         | 94836.33            | 797.42            | 679.13           | 104.82                 | 538.20   | 142314.89 | 254799.43 |

**Notes:**

- Freehold land includes Rs.0.81 lac (Previous year Rs. 0.81 lac), Buildings includes Rs.409.07 lacs (Previous year NIL), which are yet to be registered in the Company's name.
- Deletion from leasehold land NIL (Previous year Rs. 344.52 lacs) represented surrender of land taken from Gujarat Industrial Development Corporation.
- Gross Block and Accumulated Depreciation of Buildings includes Rs.0.71 lac (Previous year Rs.0.71 lac) and Rs.0.58 lac (Previous year Rs.0.57 lac) respectively represent undivided share in assets jointly owned with others.
- Adjustment to Plant & Machinery includes additions of Rs.500.11 lacs (Previous year additions of Rs.2108.72 lacs), adjustment to Building includes additions of Rs.27.67 lacs (Previous year Rs.85.05 lacs) and adjustment to ships includes additions of Rs.4128.74 lacs (Previous year additions of Rs.11627.58 lacs) being variations in rupee liability in respect of foreign currency.
- Adjustment from Plant and Machinery and Factory Equipment includes Cenvat credit of Rs. 14.09 lacs (Previous year Rs. 16.43 lacs) and Rs. 0.74 lac (Previous year NIL) respectively related to earlier years but availed during the year.
- Capital work in progress (CWIP) includes preoperative expenses amounting to Rs. 4843.04 lacs (Previous year Rs.3179.16 lacs) (Refer note no.34). Further, CWIP includes Rs.144.73 lacs (Previous year Rs.164.73 lacs) being variations in rupee liability in respect of foreign currency borrowings.

(Rs. in Lacs)

| Particulars                        | Software | Total   |
|------------------------------------|----------|---------|
| <b>NOTE 14 : INTANGIBLE ASSETS</b> |          |         |
| GROSS BLOCK                        |          |         |
| At 1st April 2013                  | 1108.13  | 1108.13 |
| Purchase                           | 83.33    | 83.33   |
| Deletion                           | -        | -       |
| At 31 March 2014                   | 1191.46  | 1191.46 |
| Purchase                           | 226.56   | 226.56  |
| Deletion                           | (3.65)   | (3.65)  |
| At 31 March 2015                   | 1414.37  | 1414.37 |
| Amortization                       |          |         |
| At 1st April 2013                  | 989.01   | 989.01  |
| Charge for the year                | 64.06    | 64.06   |
| Deletion                           | -        | -       |
| At 31 March 2014                   | 1053.07  | 1053.07 |
| Charge for the year                | 75.81    | 75.81   |
| Deletion                           | (3.65)   | (3.65)  |
| At 31 March 2015                   | 1125.23  | 1125.23 |
| Net Block                          |          |         |
| At 31 March 2014                   | 138.39   | 138.39  |
| At 31 March 2015                   | 289.14   | 289.14  |

(Rs. in Lacs)

| Particulars                                                                                                                                                          | As at<br>March 31, 2015 | As at March<br>31, 2014 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>NOTE 15 : NON-CURRENT INVESTMENTS</b>                                                                                                                             |                         |                         |
| Long Term Investments (At cost, unless otherwise stated)                                                                                                             |                         |                         |
| A. Investment in Equity Instruments                                                                                                                                  |                         |                         |
| Trade (Unquoted)                                                                                                                                                     |                         |                         |
| Joint Venture                                                                                                                                                        |                         |                         |
| - 206,667 (Previous year 206,667) shares of Moroccan Dirham 1000 each fully paid up in Indo Maroc Phosphore S.A. (IMACID)                                            | 8513.32                 | 8513.32                 |
| Subsidiary Companies                                                                                                                                                 |                         |                         |
| - 1079,962 (Previous year 1,079,962) equity shares of Singapore \$ 1 each fully paid up in India Steamship Pte. Limited, Singapore                                   | 286.04                  | 286.04                  |
| - 250,000 (Previous year 250,000) equity shares of Rs.10 each fully paid up in India Steamship Limited                                                               | 25.00                   | 25.00                   |
| Non Trade (Unquoted)                                                                                                                                                 |                         |                         |
| - 20,000 (Previous year 20,000) equity shares of Rs.10 each fully paid up in Shivalik Solid Waste Management Limited                                                 | 2.00                    | 2.00                    |
| Subsidiary Companies                                                                                                                                                 |                         |                         |
| - NIL (Previous year 50,000,000) ordinary shares of US\$ 0.001 each fully paid up in CFCL Overseas Limited *                                                         | -                       | 21.78                   |
| - 9,400,000 (Previous year 4,900,000) equity shares of Rs.10/- each fully paid up in Chambal Infrastructure Ventures Limited **                                      | 940.00                  | 490.00                  |
| - 2,932,947 (Previous year NIL) ordinary shares of US\$ 0.0001 each fully paid up in CFCL Technologies Limited *                                                     | 0.18                    | -                       |
| B. Investment in Preference Shares                                                                                                                                   |                         |                         |
| Non Trade (Unquoted), fully paid up                                                                                                                                  |                         |                         |
| - 30,00,000 (Previous year NIL) 12% Non convertible cumulative redeemable preference shares of Rs. 100 each fully paid up in Upper Ganges Sugar & Industries Ltd. \$ | 3000.00                 | -                       |
| Subsidiary Companies                                                                                                                                                 |                         |                         |
| - NIL (Previous year 102,199,447) non cumulative preference shares of US\$ 1.00 each fully paid up in CFCL Overseas Limited *                                        | -                       | 46696.45                |
| - 8,357,574 (Previous year NIL) preference shares of US\$ 0.0001 each fully paid up in CFCL Technologies Limited *                                                   | 35971.18                | -                       |

| (Rs. in Lacs)                                                                                                                              |                         |                         |
|--------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                                                                                | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
| <b>C. Investment in Government Securities</b>                                                                                              |                         |                         |
| <b>Non Trade (Unquoted)</b>                                                                                                                |                         |                         |
| - 6 Year National Savings Certificates VIII Issue (lodged with Govt. Authorities.)                                                         | 0.09                    | 0.09                    |
| - Indira Vikas Patra                                                                                                                       | 0.20                    | 0.20                    |
| <b>D. Investment in Bonds &amp; Debentures (Unquoted)</b>                                                                                  |                         |                         |
| <b>Non Trade (Unquoted)</b>                                                                                                                |                         |                         |
| - 218 (Previous year 218) 5% Non Convertible Debentures of Woodlands Hospital and Medical Research Centre Ltd of Rs.100 each fully paid up | 0.22                    | 0.22                    |
|                                                                                                                                            | <u>48738.23</u>         | <u>56035.10</u>         |
| <b>Aggregate amount of unquoted investments</b>                                                                                            | <b>48738.23</b>         | <b>56035.10</b>         |

**Notes:**

- \* In pursuance of the voluntary liquidation of CFCL Overseas Limited (COL), Cayman Island all the assets of COL (including the shares, warrants and convertible notes held by COL in CFCL Technologies Limited) were transferred in favour of the Company (sole shareholder of COL) on March 25, 2015. The aforesaid assets have been accounted for in the books of the Company based on the fair value, which was lower than the carrying value of the investment in COL. Accordingly, a loss of Rs. 10702.09 lacs has been accounted for as loss on liquidation of subsidiary company in the statement of profit and loss and same has been shown under 'Exceptional item' in note no 30 to the financial statement.  
The holdings of COL in CTL transferred, in pursuance of voluntary liquidation comprises of ordinary shares, preference shares (series A1, B1, C1, D1, E1, F, G & H) and warrants for ordinary shares and preference shares (series G & H).  
Conversion ratio of different series of non cumulative convertible preference shares into ordinary shares of CTL are as follows-Series A1, & B1 will be converted in the ratio of 1:1.22, Series C1, D1, E1 will be converted in the ratio of 1:1.68, Series F1 will be converted in the ratio of 1:1.33 and Series G and H will be converted in the ratio of 1:1. This conversion is subject to adjustments set forth, if any, in the Articles of Association of CTL.  
The Company has given corporate guarantee of Rs.13751.10 lacs (Previous year Rs.13182.40 lacs) to a bank on account of loan given by bank to step-down subsidiaries of CTL. The Company has further provided letter of continued financial support to the said company.
- \*\* includes 4,500,000 equity share of Rs. 10 each fully paid up for which share certificates are yet to be issued by the said company.
- § During the year, Company has made investment of Rs. 3000.00 lacs in Upper Ganges Sugar & Industries Limited (UGSIL). As per the latest financial statement of UGSIL, their accumulated losses have resulted in erosion of significant portion of the net worth. This being long term strategic investment and also in view of projected profitable operations of the company in near future, in the opinion of the management no provision of diminution in the value of investment required to be made as per Accounting Standard 13 "Accounting for Investments".

**NOTE 16 : LONG TERM LOANS AND ADVANCES**

(Unsecured, except to the extent stated and considered good)

|                                                                      |                |                 |
|----------------------------------------------------------------------|----------------|-----------------|
| Advances and loans to subsidiaries (refer note no. 37)               | -              | 448.26          |
| Capital advances                                                     | 1269.93        | 692.58          |
| Balances with statutory/ government authorities                      | 20.09          | 20.09           |
| Loans to employees                                                   |                |                 |
| a) Secured, considered good                                          | 188.42         | 250.53          |
| b) Unsecured, considered good                                        | 38.28          | 52.85           |
| Advance fringe benefit tax (Net of Provision for fringe benefit tax) | 3.70           | 3.70            |
| Advance Income Tax (Net of Provision for taxation)                   | 4863.95        | 13503.65        |
| Prepaid expenses                                                     | 1017.99        | 1116.00         |
| Deposits - others                                                    | 489.10         | 733.03          |
|                                                                      | <u>7891.46</u> | <u>16820.69</u> |
| <b>Included in Loans to employees</b>                                |                |                 |
| i. Dues from director of the Company                                 | 2.15           | -               |
| ii. Dues from officer of the Company                                 | -              | 0.29            |

**NOTE 17 : OTHER NON-CURRENT ASSETS**

|                                                              |                |                |
|--------------------------------------------------------------|----------------|----------------|
| Catalysts in use (valued based on life technically assessed) | 1430.09        | 1695.93        |
| Non current bank balance (refer note no. 20)                 | 0.15           | 13.69          |
| Interest accrued on fixed deposits                           | -              | 1.54           |
|                                                              | <u>1430.24</u> | <u>1711.16</u> |

(Rs. in Lacs)

| Particulars                                                                                                                            | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>NOTE 18 : INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)</b>                                                        |                         |                         |
| Stores and spares {Including in transit Rs.30.63 lacs (Previous year Rs.31.43 lacs)}                                                   | 9805.50                 | 10811.70                |
| Catalysts in use (valued based on life technically assessed)                                                                           | 630.80                  | 525.06                  |
| Naphtha                                                                                                                                | 526.80                  | 526.80                  |
| Raw materials {Including in transit Rs.309.93 lacs (Previous year Rs.134.87 lacs)}                                                     | 6613.58                 | 6445.73                 |
| Loose tools                                                                                                                            | 16.13                   | 25.11                   |
| Packing materials                                                                                                                      | 357.40                  | 419.21                  |
| Waste (at net realisable value)                                                                                                        | 16.36                   | 35.35                   |
| Work-in-process                                                                                                                        | 1967.54                 | 2672.02                 |
| Finished goods {Including in transit Rs.2370.63 lacs (Previous year Rs.5174.05 lacs)}                                                  | 8192.24                 | 18104.89                |
| Traded goods {Including in transit Rs. 2592.31 lacs (Previous year NIL)}                                                               | 41241.97                | 24646.45                |
|                                                                                                                                        | <u>69368.32</u>         | <u>64212.32</u>         |
| <b>NOTE 19 : TRADE RECEIVABLES</b>                                                                                                     |                         |                         |
| Outstanding for a period exceeding six months from the date they are due for payment                                                   |                         |                         |
| Secured, considered good*                                                                                                              | 147.95                  | 306.50                  |
| Unsecured, considered good (Including subsidy receivable from Government of India Rs. 17321.04 lacs (Previous year Rs. 38603.91 lacs)  | 17942.89                | 40305.01                |
| Unsecured, considered doubtful                                                                                                         | 108.76                  | 100.19                  |
| Less: Provision for doubtful receivables                                                                                               | 108.76                  | 100.19                  |
|                                                                                                                                        | <u>18090.84</u>         | <u>40611.51</u>         |
| Other receivables                                                                                                                      |                         |                         |
| Secured, considered good *                                                                                                             | 3289.35                 | 4046.11                 |
| Unsecured, considered good (Including subsidy receivable from Government of India Rs. 249943.57 lacs (Previous year Rs.258532.43 lacs) | 283563.09               | 299391.49               |
|                                                                                                                                        | <u>286852.44</u>        | <u>303437.60</u>        |
|                                                                                                                                        | <u>304943.28</u>        | <u>344049.11</u>        |
| *Secured trade receivables includes Rs. 113.10 lacs (Previous year Rs.349.02 lacs) secured against letter of credit.                   |                         |                         |
| <b>NOTE 20 : CASH AND BANK BALANCES</b>                                                                                                |                         |                         |
| Cash and Cash Equivalents                                                                                                              |                         |                         |
| Cheques on hand                                                                                                                        | 171.83                  | -                       |
| Balances with banks :                                                                                                                  |                         |                         |
| On unpaid dividend/preference share redemption amount/fixed deposit accounts                                                           | 1091.46                 | 1017.36                 |
| On current accounts                                                                                                                    | 215.49                  | 670.10                  |
| On cash credit accounts                                                                                                                | 61.04                   | 87.86                   |
| On saving accounts                                                                                                                     | 2.93                    | 54.72                   |
| Cash on hand                                                                                                                           | 9.33                    | 9.25                    |
|                                                                                                                                        | <u>1552.08</u>          | <u>1839.29</u>          |
| Other bank balances :                                                                                                                  |                         |                         |
| Deposit with original maturity for more than 12 months                                                                                 | 9.15                    | 13.69                   |
| Deposit with original maturity for more than 3 months but less than 12 months                                                          | 575.51                  | 526.94                  |
|                                                                                                                                        | <u>584.66</u>           | <u>540.63</u>           |
|                                                                                                                                        | <u>2136.74</u>          | <u>2379.92</u>          |
| Less: Deposit with maturity more than 12 months disclosed under non-current assets (refer note no.17)                                  | (0.15)                  | (13.69)                 |
|                                                                                                                                        | <u>2136.59</u>          | <u>2366.23</u>          |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                         | (Rs. in Lacs)           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | As at<br>March 31, 2015 | As at March<br>31, 2014 |
| <b>NOTE 21 : SHORT-TERM LOANS AND ADVANCES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                         |                         |
| (Unsecured except to the extent stated and considered good except to the extent stated)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                         |                         |
| Loan to a subsidiary (refer note no.37) *                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2187.68                 | -                       |
| Advances recoverable in cash or in kind or for value to be received<br>(Considered doubtful Rs.62.68 lacs, Previous year Rs.109.56 lacs)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 2100.88                 | 2485.30                 |
| Balances with statutory/ government authorities<br>(Considered doubtful Rs.275.09 lacs, Previous year Rs.275.09 lacs)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 3918.22                 | 2452.76                 |
| Loans to employees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                         |                         |
| a) Secured, considered good                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 48.54                   | 56.23                   |
| b) Unsecured, considered good                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 15.72                   | 28.92                   |
| Deposits - others<br>(Considered doubtful Rs.26.14 lacs Previous Year Rs.26.14 lacs)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 341.94                  | 85.10                   |
| Inter - corporate deposits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                       | 6000.00                 |
| Prepaid Expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1571.72                 | 1107.00                 |
| Advance Income Tax (Net of Provision for taxation)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 10501.12                | 6593.11                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 20685.82                | 18808.42                |
| Less: Provision for doubtful advances                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 363.91                  | 410.79                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <u>20321.91</u>         | <u>18397.63</u>         |
| Included in Loans to employees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                         |                         |
| i. Dues from director of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | -                       | 2.65                    |
| ii. Dues from officer of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.29                    | 3.42                    |
| <p>* During the year, Company has made further investment of Rs. 2179.80 lacs in COL (erstwhile subsidiary). The aforesaid amount was given as a loan by COL to its step down subsidiary CTL. After the liquidation of the COL, loan advanced to the CTL was assigned to the Company as part of liquidation proceeds of COL. Accordingly, it has been shown as loan to subsidiary in the Company's books.</p> <p>Terms of conversion:</p> <p>a) In the event, CFCL Technologies Limited (CTL) consummates, prior to July 31, 2015, an equity financing pursuant to which it sells its preference shares or ordinary shares (the "Additional Shares") with an aggregate sales price of not less than \$25,000,000, (including any and all indebtedness (other than the Notes) that is converted into Additional Shares) and with the principal purpose of raising capital (a "Qualified Financing"), then each Investor will have the option to either (i) convert all principal, together with all accrued and unpaid interest, if any, under the Note into the Additional Shares, or (ii) receive payment of all principal and accrued interest under the Note.</p> <p>b) In the event, CTL fails to consummate a Qualified Financing prior to July 31, 2015, then all principal, together with all accrued and unpaid interest, if any, under the Note shall automatically convert into Series I Preference Shares at a price of \$1.50 per Series I Preference Share, and on terms mutually agreed to by the Investors at such time.</p> |                         |                         |
| <b>NOTE 22 : OTHER CURRENT ASSETS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                         |                         |
| (Unsecured and considered good)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                         |                         |
| Interest receivable on loans, deposits and others                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 172.68                  | 181.15                  |
| Export benefits receivable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 195.95                  | 179.42                  |
| Insurance and other claims receivable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 502.95                  | 877.85                  |
| Unamortised premium on forward contracts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 6947.99                 | 3563.01                 |
| Receivable from subsidiary companies / Joint Venture (refer note no. 37)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 148.91                  | 102.72                  |
| Dividend receivable from Joint Venture (refer note no. 37)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                       | 1357.41                 |
| Fertilisers Companies Govt. of India bonds (at lower of cost and market value)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0.10                    | 0.10                    |
| Assets held for disposal (at lower of net written down value and net realisable value)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 292.40                  | 311.93                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <u>8260.98</u>          | <u>6573.59</u>          |

**NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015**

| Particulars                                                                         | (Rs. in Lacs)                |                              |
|-------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                     | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
| <b>NOTE 23 : REVENUE FROM OPERATIONS</b>                                            |                              |                              |
| Sale of Products:                                                                   |                              |                              |
| Sale of own manufactured products (including subsidy on fertilisers)                | 496210.10                    | 478353.74                    |
| Sale of traded products (including subsidy on fertilisers)                          | 320370.45                    | 262682.84                    |
| Sale of Services:                                                                   |                              |                              |
| Income from operations of shipping business                                         | 72144.73                     | 58928.25                     |
| {Including Rs.37,390.33 lacs from charter in ship (Previous year Rs.27519.77 lacs)} |                              |                              |
| Other Operating Revenues                                                            |                              |                              |
| Export benefits                                                                     | 692.86                       | 338.75                       |
| Others                                                                              | 715.99                       | 208.43                       |
| Revenue from operations (gross)                                                     | 890134.13                    | 800512.01                    |
| Less : Excise duty #                                                                | 1920.37                      | 2322.98                      |
| Revenue from operations (net)                                                       | 888213.76                    | 798189.03                    |

# Excise duty on sales amounting to Rs. 1920.37 lacs (Previous year Rs.2322.98 lacs) has been reduced from sales in statement of profit and loss and excise duty on (decrease) in stock amounting to Rs. (38.80) lacs (Previous year Rs.(51.63) lacs) has been considered as (income) in note 29 of the financial statements.

**Details of products sold**

**Manufactured goods sold**

|                                |                  |                  |
|--------------------------------|------------------|------------------|
| Urea                           | 433404.16        | 421258.29        |
| Ammonia                        | 7650.83          | 11377.97         |
| Single Super Phosphate (SSP)   | 14819.76         | 6116.59          |
| Synthetic Man-made Fibers Yarn | 20404.25         | 17949.68         |
| Synthetic Fiber Yarn Waste     | 70.29            | 83.98            |
| Cotton Yarn                    | 18593.86         | 20046.75         |
| Cotton Waste                   | 1266.95          | 1520.48          |
|                                | <u>496210.10</u> | <u>478353.74</u> |
|                                | -                | -                |

**Traded products sold**

|                                     |                  |                  |
|-------------------------------------|------------------|------------------|
| Di-ammonium Phosphate (DAP)         | 227615.44        | 211155.85        |
| Muriate of Potash (MOP)             | 50354.32         | 11954.53         |
| Pesticides                          | 25919.39         | 21539.14         |
| Seeds                               | 6161.28          | 4919.51          |
| SSP                                 | 1102.48          | 3016.58          |
| Zinc                                | 3800.48          | 3015.71          |
| Micro Nutrients                     | 4143.84          | 3335.12          |
| Gypsum                              | 361.54           | 793.48           |
| Complex (NPK Fertilisers)           | -                | 1819.38          |
| Complex (Water soluble Fertilisers) | 911.68           | 1133.54          |
|                                     | <u>320370.45</u> | <u>262682.84</u> |

**NOTE 24 : OTHER INCOME**

|                                           |       |       |
|-------------------------------------------|-------|-------|
| Interest on                               |       |       |
| - Fertilisers bonds                       | 0.01  | 0.01  |
| - Employees loans                         | 12.41 | 15.61 |
| - Loan to subsidiaries (refer note no.37) | 50.43 | -     |

| Particulars                                                                              | (Rs. in Lacs)                |                              |
|------------------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                          | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
| - Income Tax refunds                                                                     | 890.20                       | 1485.65                      |
| - Deposits (Gross)                                                                       | 392.56                       | 1377.79                      |
| - Payment from customers                                                                 | 917.34                       | 1792.71                      |
| - Current investments                                                                    | 87.87                        | -                            |
| - Others                                                                                 | 18.95                        | 17.00                        |
| Dividend income                                                                          |                              |                              |
| - on investment in Joint venture and Subsidiary - trade, long term<br>(refer note no.37) | 4389.37                      | 5020.77                      |
| Rent received                                                                            | 7.95                         | 13.58                        |
| Mark to Market gain on derivative transactions                                           | 1398.45                      | 1389.02                      |
| Insurance claims received                                                                | 1013.70                      | 1190.07                      |
| Liabilities no longer required written back                                              | 273.36                       | 48.43                        |
| Provision for doubtful advances and debts written back (net)                             | -                            | 492.02                       |
| Profit on sale of non trade current investments                                          | 1360.25                      | 1104.91                      |
| Sale of scrap {Net of excise duty NIL (Previous year Rs. 10.87 lacs)}                    | 257.02                       | 351.17                       |
| Miscellaneous income                                                                     | 2436.64                      | 1847.95                      |
|                                                                                          | <u>13506.51</u>              | <u>16146.69</u>              |

**NOTE 25 : COST OF MATERIALS CONSUMED**

|                               |                  |                  |
|-------------------------------|------------------|------------------|
| Opening inventories           | 6445.73          | 7068.87          |
| Add: Purchases                | 240143.42        | 221083.91        |
| Less: Closing inventories     | 6613.58          | 6445.73          |
|                               | <u>239975.57</u> | <u>221707.05</u> |
| Details of materials consumed |                  |                  |
| Natural Gas                   | 206124.79        | 187561.46        |
| Neem Oil                      | 486.57           | 429.39           |
| Staple fibre                  | 11902.99         | 11991.08         |
| Cotton                        | 13463.57         | 15008.13         |
| Dyes and Chemicals            | 490.56           | 451.32           |
| Rock Phosphate                | 5794.28          | 5204.95          |
| Sulphuric Acid                | 1516.12          | 863.03           |
| Gypsum                        | 186.97           | 197.69           |
| Others                        | 9.72             | -                |
|                               | <u>239975.57</u> | <u>221707.05</u> |

**NOTE 26 : (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS, TRADED GOODS AND WASTE**

| Particulars         | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 | (Increase) / Decrease |
|---------------------|------------------------------|------------------------------|-----------------------|
| Closing inventories |                              |                              |                       |
| - Work-in-process   | 1967.54                      | 2672.02                      | 704.48                |
| - Finished goods    | 8192.24                      | 18104.89                     | 9912.65               |
| - Traded goods      | 41241.97                     | 24646.45                     | (16595.52)            |
| - Waste             | 16.36                        | 35.35                        | 18.99                 |
|                     | <u>51418.11</u>              | <u>45458.71</u>              | <u>(5959.40)</u>      |
| Opening inventories |                              |                              |                       |
| - Work-in-process   | 2672.02                      | 2588.36                      | (83.66)               |
| - Finished goods    | 18104.89                     | 33358.95                     | 15254.06              |
| - Traded goods      | 24646.45                     | 67080.83                     | 42434.38              |
| - Waste             | 35.35                        | 47.33                        | 11.98                 |
|                     | <u>45458.71</u>              | <u>103075.47</u>             | <u>57616.76</u>       |
|                     | <u>(5959.40)</u>             | <u>57616.76</u>              |                       |

| (Rs. in Lacs)                                        |                              |                              |
|------------------------------------------------------|------------------------------|------------------------------|
| Particulars                                          | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
| Details of purchase of traded goods                  |                              |                              |
| DAP                                                  | 189185.42                    | 144416.17                    |
| MOP                                                  | 53759.41                     | 10530.31                     |
| Pesticides                                           | 21216.83                     | 19817.58                     |
| Seeds                                                | 5293.31                      | 4140.49                      |
| SSP                                                  | 1070.25                      | 2927.42                      |
| Zinc                                                 | 3275.10                      | 2538.14                      |
| Micro Nutrients                                      | 3149.94                      | 1391.29                      |
| Gypsum                                               | 175.69                       | 349.56                       |
| Complex (NPK Fertilisers)                            | 11431.98                     | 0.18                         |
| Complex (Water soluble Fertilisers)                  | 835.58                       | 784.90                       |
|                                                      | <u>289393.51</u>             | <u>186896.04</u>             |
| Details of inventory                                 |                              |                              |
| Work in process                                      |                              |                              |
| Ammonia                                              | 571.47                       | 760.06                       |
| SSP                                                  | 497.32                       | 1087.93                      |
| Synthetic Fiber                                      | 314.20                       | 393.95                       |
| Synthetic Yarn                                       | 306.21                       | 119.00                       |
| Cotton Fiber                                         | 188.56                       | 216.16                       |
| Cotton Yarn                                          | 87.76                        | 93.03                        |
| Other                                                | 2.02                         | 1.89                         |
|                                                      | <u>1967.54</u>               | <u>2672.02</u>               |
| Finished goods                                       |                              |                              |
| Urea                                                 | 3577.66                      | 9586.89                      |
| SSP                                                  | 1012.13                      | 3538.42                      |
| Synthetic Man-made Fibers Yarn                       | 2994.10                      | 1120.00                      |
| Cotton Yarn                                          | 608.35                       | 3859.58                      |
|                                                      | <u>8192.24</u>               | <u>18104.89</u>              |
| Traded goods                                         |                              |                              |
| DAP                                                  | 6413.19                      | 17661.58                     |
| MOP                                                  | 15951.39                     | 186.95                       |
| Pesticides                                           | 5361.86                      | 5695.92                      |
| SSP                                                  | 1.04                         | -                            |
| Zinc                                                 | 22.84                        | 1.38                         |
| Micro Nutrients                                      | 993.08                       | 810.90                       |
| Complex (NPK Fertilisers)                            | 12152.62                     | -                            |
| Complex (Water soluble Fertilisers)                  | 345.95                       | 289.72                       |
|                                                      | <u>41241.97</u>              | <u>24646.45</u>              |
| Waste                                                |                              |                              |
| Synthetic Fiber Yarn Waste                           | 0.63                         | 1.02                         |
| Cotton Waste                                         | 15.73                        | 34.33                        |
|                                                      | <u>16.36</u>                 | <u>35.35</u>                 |
| <b>NOTE 27 : EMPLOYEE BENEFITS EXPENSE</b>           |                              |                              |
| Salaries, wages and bonus*                           | 14126.58                     | 12955.23                     |
| Contribution to provident and other funds            | 870.98                       | 805.08                       |
| Gratuity expenses (refer note no.36)                 | 308.55                       | 269.92                       |
| Post retirement medical benefits (refer note no. 36) | 68.57                        | 175.82                       |
| Workmen and staff welfare expenses                   | 601.49                       | 585.26                       |
|                                                      | <u>15976.17</u>              | <u>14791.31</u>              |

\* Refer note no. 34

|                                                                               |                              | (Rs. in Lacs)                |
|-------------------------------------------------------------------------------|------------------------------|------------------------------|
| Particulars                                                                   | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
| <b>Note 28 : Finance costs</b>                                                |                              |                              |
| Interest (Including interest on income tax NIL (Previous year Rs.93.87 lacs)) | 15349.32                     | 19345.31                     |
| Bank charges and guarantee commission*                                        | 399.32                       | 549.92                       |
|                                                                               | <u>15748.64</u>              | <u>19895.23</u>              |
| * Refer note no. 34                                                           |                              |                              |
| <b>NOTE 29 : OTHER EXPENSES</b>                                               |                              |                              |
| Consumption of stores and spares (refer note no. 45 (b))                      | 4567.42                      | 4833.89                      |
| Consumption of packing materials                                              | 9613.67                      | 8665.22                      |
| Bagging and other services                                                    | 1112.52                      | 1055.88                      |
| Power and fuel                                                                | 137024.69                    | 129149.88                    |
| Catalyst charges written off                                                  | 872.55                       | 508.08                       |
| Rent (refer note no.41)                                                       | 2073.11                      | 2701.90                      |
| Rates and taxes                                                               | 67.91                        | 84.68                        |
| Insurance                                                                     | 2829.36                      | 2583.22                      |
| Repairs and maintenance :                                                     |                              |                              |
| - Plant & Machinery                                                           | 2081.82                      | 2356.41                      |
| - Ships                                                                       | 819.95                       | 705.71                       |
| - Buildings                                                                   | 397.75                       | 399.53                       |
| - Others                                                                      | 1115.39                      | 941.97                       |
| Ships bunker cost                                                             | 13359.55                     | 12989.88                     |
| Ships port dues                                                               | 4382.31                      | 3804.76                      |
| Ships special survey expenses                                                 | 714.66                       | 1156.14                      |
| Directors' sitting fees                                                       | 18.09                        | 10.87                        |
| Travelling and conveyance*                                                    | 1538.26                      | 1509.28                      |
| Communication costs                                                           | 148.34                       | 150.05                       |
| Printing and stationery                                                       | 59.18                        | 58.91                        |
| Legal and professional fees*                                                  | 540.77                       | 528.27                       |
| Auditor's remuneration (including Branch Auditors')                           |                              |                              |
| As auditor:                                                                   |                              |                              |
| - Audit fee                                                                   | 44.78                        | 44.72                        |
| - Tax audit fee                                                               | 10.30                        | 8.82                         |
| - Limited review fee                                                          | 24.78                        | 24.78                        |
| - Out of pocket expenses                                                      | 6.33                         | 5.62                         |
| In other manner:                                                              |                              |                              |
| - Certification and other services                                            | 29.04                        | 26.57                        |
| Excise duty on (decrease) in inventories                                      | (38.80)                      | (51.63)                      |
| Freight and forwarding charges                                                | 45330.59                     | 38402.71                     |
| Cash rebate to customers                                                      | 503.67                       | 493.22                       |
| Commission and brokerage to other than sole selling agents                    | 2514.26                      | 2193.49                      |
| Other selling expenses                                                        | 453.89                       | 652.43                       |
| Donations / CSR expenses :                                                    |                              |                              |
| - Satya Electoral Trust (Political purpose)                                   | -                            | 200.20                       |
| - Others (including CSR expenses Rs.835.55 lacs)                              | 835.55                       | 137.10                       |
| Depletion of loose tools                                                      | 19.66                        | 20.63                        |
| Green belt development/ horticulture expenses                                 | 249.39                       | 252.54                       |
| Provision for doubtful advances and debts                                     | 8.66                         | -                            |
| Loss on foreign exchange variation (net)                                      | 366.79                       | 1406.22                      |
| Premium on forward contracts amortised                                        | 10261.25                     | 12296.22                     |
| Loss on disposal of fixed assets (net)                                        | 209.28                       | 169.85                       |
| Bank charges and guarantee commission (other than financing)                  | 71.40                        | 113.60                       |
| Irrecoverable balances written off                                            | 80.12                        | -                            |
| Less: Provision for doubtful advances adjusted out of above                   | <u>46.89</u>                 | -                            |
| Miscellaneous expenses*                                                       | 2069.17                      | 2418.20                      |
|                                                                               | <u>246340.52</u>             | <u>233009.82</u>             |
| * Refer note no. 34                                                           |                              |                              |

| (Rs. in Lacs)                                                                            |                              |                              |
|------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Particulars                                                                              | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
| <b>NOTE 30 : EXCEPTIONAL ITEM</b>                                                        |                              |                              |
| Loss on liquidation of non trade long term investments (refer note no. 1 of note no. 15) | 10702.09                     | -                            |
|                                                                                          | <u>10702.09</u>              | <u>-</u>                     |
| <b>NOTE 31 : EARNINGS PER SHARE (EPS)</b>                                                |                              |                              |
| Net profit as per Statement of profit and loss                                           | 23678.32                     | 30307.10                     |
| Calculation of weighted average number of equity shares                                  |                              |                              |
| - Number of share at the beginning of the year                                           | 416207852                    | 416207852                    |
| - Total equity shares outstanding at the end of the year                                 | 416207852                    | 416207852                    |
| - Weighted average number of equity shares outstanding during the year                   | 416207852                    | 416207852                    |
| Basic and Diluted Earnings Per Share (In Rs.)                                            | 5.69                         | 7.28                         |
| Nominal Value of Equity Shares (In Rs.)                                                  | 10.00                        | 10.00                        |

**32 (A) Contingent liabilities (not provided for) in respect of:**

| (a) (Rs. in Lacs) |                                                                                                                                                                                                              |                          |                          |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| S. No.            | Particulars                                                                                                                                                                                                  | 2014-15                  | 2013-14                  |
| i)                | Outstanding amount against corporate guarantee given to bank on account of loans given by such bank to stepdown subsidiary company                                                                           | 13751.10                 | 13182.40                 |
| ii)               | Demand raised by Service Tax, Sales Tax and Income Tax (IT) authorities being disputed by the Company*                                                                                                       | 624.07                   | 469.79                   |
| iii)              | Penalty levied by FERA Board under appeal before the Calcutta High Court.                                                                                                                                    | 1.30                     | 1.30                     |
| iv)               | Claim against Nihat Shipping Company Limited in legal suits / notices, in which the Company has been made a party, is being contested, since the Company acted as Agents / Technical & Operational Managers. | -                        | 222.04                   |
| v)                | Various labour cases                                                                                                                                                                                         | Amount not ascertainable | Amount not ascertainable |
| vi)               | Other claims against the Company not acknowledged as debts.                                                                                                                                                  | 402.93                   | 386.77                   |

\* Brief description of liabilities for (ii) above:

| (Rs. in Lacs) |                                                                                                                                          |         |         |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|
| S. No.        | Particulars                                                                                                                              | 2014-15 | 2013-14 |
| 1             | Income Tax:                                                                                                                              |         |         |
|               | Demand raised by IT authorities on account of various disallowances for AY 2003-04 including penalties.                                  | 1.28    | 1.28    |
|               | Demand raised by IT authorities on account of various disallowances for AY 2004-05 including penalties.                                  | 5.87    | 5.87    |
|               | Demand raised by IT authorities on account of various disallowances for AY 2008-09 including penalties.                                  | 123.23  | 123.23  |
|               | Demand raised by IT authorities on account of various disallowances for AY 2009-10.                                                      | 98.50   | 98.50   |
|               | Demand raised by IT authorities on account of various disallowances for AY 2010-11.                                                      | 70.33   | 70.33   |
|               | Demand raised by IT authorities on account of various disallowances for AY 2011-12.                                                      | 104.37  | 104.37  |
|               | Demand raised by IT authorities on account of various disallowances for AY 2012-13.                                                      | 154.22  |         |
| 2             | Demand raised by IT authorities on account of short deduction of TDS and interest thereon for AY 2008-09 to 2012-13.                     | 1.05    | 0.99    |
|               | Sales Tax:                                                                                                                               |         |         |
|               | Disallowance of VAT credit on raw materials used in the manufacturing of finished goods and lying in stock on April 1, 2006.             | 22.18   | 22.18   |
| 3             | Miscellaneous Rajasthan Sales Tax and Central Sales Tax demand.                                                                          | 38.47   | 38.47   |
|               | Service Tax:                                                                                                                             |         |         |
| 3             | Service Tax demand received on services from foreign parties in respect of service tax not paid on Tax deducted at source (TDS) portion. | 4.57    | 4.57    |
|               | Total                                                                                                                                    | 624.07  | 469.79  |

- (b) The Company had received a demand of Rs.352.34 lacs (Previous year Rs.352.34 lacs) from Sales Tax Department, Kota in an earlier year towards use of natural gas for ammonia fuel, power and steam generation for the period April, 1996 to May, 2001. The Company has obtained a stay from Hon'ble High Court of Rajasthan, Jodhpur on 11th July, 2001. However, in the event of the Company having to pay the above, it is reimbursable by Fertiliser Industry Coordination Committee (FICC) of Ministry of Chemicals and Fertilisers, the Government of India under Subsidy Scheme.
- (c) The Company as well as other users of natural gas under HBJ Gas Pipeline had in earlier years received letters from GAIL (India) Limited (erstwhile Gas Authority of India Ltd), informing about the possibility of levy of excise duty on natural gas (presently not levied) with retrospective effect. The amount of such levy is not ascertainable. However, in the event of its levy, it is reimbursable by Fertiliser Industry Coordination Committee (FICC) of Ministry of Chemicals and Fertilisers, the Government of India under Subsidy Scheme.
- (d) The Company as well as other users of Natural Gas under HBJ Gas Pipeline had received a letter in an earlier year from GAIL (India) Limited (erstwhile Gas Authority of India Ltd), informing about the possibility of levy of Central Sales Tax. The Company has been taking the delivery of Gas in the State of Rajasthan and has been accordingly paying Rajasthan Sales Tax on the supply. Therefore, the Company feels that no Central Sales Tax is payable by it. Further, the amount of such levy is not ascertainable. However, in the event of its levy, it is reimbursable by Fertiliser Industry Coordination Committee (FICC) of Ministry of Chemicals and Fertilisers, the Government of India under Subsidy Scheme.
- (e) Under the Jute Packaging Material (Compulsory use of Packing Commodities) Act, 1987, a specified percentage of fertilisers dispatched were required to be supplied in Jute bags up to 31.8.2001. The provisions of the said Act were challenged in the Supreme Court, which upheld the constitutional validity of this Act in its judgment in 1996. In spite of making conscious efforts to step up use of jute packaging material, the Company had been unable to adhere to the specified percentage, due to strong customer resistance to use of jute bags. The Company had received show cause notice from the Office of the Jute Commissioner, Kolkata, for levying a penalty of Rs.7380.36 lacs (Previous year Rs.7380.36 lacs) for non compliance of the provisions of the said Act. The Company has obtained a stay order from Delhi High Court against the above show cause notice and has been advised that the said levy is not tenable in law and accordingly no provision has been considered.

Based on favorable decisions in similar cases, legal opinion taken by the Company, discussions with the solicitors, etc., the Company believes that there is fair chance of decisions in its favour in respect of all the items listed in (a) (ii) to (vi) and (b) to (e) above and hence no provision is considered necessary against the same.

**32 (B) The Company is involved in various litigations, the outcomes of which are considered probable, and in respect of which the Company has made aggregate provision of Rs.15050.73 lacs as at March 31, 2015.**

### 33 Capital and Other Commitments:

| (Rs. in Lacs)                                                                               |         |         |
|---------------------------------------------------------------------------------------------|---------|---------|
| Particulars                                                                                 | 2014-15 | 2013-14 |
| Estimated amount of contracts remaining to be executed on capital account (net of advances) | 4379.82 | 8030.91 |

### 34 Pre-operative expenditure

The Company has incurred expenditure related to construction of fixed assets and accordingly capitalized the same to the gross value of assets to which they pertain. Consequently expenses disclosed under the respective notes are net of amount capitalised by the Company. The break up of expenditure is as follows:

| (Rs. in Lacs)                                        |         |         |
|------------------------------------------------------|---------|---------|
| Particulars                                          | 2014-15 | 2013-14 |
| Opening Balance                                      | 3179.16 | 1463.70 |
| Add : Expenditure during the year                    |         |         |
| Salaries, wages and bonus                            | 230.93  | 181.80  |
| Travelling and conveyance                            | 7.58    | 9.45    |
| Legal and professional fees                          | 1425.37 | 1235.59 |
| Bank charges and guarantee commission                | -       | 0.04    |
| Miscellaneous expenses                               | -       | 288.58  |
| Pre-operative expenditure (pending for allocation) * | 4843.04 | 3179.16 |

\*Related to upcoming urea manufacturing plant under the New Investment Policy 2012.

### 35 Segment Information

#### Primary Segment : Business Segment

The Company has identified the business segment as its primary reportable segment as the Company's risks and rates of return are affected predominantly by differences in the products and services produced.

The Company's operating businesses are organized and managed separately according to the nature of products manufactured, traded and services provided. The three identifiable reportable segments are viz. Fertilisers and other Agri inputs, Textile and Shipping. A description of the types of products and services provided by each reportable segment is as follows:

*Fertilisers and other Agri-inputs* segment includes manufacture and marketing of Urea, SSP and purchase and sale of Fertilisers and Agricultural inputs. During the beginning of financial year, the Company has changed the policy of reporting of its segment information. The segment information is now being reported into three business segments (Fertilisers and other Agri-inputs, Shipping and Textile) by merging 'Own manufactured Fertiliser' and 'Traded Goods' segments into one business segment, namely Fertilisers and other Agri-inputs. The change has been made to reflect the Company's segment revenue, results and capital employed more appropriately as it caters to the same geography, market, customers and needs of the farmers. The new segment information namely Revenue, Results and Capital Employed is derived by a simple arithmetic additions of the aforesaid particulars of the consolidating segments and as such there is no financial effect of the change.

*Textile segment* includes manufacturing and sale of synthetic and cotton yarn.

*Shipping segment* includes transportation of crude oil and liquid products through vessels owned and/ or hired by the Shipping Division.

The following table presents segment revenue, results, assets & liabilities in accordance with AS-17 as on March 31, 2015

(Rs. In lacs)

| Particulars                                               | Fertilisers and other Agri-Inputs |           | Shipping  |           | "Textile (Discontinuing operation)" |          | Total     |           |
|-----------------------------------------------------------|-----------------------------------|-----------|-----------|-----------|-------------------------------------|----------|-----------|-----------|
|                                                           | 2014-15                           | 2013-14   | 2014-15   | 2013-14   | 2014-15                             | 2013-14  | 2014-15   | 2013-14   |
| Revenue                                                   |                                   |           |           |           |                                     |          |           |           |
| External Sales (including other operating revenue)        | 774935.98                         | 699321.12 | 72144.73  | 58928.26  | 41133.05                            | 39939.65 | 888213.76 | 798189.03 |
| Inter Segment Sales                                       | -                                 | -         | -         | -         | -                                   | -        | -         | -         |
| Total Sales                                               | 774935.98                         | 699321.12 | 72144.73  | 58928.26  | 41133.05                            | 39939.65 | 888213.76 | 798189.03 |
| Results                                                   |                                   |           |           |           |                                     |          |           |           |
| Segment Results                                           | 63155.66                          | 55444.16  | 3938.69   | (1351.94) | 1541.50                             | 2620.91  | 68635.85  | 56713.13  |
| Unallocated Expenses (net)                                | -                                 | -         | -         | -         | -                                   | -        | 9331.28   | 12485.10  |
| Operating Profit before Exceptional Item                  | -                                 | -         | -         | -         | -                                   | -        | 59304.57  | 44228.03  |
| Exceptional Item (refer note no.30)                       | -                                 | -         | -         | -         | -                                   | -        | 10702.09  | -         |
| Interest Expense                                          | -                                 | -         | -         | -         | -                                   | -        | 15349.32  | 19345.31  |
| Interest Income                                           | -                                 | -         | -         | -         | -                                   | -        | 2369.77   | 4688.77   |
| Dividend Income                                           | -                                 | -         | -         | -         | -                                   | -        | 4389.37   | 5020.77   |
| Income Tax                                                | -                                 | -         | -         | -         | -                                   | -        | 16333.98  | 4285.16   |
| Net Profit after Exceptional Item                         | -                                 | -         | -         | -         | -                                   | -        | 23678.32  | 30307.10  |
| Other Information                                         |                                   |           |           |           |                                     |          |           |           |
| Segment Assets                                            | 473217.57                         | 504085.54 | 154675.63 | 156312.55 | 21642.54                            | 24732.59 | 649535.74 | 685130.68 |
| Unallocated Assets                                        | -                                 | -         | -         | -         | -                                   | -        | 77879.94  | 92503.23  |
| Total Assets                                              | -                                 | -         | -         | -         | -                                   | -        | 727415.68 | 777633.91 |
| Segment Liabilities                                       | 20624.64                          | 21606.94  | 5482.97   | 4567.81   | 2292.48                             | 2129.05  | 28400.09  | 28303.80  |
| Unallocated Liabilities                                   | -                                 | -         | -         | -         | -                                   | -        | 467460.63 | 530709.32 |
| Total Liabilities                                         | -                                 | -         | -         | -         | -                                   | -        | 495860.72 | 559013.12 |
| Capital Expenditure                                       | 11489.12                          | 14062.36  | 4248.19   | 12138.23  | 1082.87                             | 597.38   | 16820.18  | 26797.97  |
| Unallocated Capital Expenditure                           | -                                 | -         | -         | -         | -                                   | -        | 165.59    | 196.49    |
| Depreciation/ Amortisation *                              | 9805.76                           | 10909.47  | 7469.79   | 10460.50  | 1834.47                             | 1536.14  | 19110.02  | 22906.11  |
| Unallocated Depreciation/ Amortisation                    | -                                 | -         | -         | -         | -                                   | -        | 144.12    | 124.47    |
| Non cash expenses other than Depreciation & Amortisation: | 8.95                              | -         | 13.39     | -         | -                                   | -        | 22.34     | -         |
| Unallocated non cash expenses                             | -                                 | -         | -         | -         | -                                   | -        | 19.55     | -         |

\* includes Rs.1,922.44 lacs (Previous year NIL) adjusted from the amount of opening retained earnings.

### Secondary Segment : Geographical Segment

The analysis of geographical segment is based on the geographical location i.e., domestic and overseas markets, of the customers.

Secondary Segment Reporting (by Geographical Segments)

The following is the distribution of the Company's revenue from operation (net) by geographical markets, regardless of where the goods were produced:

(Rs. in Lacs)

| Particulars                   | 2014-15   | 2013-14   |
|-------------------------------|-----------|-----------|
| Revenue from Domestic Market  | 854650.74 | 765218.28 |
| Revenue from Overseas Markets | 33563.02  | 32970.75  |
| Total                         | 888213.76 | 798189.03 |

Geographical segment wise receivables:

(Rs. in Lacs)

| Particulars                             | 2014-15   | 2013-14   |
|-----------------------------------------|-----------|-----------|
| Trade Receivables from Domestic Market  | 301325.40 | 340496.37 |
| Trade Receivables from Overseas Markets | 3617.88   | 3552.74   |
| Total                                   | 304943.28 | 344049.11 |

The Company has common fixed assets in India for producing goods/ providing services for Domestic market and Overseas markets. Hence, separate figures for fixed assets/ addition to fixed assets have not been furnished.

### 36 Gratuity and other Post Employment Benefit Plans:

#### (a) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure @ 15 days (15 to 30 days in case of Shipping Division) salary (last drawn salary) for each completed year of service. The Scheme is funded with insurance companies in the form of a qualifying insurance policies except in the case of crew employees of the Shipping division.

#### (b) Provident Fund

The Company has set up provident fund trusts, which are managed by the Company in respect of Fertiliser and Shipping division of the Company and as per the Guidance Note on implementing AS-15, Employee Benefits (revised 2005) issued by the Accounting Standard Board (ASB), provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. The actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by Actuarial Society of India and provided the interest shortfall of Provident Fund liability in the books of accounts.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans.

#### Statement of Profit and Loss

(Rs. in Lacs)

| Particulars                               | Trust Managed Provident Fund |         | Gratuity |          |
|-------------------------------------------|------------------------------|---------|----------|----------|
|                                           | 2014-15                      | 2013-14 | 2014-15  | 2013-14  |
| Current service cost                      | 341.92                       | 351.90  | 224.34   | 252.90   |
| Interest cost on benefit obligation       | -                            | -       | 181.99   | 153.32   |
| Expected return on plan assets            | -                            | -       | (169.76) | (158.85) |
| Net actuarial loss recognised in the year | -                            | -       | 71.98    | 22.55    |
| Past service cost                         | -                            | -       | -        | -        |
| Net expense                               | 341.92                       | 351.90  | 308.55   | 269.92   |
| Actual return on plan assets              | -                            | -       | 27.82    | 111.20   |

#### Balance Sheet

#### Funding status and amount recognised in Balance Sheet

(Rs. in Lacs)

| Particulars                | Trust Managed Provident Fund |         | Gratuity |          |
|----------------------------|------------------------------|---------|----------|----------|
|                            | 2014-15                      | 2013-14 | 2014-15  | 2013-14  |
| Defined benefit obligation | 9307.97                      | 8198.18 | 2650.67  | 2228.40  |
| Fair value of plan assets  | 9602.50                      | 8479.94 | 2227.67  | 1930.77  |
| Plan asset/ (liability)*   | 294.53                       | 281.76  | (423.00) | (297.63) |

\* Plan assets of Rs.294.53 lacs (Previous year Rs.281.76 lacs) has not been recognised in the financial statements, as the surplus of the trust, is distributable among the beneficiaries of the provident fund trust.

#### Changes in the present value of defined benefit obligation are as follows:

(Rs. in Lacs)

| Particulars                                  | Trust Managed Provident Fund |          | Gratuity |         |
|----------------------------------------------|------------------------------|----------|----------|---------|
|                                              | 2014-15                      | 2013-14  | 2014-15  | 2013-14 |
| Opening defined benefit obligation           | 8198.18                      | 7450.40  | 2228.40  | 1928.71 |
| Interest cost                                | 661.42                       | 651.91   | 181.99   | 153.32  |
| Contribution by plan participant / employees | 704.43                       | 629.48   | -        | -       |
| Current service cost                         | 341.92                       | 351.90   | 224.34   | 252.90  |
| Benefits paid out of funds                   | (692.83)                     | (881.63) | (167.17) | (71.30) |
| Benefits paid by Company                     | -                            | -        | (29.23)  | (42.20) |
| Actuarial (gains) / losses on obligation     | 78.72                        | (83.30)  | 212.34   | 6.97    |
| Settlement / transfer in                     | 16.13                        | 79.42    | -        | -       |
| Closing defined benefit obligation           | 9307.97                      | 8198.18  | 2650.67  | 2228.40 |

#### Changes in the fair value of plan assets are as follows:

(Rs. in Lacs)

| Particulars                       | Trust Managed Provident Fund |         | Gratuity |         |
|-----------------------------------|------------------------------|---------|----------|---------|
|                                   | 2014-15                      | 2013-14 | 2014-15  | 2013-14 |
| Opening fair value of plan assets | 8479.94                      | 7623.41 | 1930.77  | 1801.15 |
| Expected return                   | 741.99                       | 667.04  | 169.76   | 158.85  |
| Contribution by employer          | 341.92                       | 351.90  | 153.95   | 57.65   |

|                                           |          |          |          |         |
|-------------------------------------------|----------|----------|----------|---------|
| Plan participants / Employee Contribution | 704.43   | 629.48   | -        | -       |
| Benefits paid                             | (692.83) | (881.63) | (167.17) | (71.30) |
| Actuarial (gains) / losses on plan assets | 10.92    | 10.32    | 140.36   | (15.58) |
| Settlement / transfer in                  | 16.13    | 79.42    | -        | -       |
| Closing fair value of plan assets         | 9602.50  | 8479.94  | 2227.67  | 1930.77 |

The Company expects to contribute Rs.320.15 lacs (Previous year Rs.269.76 lacs (approx.)) and Rs.425.00 lacs (Previous year Rs.360.00 lacs (approx.)) to gratuity trust fund and provident fund trust respectively in the financial year 2015-16.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

| Particulars                                     | 2014-15 | 2013-14 |
|-------------------------------------------------|---------|---------|
| Investments with insurers/Government securities | 100.00  | 100.00  |

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity and trust managed fund for the Company's plans are shown below:

| Particulars                 | Trust Managed Provident Fund |         | Gratuity     |           |
|-----------------------------|------------------------------|---------|--------------|-----------|
|                             | 2014-15                      | 2013-14 | 2014-15      | 2013-14   |
| Discount rate (%)           | 8 to 8.75                    | 8.75    | 8.00         | 8.50      |
| Expected rate of return (%) | 8.75 to 8.85                 | 8.75    | 8.50 to 8.85 | 8 to 8.85 |
| Employee turnover rate (%)  | 2 to 10                      | 2 to 10 | 2 to 10      | 2 to 10   |

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amount for the current and previous four periods in respect of gratuity and current year and previous one year in respect of trust managed provident fund are as follows.

(Rs. in Lacs)

| Particulars                                               | Trust Managed Provident Fund |         | Gratuity |          |          |          |          |
|-----------------------------------------------------------|------------------------------|---------|----------|----------|----------|----------|----------|
|                                                           | 2014-15                      | 2013-14 | 2014-15  | 2013-14  | 2012-13  | 2011-12  | 2010-11  |
| Defined Benefit Obligation                                | 9307.97                      | 8198.18 | 2650.67  | 2228.40  | 1928.71  | 1728.27  | 1279.74  |
| Plan assets                                               | 9602.50                      | 8479.94 | 2227.67  | 1930.77  | 1801.15  | 1301.98  | 1003.79  |
| Surplus / (deficit)                                       | 294.53                       | 281.76  | (423.00) | (297.63) | (127.56) | (426.29) | (275.95) |
| Experience adjustment on plan assets - gain / (loss)      | .*                           | .*      | 101.88   | (39.02)  | 16.72    | (19.78)  | 24.13    |
| Experience adjustment on plan liabilities - gain / (loss) | .*                           | .*      | (77.28)  | (5.26)   | (69.79)  | (102.06) | (24.50)  |

\* The amount would not be material in the opinion of the management.

#### (c) Post Retirement Medical Benefits Plan and Long Service Award.

The fertiliser division of the Company has post retirement benefit schemes in the nature of defined benefit plan which is unfunded. The following table summarises the components of net benefit/ expense recognised in the Statement of Profit and Loss and Balance Sheet for the plan.

Statement of Profit and Loss:

(Rs. in Lacs)

| Particulars                                 | Post Retirement Medical Benefits Plan |         |
|---------------------------------------------|---------------------------------------|---------|
|                                             | 2014-15                               | 2013-14 |
| Current Service Cost                        | 14.27                                 | 17.67   |
| Interest Cost on defined benefit obligation | 14.46                                 | -       |
| Expected return on plan assets              | -                                     | -       |
| Expenses related to earlier years           | -                                     | -       |
| Net actuarial losses                        | 39.84                                 | 158.15  |
| Total Expense                               | 68.57                                 | 175.82  |

Balance Sheet

Net Liability recognised in the Balance Sheet

(Rs. in Lacs)

| Particulars                                 | Post Retirement Medical Benefits Plan |         |
|---------------------------------------------|---------------------------------------|---------|
|                                             | 2014-15                               | 2013-14 |
| Present value of defined benefit obligation | 232.18                                | 170.12  |
| Plan assets                                 | -                                     | -       |
| Net Liability                               | 232.18                                | 170.12  |

Changes in the present value of defined benefit obligation are as follows:

(Rs. in Lacs)

| Particulars                             | Post Retirement Medical Benefits Plan |         |
|-----------------------------------------|---------------------------------------|---------|
|                                         | 2014-15                               | 2013-14 |
| Obligation in the beginning of the year | 170.12                                | -       |
| Current service cost                    | 14.27                                 | 17.67   |
| Interest cost                           | 14.46                                 | -       |
| Benefit paid by the Company             | (6.51)                                | (5.70)  |
| Actuarial losses                        | 39.84                                 | 158.15  |
| Obligation at the end of the year       | 232.18                                | 170.12  |

Actuarial assumptions:

(Rs. in Lacs)

| Particulars                  | Post Retirement Medical Benefits Plan |                                      |
|------------------------------|---------------------------------------|--------------------------------------|
|                              | 2014-15                               | 2013-14                              |
| Discount rate                | 8.00%                                 | 8.50%                                |
| Withdrawal rate              | 2% to 10%                             | 2% to 10%                            |
| Medical cost escalation rate | 3.00%                                 | 3.00%                                |
| Mortality                    | LIC Annuitants<br>(1996-98) ultimate  | LIC Annuitants<br>(1996-98) ultimate |

Amount for the current year are as follows:

(Rs. in Lacs)

| Particulars                                            | Post Retirement Medical Benefits Plan |          |
|--------------------------------------------------------|---------------------------------------|----------|
|                                                        | 2014-15                               | 2013-14  |
| Defined benefit obligation                             | (232.18)                              | (170.12) |
| Plan assets                                            | -                                     | -        |
| Surplus/ (deficit)                                     | (232.18)                              | (170.12) |
| Experience adjustment on plan liabilities gain/ (loss) | (23.09)                               | (158.15) |
| Experience adjustment on plan assets gain/ (loss)      | -                                     | -        |

Contribution to Defined Contribution Plans:

(Rs. in Lacs)

| Particulars                    | 2014-15 |  | 2013-14 |  |
|--------------------------------|---------|--|---------|--|
|                                |         |  |         |  |
| Provident Fund / Pension Fund* | 177.24  |  | 159.80  |  |
| Superannuation Fund            | 118.00  |  | 117.01  |  |
| National Pension Scheme**      | 17.98   |  | 19.95   |  |

\* Provident fund in respect of textile division of the Company and Pension fund in respect of all divisions of the Company.

\*\* In respect of Fertiliser division of the Company.

### 37 Related Party Disclosures

During the year, the Company has entered into transactions with the related parties. Those transactions along with related balances as at March 31, 2015 and for the year then ended are presented below.

List of related parties under Accounting Standard- 18 along with nature and volume of transactions:

#### (a) Subsidiaries

CFCL Overseas Limited, Cayman Islands (under liquidation) #  
Chambal Infrastructure Ventures Limited, India  
India Steamship Pte. Limited, Singapore  
India Steamship Limited, India  
CFCL Technologies Limited, Cayman Islands (w.e.f. 25.03.2015)

#### Subsidiary of CFCL Overseas Limited, Cayman Islands

CFCL Technologies Limited, Cayman Islands (till 24.03.2015)  
Step-down subsidiaries of CFCL Technologies Limited

\* CFCL Ventures Limited, Cayman Islands  
\* ISGN Corporation, USA

#### Subsidiaries and step-down subsidiaries of ISGN Corporation, USA

ISGN Solutions Inc, USA  
\* Richmond Investors, LLC, USA  
\* Richmond Title Genepar, LLC, USA  
\* Richmond Title Services, LP, USA  
\* ISGN Fulfillment Services, Inc. (Pennsylvania, USA)  
\* ISGN Fulfillment Services, Inc (AZ, USA)  
\* ISGN Fulfillment Agency, LLC (DE, USA)  
\* ISGN Fulfillment Agency, of Alabama, LLC (AL, USA)

#### Subsidiaries and step-down subsidiaries of CFCL Ventures Limited

ISG Novasoft Technologies Limited, India  
Inuva Info Management Private Limited, India

#### Subsidiaries of Chambal Infrastructure Ventures Limited

Chambal Energy (Chhattisgarh) Limited  
Chambal Energy (Orissa) Limited

#### Subsidiaries of India Steamship Pte. Limited, Singapore

India Steamship International FZE, UAE

(Rs. in Lacs)

| Particulars                                        | 2014-15  |          | 2013-14  |          |
|----------------------------------------------------|----------|----------|----------|----------|
| Dividend Income                                    |          | -        |          | 2108.28  |
| - India Steamship Pte Limited, Singapore           | -        |          | 2108.28  |          |
| Freight / Demurrage expenses                       |          | 3382.75  |          | -        |
| - India Steamship Pte Limited, Singapore           | 3382.75  |          | -        |          |
| Interest Income                                    |          | 50.43    |          | -        |
| - CFCL Technologies Limited *                      | 3.83     |          |          |          |
| - India Steamship Pte Limited, Singapore           | 46.60    |          | -        |          |
| Guarantee Commission Income                        |          | 746.69   |          | 722.02   |
| - ISGN Corporation, USA                            | 746.69   |          | 722.02   |          |
| Investments purchased                              |          | 2629.80  |          | 2084.68  |
| - Chambal Infrastructure Ventures Limited          | 450.00   |          |          |          |
| - CFCL Overseas Limited **                         | 2179.80  |          | 2084.68  |          |
| Capital Reduction                                  |          | -        |          | 490.00   |
| - India Steamship Limited, India                   | -        |          | 490.00   |          |
| Share Application Money                            |          | -        |          | 142.00   |
| - Chambal Infrastructure Ventures Limited (Refund) | -        |          | 142.00   |          |
| Inter Corporate Deposit given                      |          | 903.60   |          |          |
| - India Steamship Pte Limited, Singapore           | 903.60   |          |          |          |
| Advances Given                                     |          | -        |          | 145.00   |
| - Chambal Infrastructure Ventures Limited          | -        |          | 145.00   |          |
| Inter Corporate Deposit Repaid                     |          | 903.60   |          |          |
| - India Steamship Pte Limited, Singapore           | 903.60   |          |          |          |
| Reimbursement of expenses                          |          | 1.00     |          | 4.86     |
| - Chambal Infrastructure Ventures Limited          | 1.00     |          | 0.10     |          |
| - India Steamship Limited, India                   | -        |          | 4.76     |          |
| Advances Repaid                                    |          | 448.26   |          | 5.22     |
| - Chambal Infrastructure Ventures Limited          | 448.26   |          | -        |          |
| - CFCL Overseas Limited                            | -        |          | 0.45     |          |
| - India Steamship Limited, India                   | -        |          | 4.77     |          |
| <b>Outstanding balances as at the year end</b>     |          |          |          |          |
| Trade Payables                                     |          | 159.67   |          | 84.66    |
| - India Steamship Pte Limited, Singapore           | 159.67   |          | 84.66    |          |
| Loans and Advances                                 |          | 2187.68  |          | 448.26   |
| - Chambal Infrastructure Ventures Limited          | -        |          | 448.26   |          |
| - CFCL Technologies Limited **                     | 2187.68  |          | -        |          |
| Corporate Guarantees Outstanding                   |          | 13751.10 |          | 13182.40 |
| - ISGN Corporation, USA                            | 13751.10 |          | 13182.40 |          |
| Other Current Assets                               |          | 115.12   |          | 84.66    |
| - ISGN Corporation, USA (Guarantee Commission)     | 88.32    |          | 84.66    |          |
| - CFCL Technologies Limited                        | 26.80    |          | -        |          |

\* excluding interest income of Rs. 22.97 lacs pertaining to the period prior to acquisition of investment in CFCL Technologies Ltd.

\*\* During the year, Company has made further investment of Rs. 2179.80 lacs in CFCL Overseas Limited ('COL'). The aforesaid amount was given as a loan by COL to its step down subsidiary namely CFCL Technologies Limited ('CTL'). After the voluntary liquidation of COL, loan advanced to the CTL was assigned to the Company in place of its investment in COL as part of liquidation proceeds. Accordingly, it has been shown as loan to subsidiary in the Company's books.

# The Board of Directors and shareholders of CFCL Overseas Limited, Cayman Islands ("COL") has approved voluntary liquidation of COL. In pursuance of the voluntary liquidation, all the assets of COL (including the shares, warrants and convertible notes held by COL in CFCL Technologies Limited) were transferred in favour of Chambal Fertilisers and Chemicals Limited (sole shareholder of COL) on March 25, 2015. Accordingly, COL did not have any assets or liabilities as on March 31, 2015. As per the Certificate of Dissolution dated March 26, 2015 issued by the Registrar of Companies, Cayman Islands, COL will be deemed to be dissolved on June 26, 2015.

**(b) Joint Ventures**

Indo Maroc Phosphore S.A. Morocco

(Rs. in Lacs)

| Particulars                             | 2014-15 |         | 2013-14 |         |
|-----------------------------------------|---------|---------|---------|---------|
| Dividend Income                         | 4389.37 | 4389.37 | 2912.49 | 2912.49 |
| Reimbursement of expenses               | -       | -       | 34.93   | 34.93   |
| Outstanding balances as at the year end | -       | 33.79   | 1508.23 | 1526.29 |
| Dividend receivable*                    | -       | -       | 1508.23 | -       |
| Other receivables                       | 33.79   | -       | 18.06   | -       |

**(c) Key Management Personnel**

Mr. Anil Kapoor

(Rs. in Lacs)

| Nature of Transactions                             | 2014-15 |        | 2013-14 |        |
|----------------------------------------------------|---------|--------|---------|--------|
| Remuneration paid to Managing Director*            |         | 343.57 |         | 303.81 |
| Mr. Anil Kapoor                                    | 343.57  | -      | 303.81  | -      |
| Interest income on loan given to Managing Director |         | 0.14   |         | 0.16   |
| Mr. Anil Kapoor                                    | 0.14    | -      | 0.16    | -      |
| Outstanding balances as at the year end            |         | 2.15   |         | 2.65   |
| Loan receivable                                    |         | -      |         | -      |
| Mr Anil Kapoor                                     | 2.15    | -      | 2.65    | -      |

\* Managing Director is covered under the Company's Group Gratuity Scheme along with other employees of the Company. The Gratuity, leave liability and post retirement medical benefits is determined for all the employees on an overall basis, based on the actuarial valuation done by an independent actuary. The specific amount of gratuity, leave liability and post retirement medical benefits liability for Managing Director can not be ascertained separately, except for the amount actually paid.

**38 Details of loans and advances to firms / companies in which directors are interested and investments by the loanee in the shares of the Company (as required by clause 32 of listing agreement)**

(Rs. in Lacs)

| Particulars                                                               | Outstanding amount as at* |            | Maximum amount outstanding during financial year |         |
|---------------------------------------------------------------------------|---------------------------|------------|--------------------------------------------------|---------|
|                                                                           | 31.03.2015                | 31.03.2014 | 2014-15                                          | 2013-14 |
| Loans and advances to firms / companies in which directors are interested |                           |            |                                                  |         |
| - The Oudh Sugar Mills Limited                                            | -                         | 2000       | -                                                | 2000    |
| - Upper Ganges Sugar & Industries Limited                                 | -                         | 2000       | -                                                | 2000    |
| Investment by the above mentioned loanees in the shares of the Company    |                           |            |                                                  |         |
| - Upper Ganges Sugar & Industries Limited                                 | -                         | 70.42      | -                                                | 70.42   |

\*Repayable within one year

**39 Interest in Joint Venture**

The Company has 33.33% ownership interest in Indo Maroc Phosphore S.A. Morocco, which is engaged in manufacturing of phosphoric acid.

The Company's share of the assets, liabilities, income and expenses (each without elimination of the effect of transaction between the Company and the Joint Venture) of the jointly controlled entity are as follows:

| S.No. | Particulars                              | 2014-15    | 2013-14    |
|-------|------------------------------------------|------------|------------|
| 1     | Country of Incorporation or Registration | Morocco    | Morocco    |
| 2     | Accounting Period ended                  | 31.12.2014 | 31.12.2013 |
| 3     | Assets (Rs. in Lacs)                     | 33472.82   | 33809.71   |
| 4     | Liabilities (Rs. in Lacs)                | 15782.93   | 10922.80   |
| 5     | Income (Rs. in Lacs)                     | 59010.87   | 49311.77   |
| 6     | Expense (Rs. in Lacs)                    | 56327.10   | 47223.10   |
| 7     | Contingent Liabilities (Rs. in Lacs)     | -          | -          |
| 8     | Capital Commitments (Rs. in Lacs)        | 351.09     | -          |

**40 Government Grants and Subsidies**

(a) Nitrogenous Fertilizers are under the Concession Scheme including freight as per New Pricing Scheme (NPS-Stage III), Uniform Freight Policy and New Investment Policy 2008. The concession price and freight has been accounted for on the basis of notified prices, further adjusted for input price escalation/ de-escalation and as estimated by the management based on the prescribed norms in line with known policy parameters. The NPS - Stage III policy was applicable for the period from October 1, 2006 to March 31, 2010, which has been extended thereafter provisionally till further orders. Accordingly, the impact of revised concession price has been accounted for.

Contribution from sale of surplus ammonia has been accounted for in accordance with the known policy parameters.

Current year's subsidy income is inclusive of Rs. 628.16 lacs (Previous year Rs. 2872.89 lacs) being the subsidy income, pertaining to earlier years, but determined during the year.

- (b) Subsidy on traded fertilisers (other than Gypsum) has been accounted based on Nutrient Based Policy as notified by the Government of India. Current year's subsidy income is inclusive of NIL (Previous year Rs. -1014.87 lacs) being the subsidy income, pertaining to earlier years but determined during the year.
- (c) Subsidy on traded fertilisers (Gypsum) has been accounted as notified by the Government of Rajasthan.
- (d) The Textile Division of the Company is eligible for interest concession under the TUFS (Technology Upgradation Fund Scheme) of the Government of India. Accordingly, the Company has availed interest concession of Rs.158.20 lacs (Previous year Rs. 242.65 lacs) during the year and reduced the same from interest expenses.

#### 41 Leases

- (a) The lease payment made during the year amounts to Rs. 92.08 Lacs (Previous year Rs. 92.16 lacs), out of which Rs. 31.45 lacs (Previous year Rs. 24.00 lacs) has been adjusted against Principal and Rs. 60.63 lacs (Previous year Rs. 68.16 lacs) has been shown as Interest expenses. The interest rate on finance leases is around 27.34% p.a. There is no renewal and escalation clause as well as restriction imposed in the lease agreement. There are no sub-leases.

The break up of minimum lease payment outstanding as at March 31, 2015 is as follows:

(Rs. in Lacs)

| Period                                    | 2014-15                |                                         |                       | 2013-14                |                                         |                       |
|-------------------------------------------|------------------------|-----------------------------------------|-----------------------|------------------------|-----------------------------------------|-----------------------|
|                                           | Minimum lease payments | Present value of minimum lease payments | Finance lease charges | Minimum lease payments | Present value of minimum lease payments | Finance lease charges |
| Payable within one year                   | 91.97                  | 41.21                                   | 50.76                 | 92.08                  | 31.45                                   | 60.63                 |
| Payable after one year but before 5 years | 222.16                 | 160.94                                  | 61.22                 | 314.13                 | 202.16                                  | 111.97                |
| Payable after 5 years                     | -                      | -                                       | -                     | -                      | -                                       | -                     |

- (b) The Company has entered into Operating Lease Agreements for the premises which are non-cancelable. The lease payments recognized in the Statement of Profit and Loss during the year amounts to Rs. 982.44 lacs (Previous year Rs. 980.65 lacs). The renewal of lease will be as per the mutual understanding of lessee and lessor and there is no escalation clause. There are no restrictions imposed in the lease agreements and there are no sub-leases. The break up of minimum lease payment outstanding as at March 31, 2015 is as follows:

(Rs. in Lacs)

| Period                                       | Minimum Lease Payments |         |
|----------------------------------------------|------------------------|---------|
|                                              | 2014-15                | 2013-14 |
| Payable within one year                      | 920.56                 | 970.49  |
| Payable after one year but within five years | 2606.05                | 3265.92 |
| Payable after five years                     | 204.50                 | 508.31  |

- (c) The lease payments, other than cases covered in point no. (b) above i.e. non-cancelable leases, recognized in the Statement of Profit and Loss during the year amounts to Rs. 1090.67 lacs (Previous year Rs.1721.25 lacs). The renewal of leases will be as per the mutual understanding of lessee and lessor and there is no escalation clause. There are no restrictions imposed by lease arrangements.

#### 42 Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprise Development Act (MSMED) Act, 2006:

(Rs. in Lacs)

| Particulars                                                                                                                                                                                                                                                                          | 2014-15 | 2013-14 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|
| The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.                                                                                                                                                                                 | 22.75   | 43.58   |
| The interest due on unpaid principal amount remaining as at the end of each accounting year.                                                                                                                                                                                         | -       | -       |
| The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.                                                                              | -       | -       |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.                                                                | -       | -       |
| The amount of interest accrued and remaining unpaid at the end of each accounting year, and                                                                                                                                                                                          | -       | -       |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductive expenditure under Section 23 of the MSMED Act, 2006. | -       | -       |

#### 43 Derivative Instruments

- (a) Derivative outstanding as on March 31, 2015

| S. No. | Details of Derivatives | Currency / pair of currency | Amount in foreign currency               | Amount (Rs.in lacs)        | Purpose                                    |
|--------|------------------------|-----------------------------|------------------------------------------|----------------------------|--------------------------------------------|
| 1      | Forward Contracts Buy  | INR USD                     | USD30, 15,68,482.82<br>(21,48,17,230.00) | 188,495.38<br>(128,718.48) | To hedge foreign currency loans from bank. |
|        |                        | INR EUR                     | EUR<br>84,75,568.46<br>(-)               | 5696.77<br>(-)             |                                            |

|   |                       |         |                                           |                                                         |
|---|-----------------------|---------|-------------------------------------------|---------------------------------------------------------|
| 2 | Interest Swaps<br>Buy | INR USD | USD<br>7,94,50,000.00<br>(9,66,53,333.00) | To hedge the interest expenses on foreign currency loan |
|---|-----------------------|---------|-------------------------------------------|---------------------------------------------------------|

(b) Details of foreign currency exposure that are not hedged by a derivative instrument or otherwise

| S. No.               | Exposure in foreign currency | Nature of exposure and amount |                                  |                                      |                                    |                                      |
|----------------------|------------------------------|-------------------------------|----------------------------------|--------------------------------------|------------------------------------|--------------------------------------|
|                      |                              | Bank balances                 | Trade and other payables         | Borrowings and interest accrued      | Trade and other receivables        | Investments                          |
| 1                    | USD                          | 1,099.20<br>(87,112.00)       | 86,57,160.20<br>(64,65,704.93)   | 17,20,33,219.59<br>(20,48,39,748.77) | 1,40,72,289.72<br>(1,34,38,344.05) | 5,77,52,648.49<br>10,22,49,447.00    |
| 2                    | SGD                          |                               | 2,60,674.00<br>(93,567.00)       | -                                    | 15,197.00<br>(1,01,991.00)         | 10,79,962.00<br>(10,79,962.00)       |
| 3                    | JPY                          | -                             | 1,34,31,023.74<br>(21,75,325.00) | -                                    | 71,91,239.83<br>(13,29,720.00)     | -                                    |
| 4                    | GBP                          | 2,190.94<br>(2,491.56)        | 4,604.00<br>(12,971.00)          |                                      | -                                  | -                                    |
| 5                    | EURO                         |                               | 5,37,032.80<br>(41,978.43)       | 4,27,241.82                          | 43,28,487.58<br>(2,042.00)         | -                                    |
| 6                    | AED                          |                               | 1,02,431.00<br>(1,82,529.00)     |                                      | -                                  | -                                    |
| 7                    | MAD                          |                               | -                                |                                      | (2,14,36,657.30)                   | 20,66,67,000.00<br>(20,66,67,000.00) |
| 8                    | KW                           |                               | (1,59,23,726.00)                 |                                      | -                                  | -                                    |
| 9                    | NOK                          |                               | 57,089.00<br>(15,000.00)         |                                      | -                                  | -                                    |
| 10                   | THB                          |                               | (1,18,899.00)                    |                                      | (3,09,286.00)                      | -                                    |
| 11                   | AUD                          |                               | 495.00<br>(740.00)               |                                      | 4,913.00<br>(1,96,000.00)          | -                                    |
| 12                   | YUAN (CNY)                   |                               | -                                |                                      | (84,061.00)                        | -                                    |
| 13                   | DKK                          |                               | -                                | -                                    | 10,624.00<br>(10,624.00)           | -                                    |
| 14                   | RM (MYR)                     |                               | -                                |                                      | 17,345.00<br>(24,052.00)           | -                                    |
| 15                   | CHF                          |                               | -                                | -                                    | (5,470.00)                         | -                                    |
| Exposure Rs. in lacs |                              | 2.71<br>(54.68)               | 5987.14<br>(37744.22)            | 107533.64<br>(122742.03)             | 11751.97<br>(9773.19)              | 44770.54<br>(55517.59)               |

Notes :

- Unhedged Borrowings of Rs. 78022.68 lacs (Previous year Rs. 99774.37 lacs) are not payable within next one year.
- The hedging of Foreign Currency outflows is decided after considering the extent of natural hedge available from foreign currency inflows from export of goods and shipping activities.
- In case of hedged transactions mentioned in (a) above, all losses, wherever applicable, as of March 31, 2015 have been provided for.
- Previous year figures have been given in brackets.

#### 44 Employees Stock Option Scheme

In terms of approval of shareholders accorded at the Annual General Meeting held on 27th August, 2010 and in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999, (SEBI Guidelines) the Company formulated CFCL Employees Stock Option Scheme, 2010 ("Plan") for specified categories of employees and managing director of the Company. The Nomination and Remuneration Committee comprising of majority of independent directors administer the Plan. As per the Plan, 41,62,000 Stock Options can be issued to managing director and other specified categories of employees of the Company. The options are to be granted at market price. As per SEBI Guidelines, the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest. Each option, upon vesting, shall entitle the holder to acquire 1 equity share of Rs.10 . Details of the scheme are as under:

| Particulars                        | Tranche 1 | Tranche 2 | Tranche 3 | Tranche 4 | Tranche 5 |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Date of grant                      | 16/Sep/10 | 22/Jan/11 | 10/May/11 | 17/Oct/11 | 11/May/12 |
| Date of Board Approval             | 08/May/10 | 08/May/10 | 08/May/10 | 08/May/10 | 08/May/10 |
| Date of Shareholder's approval     | 27/Aug/10 | 27/Aug/10 | 27/Aug/10 | 27/Aug/10 | 27/Aug/10 |
| Number of options granted          | 28,50,000 | 3,00,000  | 2,20,000  | 1,00,000  | 2,70,000  |
| Method of settlement (cash/equity) | Equity    | Equity    | Equity    | Equity    | Equity    |

| Exercise period*   | 5 years from the date of vesting                | 5 years from the date of vesting                | 5 years from the date of vesting                | 5 years from the date of vesting                | 5 years from the date of vesting                |
|--------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Vesting conditions | Continued employment and individual performance | Continued employment and individual performance | Continued employment and individual performance | Continued employment and individual performance | Continued employment and individual performance |

\* In case of death / superannuation of the employee, 3 years from the date of death / superannuation or exercise period whichever is earlier.

#### Vesting Schedule:

| Vesting Date                   | All tranches | Vesting Date                   | All tranches |
|--------------------------------|--------------|--------------------------------|--------------|
| 1 year from the date of grant  | 15%          | 4 years from the date of grant | 25%          |
| 2 years from the date of grant | 15%          | 5 years from the date of grant | 25%          |
| 3 years from the date of grant | 20%          |                                |              |

#### Movement in options have been summarized below:

| Particulars                                            | FY 2014-15     | FY 2013-14     |
|--------------------------------------------------------|----------------|----------------|
|                                                        | No. of options | No. of options |
| Outstanding at the beginning of the year               | 28,75,300      | 31,04,200      |
| Granted during the year                                | -              | -              |
| Forfeited during the year                              | 72,500         | 2,28,900       |
| Exercised during the year                              | -              | -              |
| Expired during the year                                | -              | -              |
| Outstanding at the end of the year                     | 28,02,800      | 28,75,300      |
| Exercisable at the end of the year                     | 19,59,800      | 12,85,300      |
| Weighted average remaining contractual life (in years) | 2.10           | 3.03           |
| Weighted average Exercise price (in Rs.)               | 74.76          | 74.76          |

The details of exercise price of stock options outstanding at the end of the year are:

| Tranche | Weighted Avg. fair value of options (in Rs.) | Range of exercise price (in Rs.) | Number of options outstanding (Qty) | Weighted average remaining contractual life of options (in years) | Weighted average exercise price (in Rs.) |
|---------|----------------------------------------------|----------------------------------|-------------------------------------|-------------------------------------------------------------------|------------------------------------------|
| 1       | 27.12                                        | 73.50                            | 21,54,900                           | 1.88                                                              | 73.50                                    |
| 2       | 28.84                                        | 76.85                            | 2,47,900                            | 1.88                                                              | 76.85                                    |
| 3       | 34.59                                        | 82.90                            | 1,60,000                            | 2.80                                                              | 82.90                                    |
| 4       | 41.48                                        | 101.10                           | 50,000                              | 2.80                                                              | 101.10                                   |
| 5       | 31.48                                        | 69.40                            | 1,90,000                            | 3.80                                                              | 69.40                                    |

#### Stock Options granted

The weighted average fair value of stock options granted till date is Rs.28.40 per option (Previous year Rs.28.40 per option). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

| Particulars                                                        | Tranche 1 | Tranche 2 | Tranche 3 | Tranche 4 | Tranche 5 |
|--------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Weighted average share price (Rs.)                                 | 73.50     | 76.85     | 82.90     | 101.10    | 69.40     |
| Exercise Price (Rs.)                                               | 73.50     | 76.85     | 82.90     | 101.10    | 69.40     |
| Expected volatility                                                | 63.06%    | 63.94%    | 63.76%    | 62.18%    | 63.06%    |
| Life of the options granted (vesting and exercise period) in years | 1.88      | 1.88      | 2.80      | 2.80      | 3.80      |
| Average risk-free interest rate                                    | 7.79%     | 8.05%     | 8.21%     | 8.29%     | 8.47%     |
| Expected dividend yield                                            | 7.02%     | 7.02%     | 5.77%     | 5.77%     | 4.62%     |

The expected volatility was determined based on historical volatility data. For calculating volatility, the Company has considered the daily volatility of the stock prices of the Company on National Stock Exchange over a period prior to the date of grant, corresponding with the expected life of the options.

Since the Company used the intrinsic value method, the impact on the reported net profit and earnings per share by applying the fair value based method.

In March 2005, the ICAI has issued a guidance note on "Accounting for Employees Share Based Payments" applicable to employee based share plan, the grant date in respect of which falls on or after April 1, 2005. The said guidance note requires the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation in the financial statements. Applying the fair value based method defined in the said guidance note, the impact on the reported net profit and earnings per share would be as follows:

(Rs. in Lacs)

| Particulars                                                    | 2014-15  | 2013-14  |
|----------------------------------------------------------------|----------|----------|
| Profit as reported                                             | 23678.32 | 30307.10 |
| Add : Employee stock compensation under intrinsic value method | -        | -        |
| Less : Employee stock compensation under fair value method     | 49.92    | 73.67    |
| Proforma profit                                                | 23628.40 | 30233.43 |
| Earning per share                                              |          |          |

|                        |      |      |
|------------------------|------|------|
| Basic and diluted      |      |      |
| - as reported (In Rs.) | 5.69 | 7.28 |
| - proforma (In Rs.)    | 5.68 | 7.26 |

In FY 2010-11, CFCL Employees Welfare Trust ("Trust") was constituted, inter alia, for the purpose of subscribing or acquiring equity shares of Chambal Fertilisers and Chemicals Limited from the Company or Secondary market, to hold the shares and to allocate or transfer these shares to eligible employees of the Company from time to time on the terms and conditions specified under the Plan. The Board of Directors at its meeting held on May 8, 2010 had approved grant of financial assistance upto Rs. 3000 lacs by the Company to Trust in such manner and on such terms as agreed between the trustee(s) of the Trust and Managing Director of the Company for the purpose of subscribing or acquiring shares of the Company. The outstanding loan to the trust as at March 31, 2015 is Rs. 1615.25 lacs (Previous year Rs. 1665.10 lacs). Trust has purchased 2,442,202 equity shares (Previous year 2,442,202 equity shares) of the Company from the open market, out of interest free loan provided by the Company till March 31, 2015.

**45 a) Value of imports calculated on CIF basis:**

(Rs. in Lacs)

| Particulars       | 2014-15          | 2013-14          |
|-------------------|------------------|------------------|
| Raw Materials     | 3086.87          | 1662.32          |
| Traded Products   | 239462.06        | 151241.59        |
| Stores and spares | 448.25           | 747.89           |
| Capital Goods     | 3020.41          | 307.07           |
| <b>Total</b>      | <b>246017.59</b> | <b>153958.87</b> |

**b) Imported and indigenous raw materials and spare parts consumed:**

(Rs. in Lacs)

| Particulars                       | 2014-15          |               | 2013-14          |               |
|-----------------------------------|------------------|---------------|------------------|---------------|
|                                   | Amount           | %             | Amount           | %             |
| <b>Raw Materials</b>              |                  |               |                  |               |
| <b>Indigenous</b>                 |                  |               |                  |               |
| Natural Gas                       | 206124.79        | 85.89         | 187561.46        | 84.60         |
| Neem Oil                          | 486.57           | 0.20          | 429.39           | 0.19          |
| Rock Phosphate                    | 2525.80          | 1.05          | 1235.62          | 0.56          |
| Sulphuric Acid                    | 1516.12          | 0.63          | 863.03           | 0.39          |
| Gypsum                            | 186.97           | 0.08          | 197.69           | 0.09          |
| Dyes and Chemicals                | 490.56           | 0.20          | 451.32           | 0.20          |
| Staple Fiber                      | 11902.99         | 4.96          | 11991.08         | 5.41          |
| Cotton                            | 13463.57         | 5.61          | 15008.13         | 6.77          |
| Others                            | 9.72             | 0.00          | -                | -             |
| <b>Total Indigenous</b>           | <b>236707.09</b> | <b>98.64</b>  | <b>217737.72</b> | <b>98.21</b>  |
| <b>Imported</b>                   |                  |               |                  |               |
| Rock Phosphate                    | 3268.48          | 1.36          | 3969.33          | 1.79          |
| Staple Fiber                      | -                | -             | -                | -             |
| <b>Total Imported</b>             | <b>3268.48</b>   | <b>1.36</b>   | <b>3969.33</b>   | <b>1.79</b>   |
| <b>Total Raw Materials</b>        | <b>239975.57</b> | <b>100.00</b> | <b>221707.05</b> | <b>100.00</b> |
| <b>Spare parts*</b>               |                  |               |                  |               |
| Indigenous                        | 3111.05          | 86.51         | 3364.87          | 84.32         |
| Imported                          | 485.28           | 13.49         | 625.61           | 15.68         |
| <b>Total Spare parts consumed</b> | <b>3596.33</b>   | <b>100.00</b> | <b>3990.48</b>   | <b>100.00</b> |

\* It does not include consumption of spares pertaining to Shipping Division of the Company, which have been physically procured outside India.

**c) Expenditure in foreign currency (on accrual basis)**

(Rs. in Lacs)

| Particulars                             | 2014-15         | 2013-14         |
|-----------------------------------------|-----------------|-----------------|
| Design, Engineering and Supervision fee | 1357.46         | 1031.86         |
| Travelling and conveyance               | 84.10           | 54.97           |
| Finance cost                            | 4047.64         | 6484.46         |
| Freight paid on chartered- in ship      | 26652.91        | 18028.03        |
| Voyage expenses                         | 16415.79        | 16347.00        |
| Salary & Other benefits                 | 2849.55         | 2611.43         |
| Repair & Maintenance                    | 830.76          | 558.54          |
| Ship special survey expenses            | 705.62          | 1163.12         |
| Stores & Victualling                    | 895.17          | 795.32          |
| Insurance                               | 867.64          | 840.66          |
| Others                                  | 295.34          | 660.96          |
| <b>Total</b>                            | <b>55001.98</b> | <b>48576.35</b> |

d) Earnings in foreign currency (on accrual basis)

(Rs. in Lacs)

| Particulars                              | 2014-15  | 2013-14  |
|------------------------------------------|----------|----------|
| FOB value of exports                     | 5919.45  | 6896.50  |
| Dispatch money                           | 159.47   | 202.75   |
| Dividend income                          | 4389.37  | 5020.77  |
| Interest income                          | 50.46    | 0.05     |
| Rebate on purchases                      | 4647.08  | 1775.57  |
| Reimbursement of salary related expenses | -        | 34.93    |
| Freight & Charter hire of ships          | 27573.41 | 25924.00 |
| Recovery of Bank charges                 | 125.62   | 24.52    |
| Others *                                 | 746.69   | 736.80   |
| Total                                    | 43611.55 | 40615.89 |

\* Included in other income

e) Net dividend remitted in foreign currencies:

| Particulars                         | 2014-15 | 2013-14 |
|-------------------------------------|---------|---------|
| Number of non resident shareholders | 263     | 266     |
| Number of Shares held by them       | 7657950 | 7678650 |
| Dividend remitted (Rs. In Lacs)     | 145.50  | 145.89  |
| Year to which dividend relates      | 2013-14 | 2012-13 |

- 46 Pending receipt of appeal effect orders for the assessment years where appeals have been decided in favour of the Company by the Commissioner of Income Tax (Appeals) and/ or Income Tax Appellate Tribunal, interest on income tax refund has not been recognized thereof as the amount is presently not reasonably determinable. Interest income on this refund shall be recognized in the year the appeal effect order is received from Income Tax Department.
- 47 The Deferred Tax charge and dividend distribution tax for the current year ended March 31, 2015 includes additional charge of Rs.760.85 lacs and Rs. 28.75 lacs respectively. This is due to increase in rate of surcharge of income tax as proposed in the Finance Bill, 2015.
- 48 Based on the favourable decision by Income Tax Appellate Tribunal (ITAT) and CIT (Appeals), the Company had, during the previous year, reversed the amount of provision for Income Tax relating to Section 80IA of Income Tax Act, 1961 for various years aggregating to Rs. 5975.82 lacs. The same was shown as Income tax credit related to earlier years.
- 49 The Company had during the previous year consolidated the financial statements of CFCL Employees Welfare Trust ('Trust') with the standalone financial statements of the Company as per the opinion of Expert Advisory Committee (EAC) of Institute of Chartered Accountant of India (issued in the month of March 2014). The Trust had acquired in the past equity shares of the Company from the secondary market for transfer to the eligible employees as per the CFCL Employees Stock Option Scheme of the Company. Consequently, the Shareholders' Funds of the Company had been adjusted by Rs.1656.92 lacs i.e. (a) downward adjustment in share capital by Rs.225.34 lacs being the face value of 2,253,402 equity shares held by the Trust, (b) downward adjustment in reserves by Rs.1518.79 lacs representing the purchase price in excess of face value of such equity shares; and (c) increase in reserves by Rs.87.21 lacs towards the accumulated profits of the Trust till 31.03.2013 and dividend received by the Trust during the year 2012-13. Further, the amount of loan of Rs.1665.10 lacs outstanding in the name of Trust in the books of the Company as at 31.03.2014 had been eliminated against the amount of loan outstanding in the name of Company appearing in the books of Trust as at 31.03.2014.

50 Discontinuing operation

In view of the Company's strategy to focus more on its core business, Board of Directors of the Company at its meeting held on March 14, 2015, inter alia, has approved the transfer of its textile business i.e. Birla Textile Mills (non core business) located in Himachal Pradesh, to Sutlej Textiles and Industries Limited, as a going concern on slump sale basis w.e.f. April 01, 2015 at a consideration not less than the book value of assets. The aforesaid transaction is subject to requisite approvals as may be required. Further, the Company has already received a sum of Rs. 500 lacs as an advance towards the aforesaid sale.

The following statement shows the revenue and expenditure of the discontinuing operation of Birla Textile Mills:

(Rs. in Lacs)

| Particulars                                 | Financial Year 2014-15 | Financial Year 2013-14 |
|---------------------------------------------|------------------------|------------------------|
| Revenue                                     | 41364.78               | 40189.54               |
| Less: Expenses                              | 38173.74               | 35895.61               |
| Less: Finance cost                          | 252.40                 | 374.94                 |
| Less: Depreciation and amortisation expense | 1515.91                | 1536.15                |
| Profit Before Tax                           | 1422.73                | 2382.84                |
| Tax Expense                                 | 403.48                 | 684.11                 |
| Profit after Tax                            | 1019.25                | 1698.73                |

The carrying amounts of the total assets and liabilities of the division are as follows:

(Rs. in Lacs)

| Particulars  | As at March 31, 2015 | As at March 31, 2014 |
|--------------|----------------------|----------------------|
| Total Assets | 21809.00             | 24908.00             |

|                                                                        |                        |                        |
|------------------------------------------------------------------------|------------------------|------------------------|
| Total Liabilities                                                      | 5669.20                | 8421.58                |
| Net assets                                                             | 16139.80               | 16486.42               |
| Net cash flow attributable to the division are as below: (Rs. in Lacs) |                        |                        |
| Particulars                                                            | Financial Year 2014-15 | Financial Year 2013-14 |
| Operating activities                                                   | 5587.99                | (464.43)               |
| Investing activities                                                   | (931.45)               | (505.37)               |
| Financing activities                                                   | (4613.60)              | 1095.83                |
| Net cash inflows                                                       | 42.94                  | 126.03                 |

#### 51 Disclosure required under Section 186 (4) of the Companies Act 2013

##### (a) Particulars of Loans given:

(Rs. in Lacs)

| Sr. No. | Name of the Loanee         | Loan given during the Financial Year 2014-15 | Loan repaid during the Financial Year 2014-15 | Outstanding Balance as on March 31, 2015 | Purpose                                                                                     |
|---------|----------------------------|----------------------------------------------|-----------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------|
| 1       | CFCL Technologies Limited  | 2187.68                                      | -                                             | 2187.68                                  | Convertible note transferred in pursuance of voluntary liquidation of CFCL Overseas Limited |
| 2       | ISS Pte Limited, Singapore | 903.60                                       | (903.60)                                      | -                                        | Business purpose                                                                            |

##### (b) Particulars of Guarantee given:

(Rs. in Lacs)

| Sr. No. | Name of the Entity | Guarantee given* | Outstanding Balance as on March 31, 2015 | Purpose                                                                   |
|---------|--------------------|------------------|------------------------------------------|---------------------------------------------------------------------------|
| 1       | ISGN Corporation   | 13751.10         | 13751.10                                 | To secure the working capital loan availed from JP Morgan Chase bank N.A. |

\* Tenure of Guarantee extended during the year.

##### (c) Particulars of Investments made:

(Rs. in Lacs)

| Sr. No. | Name of the Investee                    | Investment made during Financial Year 2014-15 | Outstanding Balance as on March 31, 2015 |
|---------|-----------------------------------------|-----------------------------------------------|------------------------------------------|
| 1       | Chambal Infrastructure Ventures Limited | 450.00                                        | 450.00                                   |
| 2       | Upper Ganges Sugar & Industries Limited | 3000.00                                       | 3000.00                                  |
| 3       | CFCL Overseas Limited                   | 2179.80                                       | -                                        |
| 4       | Investment made in the corporate bonds  | 32099.88                                      | -                                        |

The details of Investment of the Company are given in note 15.

52 Previous Year's figures have been regrouped and/or rearranged wherever necessary to conform to this year's classification.

As per our report of even date

For S.R. Battiboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 301003E

per Anil Gupta  
Partner  
Membership No - 87921

Place : Gurgaon  
Date : April 30, 2015

For and on behalf of the Board of Directors of  
Chambal Fertilisers and Chemicals Limited

Anil Kapoor  
Managing Director

Abhay Bajjal  
Chief Financial Officer

Place : New Delhi  
Date : April 30, 2015

S.K. Poddar  
Chairman

M.S. Rathore  
Vice President - Legal,  
Corporate Communication & Secretary

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Chambal Fertilisers and Chemicals Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Chambal Fertilisers and Chemicals Limited ("the Company") and its subsidiaries as referred to in Section 129 (3) of the Companies Act 2013 ("the Act"), which comprise the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company and its subsidiaries in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Company and its subsidiaries are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the respective assets of the Company and its subsidiaries and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Company as at March 31, 2015, its consolidated profit, and its consolidated cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

### Other Matter

The accompanying consolidated financial statements include total assets of Rs.191096.13 lacs as at March 31, 2015, total revenues and net cash inflows of Rs.156317.43 lacs and Rs.321.49 lacs respectively for the year ended on that date, in respect of certain subsidiaries, joint venture, Shipping division and CFCL Employees Welfare Trust (Trust), which have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us. Our opinion, in so far as it relates amounts and disclosures included in respect of such subsidiaries, joint venture, Shipping division and Trust is based solely on the report of such other auditors. Our opinion is not modified in respect of this matter.

Place: Gurgaon  
Date: April 30, 2015

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 301003E  
per Anil Gupta  
Partner  
Membership No.: 87921

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015**

(Rs. in Lacs)

| Particulars                                  | Notes | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|----------------------------------------------|-------|-------------------------|-------------------------|
| <b>EQUITY AND LIABILITIES</b>                |       |                         |                         |
| Shareholders' Funds                          |       |                         |                         |
| Share capital                                | 3     | 41395.45                | 41395.45                |
| Reserves and surplus                         | 4     | 183715.42               | 164236.91               |
|                                              |       | <u>225110.87</u>        | <u>205632.36</u>        |
| Preference Shares (Held by other than Group) |       | 0.24                    | 0.24                    |
| Minority Interest                            |       | 5477.28                 | 7150.91                 |
| Non-Current Liabilities                      |       |                         |                         |
| Long-term borrowings                         | 5     | 78186.52                | 101942.79               |
| Deferred tax liabilities (Net)               | 6 (a) | 42769.62                | 41880.83                |
| Other long term liabilities                  | 7     | 340.94                  | 380.44                  |
| Long term provisions                         | 8     | 1171.29                 | 2558.00                 |
|                                              |       | <u>122468.37</u>        | <u>146762.06</u>        |
| Current Liabilities                          |       |                         |                         |
| Short-term borrowings                        | 9     | 301781.81               | 343697.60               |
| Trade payables                               | 10    | 35521.15                | 30435.90                |
| Other current liabilities                    | 11    | 59539.38                | 56854.97                |
| Short-term provisions                        | 12    | 13929.63                | 13769.26                |
|                                              |       | <u>410771.97</u>        | <u>444757.73</u>        |
| Total                                        |       | <u>763828.73</u>        | <u>804303.30</u>        |
| <b>ASSETS</b>                                |       |                         |                         |
| Non-current assets                           |       |                         |                         |
| Fixed assets                                 |       |                         |                         |
| Tangible assets                              | 13    | 259389.41               | 268796.77               |
| Intangible assets                            | 14    | 35438.51                | 34520.96                |
| Capital work-in-progress                     |       | 11375.95                | 5067.53                 |
| Intangible assets under development          |       | 539.31                  | 71.66                   |
| Non-current investments                      | 15    | 3010.75                 | 10.59                   |
| Deferred tax assets (net)                    | 6 (b) | -                       | 156.03                  |
| Long term loans and advances                 | 16    | 9597.50                 | 18435.69                |
| Other non-current assets                     | 17    | 1430.24                 | 1711.53                 |
|                                              |       | <u>320781.67</u>        | <u>328770.76</u>        |
| Current assets                               |       |                         |                         |
| Inventories                                  | 18    | 73870.88                | 68553.64                |
| Trade receivables                            | 19    | 317116.08               | 355949.49               |
| Cash and bank balances                       | 20    | 20392.67                | 19750.95                |
| Short-term loans and advances                | 21    | 23146.91                | 25243.35                |
| Other current assets                         | 22    | 8520.52                 | 6035.11                 |
|                                              |       | <u>443047.06</u>        | <u>475532.54</u>        |
| Total                                        |       | <u>763828.73</u>        | <u>804303.30</u>        |
| Summary of significant accounting policies   | 2 (c) |                         |                         |

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 301003E

per Anil Gupta  
Partner  
Membership No - 87921

Place : Gurgaon  
Date : April 30, 2015

For and on behalf of the Board of Directors of  
Chambal Fertilisers and Chemicals Limited

Anil Kapoor  
Managing Director

Abhay Baijal  
Chief Financial Officer

Place : New Delhi  
Date : April 30, 2015

S.K. Poddar  
Chairman

M.S. Rathore  
Vice President - Legal,  
Corporate Communication & Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015**

(Rs. in Lacs)

| Particulars                                                                                                                                                                                  | Notes   | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|------------------------------|------------------------------|
| <b>INCOME</b>                                                                                                                                                                                |         |                              |                              |
| Revenue from operations (Gross)                                                                                                                                                              |         | 975694.80                    | 893380.00                    |
| Less : Excise duty                                                                                                                                                                           |         | 1920.37                      | 2322.98                      |
| Revenue from operations (Net)                                                                                                                                                                | 23      | 973774.43                    | 891057.02                    |
| Other income                                                                                                                                                                                 | 24      | 10507.94                     | 10497.52                     |
| Total Revenue (I)                                                                                                                                                                            |         | 984282.37                    | 901554.54                    |
| <b>Expenses:</b>                                                                                                                                                                             |         |                              |                              |
| Cost of materials consumed                                                                                                                                                                   | 25      | 281181.39                    | 256219.07                    |
| Purchase of traded goods                                                                                                                                                                     |         | 289393.51                    | 186896.04                    |
| (Increase)/Decrease in inventories of finished goods,<br>work-in-progress, traded goods and waste                                                                                            | 26      | (5266.83)                    | 56198.56                     |
| Employee benefits expense                                                                                                                                                                    | 27      | 33199.55                     | 40896.43                     |
| Depreciation and amortization expense                                                                                                                                                        | 13 & 14 | 21648.71                     | 28236.65                     |
| Finance costs                                                                                                                                                                                | 28      | 16317.66                     | 20742.57                     |
| Freight to charter-in ship                                                                                                                                                                   |         | 31214.86                     | 22796.67                     |
| Other expenses                                                                                                                                                                               | 29      | 270669.96                    | 260660.11                    |
| Total Expenses (II)                                                                                                                                                                          |         | 938358.81                    | 872646.10                    |
| Profit before tax {including profit of Rs. 1422.73 lacs (previous<br>year Rs. 2382.84 lacs) from discontinuing operation - refer note<br>no. 52} (I - II)                                    |         | 45923.56                     | 28908.44                     |
| <b>Tax expenses:</b>                                                                                                                                                                         |         |                              |                              |
| Current tax                                                                                                                                                                                  |         | 16351.73                     | 11156.06                     |
| Tax related to earlier years                                                                                                                                                                 |         | (74.18)                      | (5995.21)                    |
| Deferred tax charge (including Rs.914.52 lacs for earlier years,<br>Previous year NIL)                                                                                                       |         | 1694.26                      | 295.77                       |
| Total tax expense {including tax expense of Rs. 403.48 lacs<br>(previous year Rs. 684.11 lacs) from discontinuing operation -<br>refer note no. 52}                                          |         | 17971.81                     | 5456.62                      |
| Profit for the year (before adjustment for Minority Interest)<br>{including profit of Rs. 1019.25 lacs (previous year Rs. 1698.73<br>lacs) from discontinuing operation - refer note no. 52} |         | 27951.75                     | 23451.82                     |
| Share of Minority interest in current year's losses                                                                                                                                          |         | 1509.43                      | 960.60                       |
| Profit for the year                                                                                                                                                                          |         | 29461.18                     | 24412.42                     |
| Earnings per equity share {nominal value of share Rs.10<br>(Previous year Rs.10)}                                                                                                            |         |                              |                              |
| Basic and Diluted (in Rs.)                                                                                                                                                                   | 30      | 7.08                         | 5.87                         |
| Summary of significant accounting policies                                                                                                                                                   | 2 (c)   |                              |                              |

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 301003E

per Anil Gupta  
Partner  
Membership No - 87921

For and on behalf of the Board of Directors of  
Chambal Fertilisers and Chemicals Limited

Anil Kapoor  
Managing Director

Abhay Baijal  
Chief Financial Officer

S.K. Poddar  
Chairman

M.S. Rathore  
Vice President - Legal,  
Corporate Communication & Secretary

Place : Gurgaon  
Date : April 30, 2015

Place : New Delhi  
Date : April 30, 2015

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

(Rs. in Lacs)

| Particulars                                                                      | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
|----------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>A. Cash flow from operating activities :</b>                                  |                              |                              |
| Profit before tax                                                                | 45923.56                     | 28908.44                     |
| Adjustments for :                                                                |                              |                              |
| Depreciation/ Amortization                                                       | 21648.71                     | 28236.65                     |
| Loss on disposal of fixed assets (net)                                           | 206.06                       | 164.08                       |
| (Profit) from sale of current investments                                        | (1360.25)                    | (1104.91)                    |
| Premium on forward contracts amortised                                           | 10261.25                     | 12296.22                     |
| Unrealised foreign exchange fluctutaion                                          | 295.95                       | 804.70                       |
| Gain on derivative transaction                                                   | (1483.72)                    | (1389.02)                    |
| Provision for doubtful advances and debts                                        | -                            | 662.32                       |
| Reversal of provision for doubtful advances                                      | (22.52)                      | (573.98)                     |
| Liabilities no longer required written back                                      | (273.36)                     | (214.78)                     |
| Catalyst charges written off                                                     | 872.55                       | 508.08                       |
| Irrecoverable debts/ advances written off                                        | 33.23                        | 0.98                         |
| Employee stock option scheme                                                     | 657.43                       | 644.21                       |
| Inventory written off (depletion of loose tools)                                 | 19.66                        | 20.63                        |
| Interest expense                                                                 | 15806.12                     | 20107.47                     |
| Interest (income)                                                                | (3014.31)                    | (4996.84)                    |
| Release of foreign currency translation reserve on liquidation of subsidiary     | 281.12                       | -                            |
| <b>Operating profit before working capital changes</b>                           | <b>89851.48</b>              | <b>84074.25</b>              |
| Movement in working capital :                                                    |                              |                              |
| Decrease in trade receivables                                                    | 38929.37                     | 2375.65                      |
| Decrease in other current assets                                                 | 872.08                       | 374.46                       |
| (Increase)/ decrease in loans and advances                                       | 474.15                       | (3964.71)                    |
| Decrease/ (increase) in inventories                                              | (5943.61)                    | 56211.85                     |
| (Decrease) in trade payables, other liabilities and provisions                   | (7097.38)                    | (37650.25)                   |
| <b>Cash generated from operations</b>                                            | <b>117086.09</b>             | <b>101421.25</b>             |
| Direct taxes paid (net of refunds)                                               | (10708.22)                   | (16683.11)                   |
| <b>Net cash flow from operating activities</b>                                   | <b>106377.87</b>             | <b>84738.14</b>              |
| <b>B. Cash flow from investing activities</b>                                    |                              |                              |
| Purchase of fixed assets including capital work in progress and capital advances | (19141.28)                   | (15081.18)                   |
| Proceeds from sale of fixed assets                                               | 111.78                       | 607.92                       |
| Inter Corporate deposits repaid                                                  | 6000.00                      | 6662.27                      |
| Inter Corporate deposits given                                                   | -                            | (8612.27)                    |
| Deposits (with original maturity more than three months)                         | (11915.69)                   | (9042.12)                    |
| Proceed of deposits matured (with original maturity more than three months)      | 9042.12                      | 8317.20                      |
| Purchase of investments                                                          | (844800.16)                  | (1000100.89)                 |
| Proceed from sale of investments                                                 | 843160.25                    | 1001204.91                   |
| Advance received against slump sale transaction (refer note no. 52)              | 500.00                       | -                            |
| Interest received                                                                | 3015.15                      | 5104.57                      |
| <b>Net cash (used in) investing activities</b>                                   | <b>(14027.83)</b>            | <b>(10939.59)</b>            |

(Rs. in Lacs)

| Particulars                                                                     | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
|---------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>C. Cash flow from financing activities</b>                                   |                              |                              |
| Proceeds from long term borrowings                                              | -                            | 541.86                       |
| Repayment of long term borrowings                                               | (22224.72)                   | (26273.91)                   |
| Proceeds from issue of shares (including security premium)                      | -                            | 1699.48                      |
| Proceeds from buyers credit                                                     | 189368.69                    | 152152.94                    |
| Repayment of buyers credit                                                      | (130391.50)                  | (235931.38)                  |
| Net proceeds of short term borrowings                                           | (105642.29)                  | 40503.83                     |
| Interest paid                                                                   | (15672.99)                   | (20615.43)                   |
| Dividend paid                                                                   | (7791.14)                    | (7832.30)                    |
| Tax on dividend paid                                                            | (1343.97)                    | (1343.97)                    |
| Net cash (used in) financing activities                                         | <u>(93697.92)</u>            | <u>(97098.88)</u>            |
| Net (decrease) in cash and cash equivalents (A+B+C)                             | (1347.88)                    | (23300.33)                   |
| Foreign currency translation difference                                         | (897.88)                     | 2427.01                      |
| Cash and cash equivalents at the beginning of the year                          | 10722.89                     | 31596.21                     |
| Cash and cash equivalents at the end of the year                                | <u>8477.13</u>               | <u>10722.89</u>              |
| Components of cash and cash equivalents as at:                                  |                              |                              |
| Cash/ cheques on hand                                                           | 181.92                       | 12.52                        |
| Balances with banks :                                                           |                              |                              |
| - On unpaid dividend/preference share redemption amount/fixed deposit accounts* | 1091.46                      | 1017.36                      |
| - on current account                                                            | 6442.19                      | 8899.01                      |
| - on cash credit account                                                        | 61.04                        | 87.86                        |
| - on saving account                                                             | 2.93                         | 54.72                        |
| - on deposits account                                                           | 12478.24                     | 9354.67                      |
| - on escrow account                                                             | 135.04                       | 338.87                       |
| Cash and bank balances as per note no. 20                                       | 20392.82                     | 19765.01                     |
| Less: Fixed deposits not considered as cash equivalents                         | 11915.69                     | 9042.12                      |
| Net cash and cash equivalents                                                   | <u>8477.13</u>               | <u>10722.89</u>              |

Summary of significant accounting policies note no 2 (c)

\* Bank balances of Rs.1091.46 lacs (Previous Year Rs.1017.36 lacs) are earmarked for payment of unpaid dividend / fixed deposit accounts/unclaimed preference share redemption amount and will not be available for use for any other purposes.

As per our report of even date

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 301003E

per Anil Gupta  
Partner  
Membership No - 87921

Place : Gurgaon  
Date : April 30, 2015

For and on behalf of the Board of Directors of  
Chambal Fertilisers and Chemicals Limited

Anil Kapoor  
Managing Director

Abhay Bajjal  
Chief Financial Officer

Place : New Delhi  
Date : April 30, 2015

S.K. Poddar  
Chairman

M.S. Rathore  
Vice President - Legal,  
Corporate Communication & Secretary

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### 1. Corporate Information

The Group (defined hereunder) is one of the largest manufacturer of Urea in private sector in India and is also into the trading of branded fertilisers and other agri inputs. It also has a Joint venture for manufacturing of Phosphoric Acid in Morocco. Apart from that the Group is also engaged in manufacturing of Synthetic and Cotton Yarn, Shipping Business and Software business.

### 2. (a) Basis of Preparation

The Consolidated Financial Statements (CFS) of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read with paragraph 7 of the Companies (Accounts) Rule 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention except for derivative financial instruments which have been measured at fair value.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year; except for the change in accounting policy explained below (refer section 2 (c)(i)).

The CFS relates to Chambal Fertilisers and Chemicals Limited (hereinafter referred as the "Company") and its Subsidiaries (hereinafter referred as the "Group").

### (b) Principles of Consolidation

In the preparation of these Consolidated Financial Statements, investment in Subsidiaries, and Joint Venture have been accounted for in accordance with Accounting Standard (AS) 21, Consolidated Financial Statements, and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures. The Consolidated Financial Statements have been prepared on the following basis:

- i. Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses, except where cost cannot be recovered.
- ii. Interest in the assets, liabilities, income and expenses of the joint venture are consolidated using proportionate consolidation method. Intra group balances, transactions and unrealized profits / losses are eliminated to the extent of Company's proportionate share.
- iii. The difference of the cost to the Company of its investment in subsidiaries and joint venture over its proportionate share in the equity of the investee Company as at the date of acquisition of stake is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.
- iv. Minorities' interest in net profit of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding Company.
- v. As far as possible, the CFS have been prepared using uniform accounting policies like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's stand alone financial statements. Differences in accounting policies have been disclosed separately.
- vi. The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated Statement of Profit and Loss as the profit or loss on disposal of investment in subsidiary.
- vii. The accounts of all the Group entities are drawn up to the same reporting date as the parent entity (i.e. financial year ended March 31, 2015) except for the following entities where the audited accounts were drawn up as at December 31, 2014:

| S. No. | Name of the entity                             | Relationship  |
|--------|------------------------------------------------|---------------|
| (i)    | Indo Maroc Phosphore S.A.                      | Joint Venture |
| (ii)   | CFCL Technologies Limited and its subsidiaries | Subsidiary    |

Adjustments have been made for the period subsequent to that date for significant transactions, if any.

### (c) Summary of significant Accounting Policies

#### (i) Change in Accounting Policy

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. Considering the applicability of Schedule II, the management of Parent Company has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, although these rates in certain cases are different from lives prescribed under Schedule II. The Parent Company was previously not identifying components of fixed assets separately for depreciation purposes; rather, a single useful life was used to depreciate each item of fixed asset. Due to application of Schedule II to the Companies Act, 2013, the parent company has changed the manner of depreciation for its fixed assets. Now, the Parent Company identifies and determines separate useful life for each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset. The Parent Company has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. If a component has zero remaining useful life on the date of Schedule II becoming effective, i.e., 1 April 2014, its carrying amount, after retaining any residual value, is

charged to the opening balance of retained earnings. The carrying amount of other components, i.e., components whose remaining useful life is not NIL on 1 April 2014, is depreciated over their remaining useful life.

Had the Parent Company continued to use the earlier policy of depreciating fixed asset, the profit for the current year would have been lower by Rs. 3986.58 lacs (net of tax impact of Rs. 2052.78 lacs) (including Rs. 732.10 lacs towards change in residual value of ships from NIL to 5%), retained earnings at the beginning of the current year would have been higher by Rs. 1269.02 lacs (net of tax impact of Rs. 653.42 lacs) and the fixed assets would correspondingly have been lower by Rs. 4116.92 lacs.

## (ii) Use of Estimates

The preparation of financial statements in conformity with IGAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

## (iii) Tangible Fixed Assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred except when significant parts of fixed assets are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

The Group adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated August 09, 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period.

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

## (iv) Depreciation on Tangible Fixed Assets

Depreciation is provided using Straight Line Method as per the useful life of the asset estimated by the management which are equal to the useful life prescribed under Schedule II to the Companies Act, 2013 other than the cases as mentioned in para (i) to (xi) below where the rate of depreciation is higher than those prescribed in Schedule II to the Companies Act, 2013. A major portion of the plant has been considered as continuous process plant.

| S. No. | Assets                                                                      | Useful life/rate                                                                                                                                                                                                                                                                                                                                                    |
|--------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i)    | Second hand fixed assets at Textile division                                | On technically assessed remaining useful lives of such assets ranging from 3 to 7 years.                                                                                                                                                                                                                                                                            |
| (ii)   | - Leasehold Land<br>- Leasehold Improvement<br>- Assets under finance lease | Amortised over 99 Years<br>Ranging from 4 to 15 Years<br>Ranging from 3 to 9 Years<br>These assets are amortised over the period of respective leases or useful life of assets, whichever is lower.                                                                                                                                                                 |
| (iii)  | Insurance/ Machinery Spares                                                 | Over the remaining useful lives of mother assets ranging from 1 to 18 years.                                                                                                                                                                                                                                                                                        |
| (iv)   | Ships of Shipping Division                                                  | 25 years based on the technical evaluation as the ships are double hull crude oil/product tankers the life is estimated to be 25 years, as such kind of ships are allowed for acquisition without technical clearance and further charter-in of such ships are permitted subject to CAP2 (condition assessment program) rating provided the life is below 25 years. |
| (v)    | Vehicles                                                                    | Depreciated over 5 years. After the expiry of 5 years, the vehicle gets normally replaced.                                                                                                                                                                                                                                                                          |
| (vi)   | Railway Siding                                                              | 25 years based on technical evaluation that the railway siding is currently in use.                                                                                                                                                                                                                                                                                 |
| (vii)  | Certain Plant and Machinery of fertiliser division                          | On technically assessed remaining useful life of such assets ranging from 1 to 2 years.                                                                                                                                                                                                                                                                             |
| (viii) | Fixed Assets of software business                                           | Computer Equipments and accessories- 3 years<br>Office Equipments - 5 years<br>Furniture and fixtures - 5 to 7 years                                                                                                                                                                                                                                                |
| (ix)   | Fixed Assets of IMACID (J.V.)                                               | Office Equipments and Motor Vehicles - 7 to 10 years<br>Plant & Machinery - 15 to 20 years                                                                                                                                                                                                                                                                          |
| (x)    | Fixed Assets of India Steamship Pte Ltd                                     | Computer Equipments - 3 years<br>Office Equipments - 8 years                                                                                                                                                                                                                                                                                                        |
| (xi)   | Plant and Machinery at Textile division                                     | 9.19 years based on the technical assessment carried out by the management.                                                                                                                                                                                                                                                                                         |

Assets costing below Rs.5,000 are depreciated in the year of purchase.

## v) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried

at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over the estimated useful economic life. The following are the acquired intangible assets:

#### Software

Cost of software is amortized over their estimated useful life of five years on straight line basis.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS-5, "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies".

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

#### In respect of subsidiary company

Intangible assets comprise of goodwill, costs relating to intellectual property rights, software development costs and software packages held for use in business.

Goodwill that arises on an amalgamation or on the acquisition of a business is presented as an intangible asset. Goodwill arising from amalgamation is measured at cost less accumulated amortisation and any accumulated impairment loss. Goodwill arising on acquisition of a business is measured at cost less any accumulated impairment loss. Goodwill arising on consolidation or acquisition is not amortized but tested for impairment atleast annually or as circumstances warrant at the reporting unit level. If impairment is indicated, a write-down to its recoverable amount which is higher of fair value or value in use (normally measured by discounting estimated future cash flows) is recorded.

Costs relating to Intellectual property rights, which are acquired, are capitalized and amortized over a period of 1 to 3 years.

#### vi) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available, and if no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGU's to which the individual assets are allocated. These budgets and forecast calculations are generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

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

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### vii) Goodwill on Consolidation

Goodwill represents the difference between the Group's share in the net worth of the investee companies and the cost of acquisition at each point of time of making the investment. For this purpose, the Group's share of equity in the investee companies are determined on the basis of the latest financial statements of the respective companies available as on the date of acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Goodwill is not amortized but tested for impairment almost annually. If impairment is indicated, a write-down to fair value (normally measured by discounting estimated future cash flows) is recorded.

#### viii) Leases

##### Where the Group is a lessee

Finance leases, which effectively transfer to the Group substantially, all the risk and benefits incidental to the ownership of the leased item, are capitalized at inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule II to the Companies Act, 2013, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule II to the Companies Act, 2013.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

#### ix) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/ subsidy will be received.

Where the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

#### x) Investments

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments made, are classified as current investments. All other investments are classified as long-term investment.

On initial recognition, all investments are measured at cost. The cost comprises of purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in the value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

#### xi) Inventories

Inventories are valued as follows:

|                                                                    |                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bunkers remaining on board*                                        | Lower of cost and net realizable value. Cost is determined on weighted average basis.                                                                                                                                                                                                                             |
| Spares and Lubricants                                              | Lower of cost and net realizable value. Cost is determined on First-In-First-Out basis.                                                                                                                                                                                                                           |
| Naphtha, Raw materials, Packing materials, other Stores and spares | Lower of cost and net realizable value. However, materials and other items held for use in the production of finished goods are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis. |
| Catalyst in Use                                                    | At depreciated cost on the basis of amortization over their estimated useful lives ranging from three to fifteen years as technically assessed.                                                                                                                                                                   |
| Loose Tools                                                        | At depreciated cost arrived at on the basis of amortization over a period of three years.                                                                                                                                                                                                                         |
| Work in Process and Finished Goods                                 | Lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of Finished goods includes excise duty, where ever applicable. Cost is determined on a weighted average basis.                                |
| Traded products                                                    | Lower of cost and net realizable value. Cost includes the cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.                                                                                            |
| Waste                                                              | At net realisable value.                                                                                                                                                                                                                                                                                          |

\* included under the inventory of stores and spares.

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

#### xii) Borrowing Costs

Borrowing costs includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowing.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

#### xiii) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific criterias must also be met before revenue is recognized:

##### (a) Sale of Goods

Revenue, including subsidy, in respect of sale of products is recognised when the significant risks and rewards of ownership of the goods are passed on to the buyer. Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability accruing during the year. The Group collects Sales Tax and VAT on behalf of Government and therefore, these are not economic benefits flowing to the Group. Hence, these are excluded from the revenue.

Subsidy on Urea is recognized based on Concession price including freight as notified under the New Pricing Scheme (NPS-Stage III), Uniform Freight Policy and New Investment Policy 2008. The concession price and freight is accounted based on notified prices, further adjusted for input price escalation/ de-escalation and as estimated by the management based on the prescribed norms in line with known policy parameters.

Subsidy on Phosphatic and Potassic (P&K) fertilizers is recognized as per concession rates notified by the Government of India and the estimates by the management, in accordance with Nutrient Based Subsidy Policy from time to time. Freight subsidy has been accounted for as per the Uniform Freight Policy.

Subsidy on Gypsum is recognized based on district wise concession rates, as notified by the Government of Rajasthan.

#### (b) Income from operations of Shipping Division

In respect of voyage charter, revenue is recognized on proportionate number of days of respective voyage. In case of time charter (including cost plus charter), revenue is recognized on time proportion basis. Bunker is recognized on actual quantity consumed. Dispatch money / demurrage is considered as part of freight.

#### (c) Income from operations of Software business

In respect of subsidiaries engaged in software development and business process outsourcing services, revenue is recognized as under:

- Revenue derived from professional services under the time and material contract is recognized as the related services are performed.
- Revenue from title and related operations are primarily transaction based and are recognized as revenue when services are performed, the fee is fixed or determinable, and collection is reasonably assured.
- Revenue from transaction services and other service contracts is recognized based on transactions processed. The Subsidiaries also generate upfront non-refundable revenues from process transition activities. Revenue and costs attributable to such process transition activities are deferred where such activities do not represent the culmination of a separate earnings process. Such revenue and related costs are recognized ratably over the period in which the related services are performed. Deferred costs are limited to the amount of deferred revenue and any excess costs are expensed as incurred.
- The Group also derives its revenues from software services and from business process outsourcing /knowledge process outsourcing services, provided either on time and material, fixed-price fixed-time frame and unit-price basis. Revenue with respect to time-and-material contracts is recognized as the related services are rendered and revenue from the end of the last billing to the balance sheet date is recognized as unbilled revenue. The Group's fixed price contracts include application maintenance and support services, on which revenue is recognized ratably over the period in which the services are rendered. Revenue with respect to other fixed price contracts, where there is no uncertainty as to measurement and collectability of consideration, is recognized on a percentage of completion basis. The input (cost expended) method has been used because management considers this to be the best available measure of progress on these contracts as there is a direct relationship between input and productivity. When there is uncertainty as to measurement or ultimate collectability revenue recognition is postponed until such uncertainty is resolved.
- Revenues from unit-priced contracts are recognized as transactions are processed based on objective measures of output. Cost and earnings in excess of billings are classified as unbilled revenue while billing in excess of cost and earnings is classified as deferred revenue.
- Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates. When the Group receives advances for its services, such amounts are reflected as advance received from customers until all conditions for revenue recognition are met. The Group presents revenues net of service taxes and value added taxes, but gross of certain reimbursements in its consolidated statement of profit and loss.
- Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license, except in case of multiple element contracts, under which post-contract maintenance and support services are also rendered by the Group. In the case of multiple element contracts, revenue from sale of user licenses is recognized on transfer of the title in the user license after appropriately reducing the fair value of the maintenance services to be recognised as revenues. Revenue from post contract maintenance and support services is recognized ratably over the period in which services are rendered.

#### (d) Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head 'Other Income' in the statement of profit and loss. Further, interest on delayed payment from customers are accounted on accrual basis to the extent these are measurable & ultimate collection is reasonably certain.

#### (e) Dividend

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

#### (f) Insurance Claims

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

#### (g) Export Benefits

Export benefits under Duty Drawback Scheme, Focus Market Scheme, Status Holder Incentive Scheme and Focus Product Scheme are accounted for in the year of export of goods.

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#### xiv) Foreign Currency Translation

##### (a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### (b) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are translated using the exchange rates that existed when such values were determined.

##### (c) Exchange differences

The Group accounts for exchange differences arising on translation / settlement of foreign currency monetary items as below:

- i Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

Exchange differences arising on other long-term foreign currency monetary items are accumulated in the Foreign Currency Monetary Item Translation Difference Account' and amortized over the remaining life of the concerned monetary item.

- ii All other exchange differences are recognized as income or as expense in the period in which they occur.

For the purpose of 1 and 2 above, the Group treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated 09 August 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period.

##### (d) Forward exchange contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense / income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period. Any gain / loss arising on forward contract which are long-term foreign currency monetary items is recognized in accordance with paragraph (c) (i) above.

##### (e) Translation of non-integral foreign operation

In translating the financial statements of non-integral foreign operations for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operations are translated at the closing rate, income and expense items of the non-integral foreign operations are translated at average exchange rates prevailing during the year, and all resulting exchange differences are accumulated as a 'Foreign Currency Translation Reserve' until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognized as income or as expense in the same period in which the gain or loss on disposal is recognized.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

#### xv) Retirement and other employee benefits

- (a) Retirement benefit in the form of Provident Fund is a defined benefit obligation in case of fertiliser and shipping division of the Group and is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year. The difference between the actuarial valuation of the provident fund of employees at the year-end and the balance of own managed fund is provided for as liability in the books. Any excess of plan asset over projected benefit obligation is ignored as such surplus is distributed to the beneficiaries of the trust.

Provident Fund of Textile division of the Parent Company and Indian subsidiaries of CFCL Technologies Limited (CTL) and Pension Fund of all components of the Group are defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

- (b) Superannuation Fund is a defined contribution scheme. Liability in respect of Superannuation Fund to the concerned employees of Fertiliser & Shipping Division is accounted for as per the Group's Scheme and contributed to Life Insurance Corporation of India (LIC) / ICICI Prudential Life Insurance Company Limited (ICICI) every year. The divisions do not have any other obligation, other than the contribution payable to the superannuation fund. The divisions recognize contribution payable to the superannuation fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

- (c) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. However, in respect of Fertiliser division, Group has taken policies from LIC, ICICI and Birla Sunlife Insurance Company Limited (BSLI), for Shipping and Textile divisions, Group has taken a policy from LIC and for one of the step down subsidiaries of CTL, the Group has taken a policy from Kotak Mahindra Old Mutual Life Insurance Limited (Kotak) to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with LIC, ICICI, BSLI and Kotak is provided for as liability in the books.
- (d) Retirement benefit in the form of post retirement medical benefit is a defined benefit obligation in case of fertilizer division of the Group and is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year.
- (e) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.
- (f) The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

#### xvi) Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income, will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

#### xvii) Segment Reporting Policies

##### Identification of segments

The Group's operating businesses are organized and managed separately according to the nature of products manufactured, traded and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the locations of customers.

##### Allocation of common costs

Common allocable costs are allocated to each segment in proportion to the relative sales of each segment.

##### Unallocated items

All the common income, expenses, assets and liabilities, which are not possible to be allocated to different segments, are treated as unallocated items.

##### Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Company as a whole.

#### xviii) Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of the equity shares outstanding during the year.

For the purpose of calculating diluted earning per share, net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

**xix) Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the reporting date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

**xx) Cash and Cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**xxi) Derivative Instruments**

In accordance with the ICAI Announcement derivative contracts, other than foreign currency forward contract covered under Accounting Standard 11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the Statement of Profit and Loss. Net gains are ignored.

**xxii) Employee Stock Compensation Costs**

**Holding Company**

Measurement and disclosure of the employee stock option scheme is done in accordance with Securities and Exchange Board of India (Share based employee benefits) regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Group measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

**Subsidiary Company**

Employee stock compensation costs for stock options are recognized as employee benefit expenses in accordance with the guidance note on "Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountants of India, based on the grant date fair value of the options granted to employees. The fair value of the options is estimated on the date of grant using the Black-Scholes-Merton valuation model on the basis of an independent valuation performed and recognized in a graded manner on the basis of weighted period of services over the vesting period. The expected term of an option is estimated based on the vesting term and contractual term of the option, as well as expected exercise behaviour of the employee who receives the option. Expected volatility during the expected term of the option is based on historical volatility, during a period equivalent to the expected term of the option, of the observed market prices of the publicly traded equity shares of comparable listed entities. Expected dividends during the expected term of the option are based on recent dividend activity. Risk-free interest rates are based on the government securities yield in effect at the time of the grant over the expected term.

**xxiii) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

**xxiv) Basis of classification of Current and Non Current**

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Schedule III to the Companies Act, 2013.

An asset has been classified as current if (a) it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is expected to be realized within twelve months after the reporting date; or (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. All other assets have been classified as non-current.

A liability has been classified as current when (a) it is expected to be settled in the Group's normal operating cycle; or (b) it is held primarily for the purpose of being traded; or (c) it is due to be settled within twelve months after the reporting date; or (d) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. All other liabilities have been classified as non-current.

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015**

(Rs. in Lacs)

| Particulars                                                                                                                                                                              | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>NOTE 3 : SHARE CAPITAL</b>                                                                                                                                                            |                         |                         |
| Authorised :                                                                                                                                                                             |                         |                         |
| 440,000,000 (Previous year 440,000,000) Equity Shares of Rs.10/- each                                                                                                                    | 44000.00                | 44000.00                |
| 210,000,000 (Previous year 210,000,000) Redeemable Preference Shares of Rs.10/- each                                                                                                     | 21000.00                | 21000.00                |
|                                                                                                                                                                                          | <u>65000.00</u>         | <u>65000.00</u>         |
| Issued, Subscribed and Paid Up :                                                                                                                                                         |                         |                         |
| 416,207,852 (Previous year 416,207,852 ) Equity Shares of Rs.10/- each, fully paid up                                                                                                    | 41620.79                | 41620.79                |
| Less : 2,253,402 (Previous year 2,253,402) Equity Shares of Rs.10/- each, fully paid up acquired by CFCL Employees Welfare Trust ("Trust") from the secondary market (refer note no. 51) | 225.34                  | 225.34                  |
|                                                                                                                                                                                          | <u>41395.45</u>         | <u>41395.45</u>         |

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

There is no movement in the shares outstanding at the beginning and at the end of the reporting period.

b) Terms / rights attached to equity shares

The Company has only one class of shares having a par value of Rs.10 per share fully paid up. Each holder of equity shares is entitled to one vote per share and will rank pari passu with each other in all respect. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the Company, the holders of equity share will be entitled to receive remaining asset of the Company after payment of all liabilities.

c) Details of shareholders holding more than 5% shares in the Company

| Name                                | March 31, 2015 |           | March 31, 2014 |           |
|-------------------------------------|----------------|-----------|----------------|-----------|
|                                     | No. of Shares  | % holding | No. of Shares  | % holding |
| Zuari Industries Limited            | 5,90,15,360    | 14.18     | 5,90,15,360    | 14.18     |
| The Hindustan Times Limited         | 5,10,74,209    | 12.27     | 5,10,74,209    | 12.27     |
| SIL Investments Limited             | 3,18,13,455    | 7.64      | 3,18,13,455    | 7.64      |
| Life Insurance Corporation of India | 2,79,10,373    | 6.71      | 2,79,10,373    | 6.71      |

As per the records of the Company, including its register of shareholders/members , the above shareholding represents both legal and beneficial ownership of shares.

**NOTE 4 : RESERVES AND SURPLUS**

|                                                                             |                 |                 |
|-----------------------------------------------------------------------------|-----------------|-----------------|
| Capital Reserve (arising on forfeiture of shares)                           |                 |                 |
| Balance as per the last financial statement                                 | 20.95           | 20.95           |
| Securities Premium Account                                                  |                 |                 |
| Balance as per the last financial statement                                 | 5385.13         | 5351.48         |
| Additions during the year                                                   | -               | 1699.45         |
| Share of Minority interest                                                  | -               | (1665.80)       |
|                                                                             | <u>5385.13</u>  | <u>5385.13</u>  |
| Capital Redemption Reserve                                                  |                 |                 |
| Balance as per the last financial statement                                 | 25.00           | 25.00           |
| Foreign Currency Translation Reserve                                        |                 |                 |
| Balance as per the last financial statement                                 | 17152.78        | 11119.53        |
| Additions/(Adjustments) during the year                                     | 22.37           | 6123.48         |
| Add : Share of Minority interest                                            | 306.80          | (90.23)         |
| Less : Charged to statement of Profit and loss on liquidation of subsidiary | (281.12)        | -               |
|                                                                             | <u>17200.83</u> | <u>17152.78</u> |

| (Rs. in Lacs)                                                                                                                                                   |                         |                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                                                                                                     | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
| Stock Options Outstanding (refer note no. 41 (ii))                                                                                                              | 2442.83                 | 1729.40                 |
| General Reserve                                                                                                                                                 |                         |                         |
| Balance as per the last financial statement                                                                                                                     | 34153.97                | 30662.13                |
| Add: Transferred from Statement of Profit and Loss                                                                                                              | 5099.50                 | 5010.63                 |
| Less : Adjustment of carrying amount of fixed assets as per Schedule II of Companies Act, 2013 (net of deferred tax of Rs.653.42 Lacs) (Refer note no. 2(c)(i)) | 1269.02                 | -                       |
| Less : Excess of investment over and above face value of equity shares held by Trust (refer note no. 51)                                                        | -                       | 1518.79                 |
|                                                                                                                                                                 | 37984.45                | 34153.97                |
| Tonnage Tax Reserve under section 115 VT of Income Tax Act, 1961                                                                                                |                         |                         |
| Balance as per the last financial statement                                                                                                                     | 425.00                  | 425.00                  |
| Tonnage Tax Reserve under section 115 VT of Income Tax Act, 1961 (Utilised) Account                                                                             |                         |                         |
| Balance as per the last financial statement                                                                                                                     | 3850.00                 | 3850.00                 |
| Surplus in the statement of profit and loss:                                                                                                                    |                         |                         |
| Balance as per the last financial statement                                                                                                                     | 101494.68               | 91214.89                |
| Add : Profit for the year                                                                                                                                       | 29461.18                | 24412.42                |
| Reversal of proposed dividend on equity shares held by Trust {net of expenses (refer note no. 51)}                                                              | -                       | 87.21                   |
| Less : Appropriations                                                                                                                                           |                         |                         |
| Proposed Equity Dividend {amount per share Rs. 1.90 per share (Previous year Rs.1.90 per share)}                                                                | 7908.05                 | 7908.05                 |
| Proposed dividend on equity shares held by Trust                                                                                                                | (42.81)                 | (42.81)                 |
| Tax on Proposed Equity Dividend                                                                                                                                 | 1609.89                 | 1343.97                 |
| Transfer to General Reserve                                                                                                                                     | 5099.50                 | 5010.63                 |
| Net surplus in the statement of profit and loss                                                                                                                 | 116381.23               | 101494.68               |
|                                                                                                                                                                 | 183715.42               | 164236.91               |

| (Rs. in Lacs)                                                                         |                      |                    |                      |                    |
|---------------------------------------------------------------------------------------|----------------------|--------------------|----------------------|--------------------|
| Particulars                                                                           | As at March 31, 2015 |                    | As at March 31, 2014 |                    |
|                                                                                       | Non Current          | Current Maturities | Non Current          | Current Maturities |
| <b>NOTE 5: LONG-TERM BORROWINGS</b>                                                   |                      |                    |                      |                    |
| Secured Loans:                                                                        |                      |                    |                      |                    |
| Term loans from banks                                                                 |                      |                    |                      |                    |
| - Rupee term loans                                                                    | -                    | 1908.60            | 1932.00              | 2000.00            |
| - Foreign currency term loans                                                         | 78022.68             | 26985.17           | 99774.37             | 20626.15           |
| Finance lease obligation                                                              | 163.84               | 72.45              | 236.42               | 162.77             |
|                                                                                       | 78186.52             | 28966.22           | 101942.79            | 22788.92           |
| Less : Current maturities shown under "other current liabilities" (refer note no. 11) | -                    | 28966.22           | -                    | 22788.92           |
|                                                                                       | 78186.52             | -                  | 101942.79            | -                  |

- i. Rupee term loans of Rs.1908.60 lacs (including current maturities of Rs.1908.60 lacs) (Previous year Rs.3932.00 lacs and Rs.2000.00 lacs respectively) carry interest rate in the range of 11.10%-12.75% p.a. Out of these, one term loan amounting to Rs.916.60 lacs is repayable in 3 quarterly installments of Rs. 235 lacs each starting from June 30, 2015 and last installment of Rs. 211.60 lacs. Another term loan amounting to Rs. 992 lacs is repayable in 3 quarterly installments of Rs. 250 lacs each starting from June 30, 2015 and last installment of Rs. 242 lacs. These loans are secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the Company, both present and future (save and except assets of shipping division), subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.

- ii. Foreign currency term loans of USD 395.51 lacs (Rs.24721.58 lacs including current maturities of Rs.14092.34 lacs) (Previous year Rs.31075 lacs and Rs.8266.53 lacs respectively) carry interest rate in the range of 3/6 months LIBOR plus 1.45%-4.50% p.a. Out of these, one term loan amounting to USD 163.51 lacs (Rs.10220.42 lacs) is repayable in 11 equal quarterly installments starting from April 1, 2015. Another term loan amounting to USD 32.00 lacs (Rs.2000.16 lacs) is repayable in 8 equal quarterly installments starting from May 27, 2015. Another term loan amounting to USD 200.00 lacs (Rs.12501.00 lacs) carry interest rate of 6 months LIBOR plus 2.75% p.a. and is repayable in 4 equal quarterly installment starting from August 06, 2015. These loans are secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the Company, both present and future (save and except assets of shipping division), subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.
- iii. (a) Foreign currency term loan of USD 240 lacs (Rs.15001.20 lacs including current maturities of Rs.2500.20 lacs) (Previous year Rs.16777.60 lacs and Rs.2396.80 lacs respectively) carry interest @ 3 months LIBOR plus 1.125% p.a. The loan is repayable in 4 quarterly installments of USD 10.00 lacs each (Rs.625.05 lacs) starting from June 08, 2015 and the last installment of USD 200.00 lacs (Rs.12501.00 lacs). The loan is secured by first priority mortgage on the Company's vessel-Ratna Puja and assignment of earnings, insurance and requisition compensation in respect of such vessel.
- iv. (b) Foreign currency term loan of USD 370 lacs (Rs.23126.85 lacs including current maturities of Rs.2500.20 lacs) (Previous year Rs.24567.20 lacs and Rs.2396.80 lacs respectively) carry interest @ 3 months LIBOR plus 0.875% p.a. The loan is repayable in 19 quarterly installments of USD 10.00 lacs each (Rs.625.05 lacs) starting from June 09, 2015 and the last installment of USD 180.00 lacs (Rs.11250.90 lacs). The loan is secured by first priority mortgage on the Company's vessel-Ratna Shalini and assignment of earnings, insurance and requisition compensation in respect of such vessel and second priority mortgage on the Company's vessel-Ratna Puja and assignment of earnings, insurance and requisition compensation in respect of such vessel.
- v. Foreign currency term loans of USD 674.48 lacs (Rs.42158.22 lacs including current maturities of Rs.7892.43 lacs) (Previous year Rs.47980.72 lacs and Rs.7566.02 lacs respectively) carry interest @ 3 months LIBOR plus 0.40% p.a. One tranche of the aforesaid term loan amounting to USD 210 lacs (Rs.13126.05 lacs) is repayable in 21 equal quarterly installment starting from June 03, 2015. Another tranche of the aforesaid term loan amounting to USD 254.48 lacs (Rs.15906.12 lacs) is repayable in 22 equal quarterly installment starting from April 15, 2015. These loans are secured by first priority mortgage on the Company's three vessels i.e. Ratna Shruti, Ratna Shradha and Ratna Namrata and assignment of earnings, insurance and requisition compensation in respect of such vessels.
- vi. Finance lease obligation of Rs.202.15 lacs (including current maturities of Rs.41.21 lacs) (Previous year Rs.233.61 lacs and Rs.31.45 lacs respectively) is repayable in 41 monthly installments of Rs.6.77 lacs each (i.e. lease obligation including interest) starting from April, 2015 and carry interest rate of around 27.34% p.a. This is secured by assets acquired under the facility. In the books of subsidiary, there are various finance lease obligation amounting to Rs.34.14 lacs (including current maturities of Rs.31.24 lacs) (Previous year Rs.165.58 lacs and Rs.131.32 lacs respectively) repayable in 2 years, repayment amount ranging from Rs.0.12 lac to Rs.1.36 lacs and rate of interest ranging from 5.99% to 15.31%. All these assets are secured by assets acquired under the facility.

(Rs. in Lacs)

| Particulars                                                                                                                                        | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>NOTE 6 (A): DEFERRED TAX LIABILITIES (NET)</b>                                                                                                  |                         |                         |
| <b>Deferred Tax Liabilities</b>                                                                                                                    |                         |                         |
| Differences in depreciation and other differences in block of fixed assets as per tax books and financial books                                    | 45646.54                | 44201.33                |
| <b>Gross Deferred Tax Liabilities</b>                                                                                                              | <u>45646.54</u>         | <u>44201.33</u>         |
| <b>Deferred Tax Assets</b>                                                                                                                         |                         |                         |
| Effect of expenditure debited to statement of profit and loss in the current year/ earlier years but allowable for tax purposes in following years | 574.69                  | 367.02                  |
| Provision for gratuity                                                                                                                             | 158.70                  | 112.12                  |
| Provision for leave encashment                                                                                                                     | 797.00                  | 749.62                  |
| Provision for doubtful debts and advances                                                                                                          | 163.57                  | 173.68                  |
| Carry forward capital loss *                                                                                                                       | 1182.96                 | -                       |
| Provision for Mark to Market (MTM) loss on derivative contract                                                                                     | -                       | 918.06                  |
| <b>Gross Deferred Tax Assets</b>                                                                                                                   | <u>2876.92</u>          | <u>2320.50</u>          |
| <b>Net Deferred Tax Liabilities</b>                                                                                                                | <u>42769.62</u>         | <u>41880.83</u>         |

\* In view of the capital gain expected on the slump sale of Textile Division as per the provision of Income Tax Act, 1961 pursuant to the Board of Director's decision to sell its Textile division in its meeting held on 14th March, 2015, management of the Parent Company has created deferred tax assets on the capital loss (to the extent of capital gain to be arisen on slump sale as above) as per the provision of Income Tax Act, 1961 arising out of the liquidation of its wholly owned subsidiary company.

**NOTE 6 (B): DEFERRED TAX ASSETS (NET) \*\***

|                                                                                                                                                    |          |               |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------------|
| Effect of expenditure debited to statement of profit and loss in the current year/ earlier years but allowable for tax purposes in following years | -        | 147.76        |
| Differences in depreciation in block of fixed assets as per tax books and financial books                                                          | -        | 8.27          |
| <b>Gross Deferred Tax Assets</b>                                                                                                                   | <u>-</u> | <u>156.03</u> |

\*\* Deferred tax assets are calculated with reference to the business losses and unabsorbed depreciation as per tax and other timing differences. However, deferred tax assets have not been recognized as the management believes that there is no virtual certainty that sufficient future taxable income will be available to realize the deferred tax assets for the year ended December 31, 2014, except in case of an Indian step down subsidiary, ISG Novasoft Technologies Limited (ISGNTL). Deferred tax assets was recognized in the previous year as the ISGNTL had been generating profits and was expected to maintain a profitable trend in the ensuing future as well.

Deferred tax assets and deferred tax liabilities across various countries of operations are not set off against each other as the Group does not have the legal right to do so.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                         | (Rs. in Lacs)           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
| <b>NOTE 7 : OTHER LONG TERM LIABILITIES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         |                         |
| Trade payables (other than Micro and Small Enterprises)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 335.31                  | 374.91                  |
| Earnest money / security deposits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 5.63                    | 5.53                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <u>340.94</u>           | <u>380.44</u>           |
| <b>NOTE 8 : LONG TERM PROVISIONS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                         |                         |
| Provision for gratuity (refer note no. 36)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 126.04                  | 138.46                  |
| Provision for post retirement medical benefits (refer note no. 36)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 223.97                  | 162.91                  |
| Provision for loss on derivative contracts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 821.28                  | 2256.63                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <u>1171.29</u>          | <u>2558.00</u>          |
| <b>NOTE 9 :SHORT-TERM BORROWINGS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                         |                         |
| Secured:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                         |                         |
| From Banks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                         |                         |
| - Rupee loans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 23500.00                | 189393.07               |
| - Cash credit facilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 41172.98                | 5902.13                 |
| - Foreign currency loans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 145022.43               | -                       |
| From Others*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 13868.80                | 13598.20                |
| Unsecured:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                         |                         |
| Commercial Papers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                         |                         |
| From Banks:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 30000.00                | -                       |
| - Rupee loans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                       | 4400.00                 |
| - Foreign currency loans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 46821.73                | 128119.30               |
| - Packing credit foreign currency loans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 1395.87                 | 2284.90                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <u>301781.81</u>        | <u>343697.60</u>        |
| <p>i. "Rupee loans of Rs. 23500.00 lacs (Previous year Rs.43500.00 lacs) carrying interest in the range of 10.10% - 10.25% p.a., Cash credit facilities carrying interest in the range of 10.35% - 14.95% p.a. and Foreign currency loans of Rs.133,23.75 lacs (Previous year NIL) carrying interest in the range of 0.55% - 0.90% p.a., from banks are secured by hypothecation of all the Company's current assets including all stocks and book debts and other movables assets, both present &amp; future (except assets of Shipping Division). These loans are further secured by second charge on all the immovable properties (except assets of Shipping Division) of the Company. Foreign currency loans and Packing credit foreign currency loans carry interest in the range of 0.55% - 0.95% p.a. and 1.14% - 1.33% p.a. respectively."</p> <p>ii. Foreign currency loans of Rs. 131698.68 lacs (Previous year NIL) is secured by second charge on the Company's current assets (except assets of Shipping Division), carried interest @ 0.63% - 0.83% p.a.</p> <p>Rupee loans include NIL (Previous year Rs.80893.07 lacs) from consortium of Banks under Special Banking Arrangement against the subsidy on Urea and Phosphatic and Potassic (P&amp;K) fertilisers receivable from the Government of India. The Banks had charged interest @ 10.40% p.a. (including 8% p.a. paid by Government of India directly to banks). Accordingly, Rs.188.14 lacs (at the rate 2.25% to 2.40% p.a.) (Previous year Rs. 327.35 lacs (at the rate of 2.40% p.a.)) has been charged as interest expense. These loans were secured by hypothecation of subsidy receivables upto NIL (Previous year Rs. 80900.00 lacs) from Government of India.</p> <p>Rupee loans of NIL (Previous year Rs. 65000.00 lacs) were to be secured by second charge on the Company's current assets (except assets of Shipping Division), carried interest @ 10.40% p.a.</p> <p>* The line of credit facility is secured by way of pledge and secured by collateral interest in all rights, title, interest in, (i) all accounts; (ii) all general intangibles; (iii) all cash or cash equivalents; (iv)all deposit accounts with any bank or other financial institution; (v) and all accessories to, substitutions for and replacements, proceeds, insurance proceeds and products of the foregoing, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto and any general intangibles at any time evidencing or relating to any of the foregoing but excluding deposit, escrow or similar accounts of the borrowers held for the benefit of third parties in the ordinary course of business of the borrowers. Line of credit facility carry interest rate of 3.375% along with 0.50% as monthly commitment fees of the loan amount.</p> <p>Maximum amount of commercial papers outstanding during the year - Rs.185000.00 lacs (Previous year Rs.172500.00 lacs).</p> |                         |                         |
| <b>NOTE 10 : TRADE PAYABLES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                         |                         |
| Trade payables (including acceptances)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                         |                         |
| Outstanding dues to Micro and Small Enterprises (refer note no. 47)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 22.75                   | 43.58                   |
| Outstanding dues to other than Micro and Small Enterprises                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 35498.40                | 30392.32                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <u>35521.15</u>         | <u>30435.90</u>         |
| <b>NOTE 11 : OTHER CURRENT LIABILITIES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                         |                         |
| Current maturity of long term borrowings (refer note no. 5)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 28966.22                | 22788.92                |
| Interest accrued but not due on loans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 783.61                  | 658.59                  |
| Advance from customers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 4330.32                 | 3699.19                 |
| Advance received against slump sale transaction (refer note no.52)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 500.00                  | -                       |
| Earnest money / security deposits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 6386.35                 | 5818.09                 |

| Particulars                                                                                | (Rs. in Lacs)           |                         |
|--------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                            | As at<br>March 31, 2015 | As at March<br>31, 2014 |
| Unclaimed statutory liabilities (as referred in Section 205C of the Companies Act, 1956):* |                         |                         |
| - Unpaid dividend                                                                          | 1091.46                 | 1017.36                 |
| - Unpaid matured deposit                                                                   | 1.34                    | 2.98                    |
| - Unpaid interest on above                                                                 | 0.67                    | 1.22                    |
| Escrow liability**                                                                         | 135.04                  | 338.87                  |
| Payable for capital goods                                                                  | 1497.92                 | 2936.41                 |
| Forward contracts payable                                                                  | 9050.11                 | 13925.02                |
| Bank overdraft from bank                                                                   | 2120.12                 | -                       |
| Statutory obligation payable                                                               | 1801.18                 | 2191.24                 |
| Accrued employee liabilities                                                               | 1988.61                 | 3085.36                 |
| Other liabilities                                                                          | 886.43                  | 391.72                  |
|                                                                                            | <b>59539.38</b>         | <b>56854.97</b>         |

\* Amount payable to Investor Education and Protection Fund is Rs. 0.09 lac (previous year Rs.0.12 lac), since paid on due date.

\*\* Escrow liability represents gross amount received from lenders, pending disbursements to borrowers.

#### NOTE 12 : SHORT-TERM PROVISIONS

|                                                                              |                 |                 |
|------------------------------------------------------------------------------|-----------------|-----------------|
| Provision for employees benefits                                             |                 |                 |
| Provision for gratuity (refer note no. 36)                                   | 323.50          | 194.48          |
| Provision for leave encashment                                               | 2553.21         | 2389.49         |
| Provision for post retirement medical benefits (refer note no. 36)           | 8.21            | 7.21            |
| Other provisions                                                             |                 |                 |
| Provision for taxation (net of advance tax payments)                         | 772.76          | 310.66          |
| Provision for wealth tax                                                     | 17.99           | 15.38           |
| Provision for loss on derivative contract                                    | 527.29          | 444.35          |
| Proposed dividend on equity shares                                           | 7908.05         |                 |
| Less : Proposed dividend on equity shares held by Trust                      | 42.81           |                 |
| Tax on proposed dividend                                                     | 1609.90         | 1343.97         |
| Provision for onerous contracts                                              | -               | 375.98          |
| Provision for litigations and claims                                         | 251.53          | 822.50          |
|                                                                              | <b>13929.63</b> | <b>13769.26</b> |
| Movement of Provisions as required by Accounting Standard- 29 is as follows- |                 |                 |
| Onerous Contract:                                                            |                 |                 |
| Balance at the beginning of the year                                         | 375.98          | 602.16          |
| Provision made during the year                                               | -               | 273.46          |
| Provision utilised                                                           | (375.98)        | (558.53)        |
| Unutilised provision reversed back during the year                           | -               | -               |
| Foreign currency translation reserve                                         | -               | 58.89           |
| Balance at the end of the year                                               | -               | 375.98          |

Provisions for onerous contracts: The Group had vacated some of its leased premises as it was unable to utilise the premises to their full capacity. These premises had been taken under non-cancellable lease arrangements till a future date. The Group has recognised a provision for these onerous lease contracts.

Litigations and claims:

|                                               |               |               |
|-----------------------------------------------|---------------|---------------|
| Balance at the beginning of the year          | 822.50        | 490.87        |
| Provision made during the year                | 115.05        | 439.43        |
| Provision utilised                            | (595.22)      | (182.69)      |
| Unutilised provision reversed during the year | -             | -             |
| Foreign currency translation reserve          | (90.80)       | 74.89         |
| Balance at the end of the year                | <b>251.53</b> | <b>822.50</b> |

Provisions for litigations and claims: This represents provision made for probable liabilities / claims rising out of pending disputes / litigations arising out of commercial transactions with vendor/others. Above provision is affected by numerous uncertainties and management has made efforts to make a best estimate. Timing of the outflow of resources will depend upon timing of decision in cases.

## NOTE 13 : TANGIBLE ASSETS

(Rs. In lacs)

| Particulars                                                   | Land-Free hold | Land-Lease hold | Buildings | Lease-hold Improvements | Lease-hold Improvements (on Finance Lease) | Railway Siding | Plant & Machinery | Factory Equipment | Office Equipment | Office Equipment (On Finance Lease) | Furniture & Fittings | Vehicles | Ships     | Total     |
|---------------------------------------------------------------|----------------|-----------------|-----------|-------------------------|--------------------------------------------|----------------|-------------------|-------------------|------------------|-------------------------------------|----------------------|----------|-----------|-----------|
| Cost                                                          |                |                 |           |                         |                                            |                |                   |                   |                  |                                     |                      |          |           |           |
| At April 01, 2013                                             | 743.20         | 931.80          | 22479.59  | 2138.55                 | 302.26                                     | 2205.11        | 343721.17         | 2113.05           | 11576.21         | 324.97                              | 1948.33              | 1025.23  | 185729.27 | 575238.74 |
| Additions                                                     | -              | -               | 1586.96   | 21.57                   | -                                          | -              | 11043.07          | 205.38            | 493.90           | 131.99                              | 39.41                | 158.70   | 387.23    | 14068.21  |
| Deletions                                                     | -              | (344.52)        | (28.92)   | -                       | -                                          | -              | (5838.75)         | (23.79)           | (77.79)          | -                                   | (15.25)              | (135.73) | -         | (6464.75) |
| Adjustment                                                    | -              | -               | 85.05     | -                       | -                                          | -              | 2092.29           | -                 | -                | -                                   | -                    | -        | 11627.58  | 13804.92  |
| Forex Translation Adjustment                                  | -              | -               | 655.15    | 173.08                  | -                                          | -              | 6029.74           | 26.32             | 1088.07          | 29.24                               | 154.64               | 13.71    | -         | 8169.95   |
| At March 31, 2014                                             | 743.20         | 587.28          | 24777.83  | 2333.20                 | 302.26                                     | 2205.11        | 357,047.52        | 2320.96           | 13080.39         | 486.20                              | 2127.13              | 1061.91  | 197744.08 | 604817.07 |
| Additions                                                     | -              | -               | 848.89    | 137.87                  | -                                          | -              | 5567.92           | 100.17            | 282.75           | -                                   | 52.94                | 250.94   | 1.10      | 7242.58   |
| Deletions                                                     | -              | -               | (28.53)   | (30.22)                 | -                                          | -              | (2746.84)         | (36.20)           | (179.93)         | -                                   | (8.44)               | (189.72) | -         | (3219.88) |
| Adjustment                                                    | -              | -               | 27.67     | (1.34)                  | -                                          | -              | 486.02            | (12.84)           | 2.22             | (10.92)                             | (0.33)               | -        | 4128.74   | 4,619.22  |
| Forex Translation Adjustment                                  | -              | -               | (298.76)  | 36.20                   | -                                          | -              | (2764.47)         | (12.50)           | 213.07           | 9.32                                | 24.67                | (3.45)   | -         | (2795.92) |
| At March 31, 2015                                             | 743.20         | 587.28          | 25327.10  | 2475.71                 | 302.26                                     | 2205.11        | 357590.15         | 2359.59           | 13398.50         | 484.60                              | 2195.97              | 1119.68  | 201873.92 | 610663.07 |
| Depreciation                                                  |                |                 |           |                         |                                            |                |                   |                   |                  |                                     |                      |          |           |           |
| At April 01, 2013                                             | -              | 138.18          | 7971.71   | 1554.52                 | 114.51                                     | 1701.68        | 242321.81         | 1220.12           | 10262.68         | 232.46                              | 1745.35              | 469.11   | 41852.78  | 309584.91 |
| Additions                                                     | -              | 5.94            | 659.14    | 102.26                  | 34.54                                      | 94.34          | 12398.89          | 106.45            | 530.59           | 59.25                               | 97.35                | 168.04   | 10358.31  | 24615.10  |
| Deletions                                                     | -              | -               | (0.99)    | -                       | -                                          | -              | (5402.12)         | (20.21)           | (47.06)          | -                                   | (7.54)               | (94.90)  | -         | (5572.82) |
| Adjustment                                                    | -              | -               | -         | -                       | -                                          | -              | -                 | -                 | -                | -                                   | -                    | -        | -         | -         |
| Forex Translation Adjustment                                  | -              | -               | 445.68    | 163.44                  | -                                          | -              | 5510.55           | 21.47             | 1070.46          | 31.89                               | 150.89               | (1.27)   | -         | 7393.11   |
| At March 31, 2014                                             | -              | 144.12          | 9075.54   | 1820.22                 | 149.05                                     | 1796.02        | 254829.13         | 1327.83           | 11816.67         | 323.60                              | 1986.05              | 540.98   | 52211.09  | 336020.30 |
| Additions                                                     | -              | 5.94            | 741.18    | 58.65                   | 34.54                                      | 28.55          | 9567.04           | 117.48            | 523.13           | 78.27                               | 96.40                | 183.18   | 7347.93   | 18782.29  |
| Deletions                                                     | -              | -               | (15.64)   | (28.71)                 | -                                          | -              | (2528.01)         | (23.07)           | (167.70)         | -                                   | (7.66)               | (150.78) | -         | (2921.57) |
| Transfer to opening retained earnings (refer note no.2(c)(i)) | -              | -               | 1,159.26  | -                       | -                                          | 2.64           | 387.41            | 128.80            | 228.16           | -                                   | 16.17                | -        | -         | 1922.44   |
| Adjustment                                                    | -              | -               | -         | (3.60)                  | -                                          | -              | -                 | -                 | (16.62)          | (7.27)                              | (1.76)               | (0.01)   | -         | (29.26)   |
| Forex Translation Adjustment                                  | -              | -               | (214.79)  | 33.34                   | -                                          | -              | (2551.43)         | (10.15)           | 211.66           | 8.77                                | 24.67                | (2.61)   | -         | (2500.54) |
| At March 31, 2015                                             | -              | 150.06          | 10745.55  | 1879.90                 | 183.59                                     | 1827.21        | 259704.14         | 1540.89           | 12595.30         | 403.37                              | 2113.87              | 570.76   | 59559.02  | 351273.66 |
| Net Block                                                     |                |                 |           |                         |                                            |                |                   |                   |                  |                                     |                      |          |           |           |
| At March 31, 2014                                             | 743.20         | 443.16          | 15,702.29 | 512.98                  | 153.21                                     | 409.09         | 102218.39         | 993.13            | 1263.72          | 162.60                              | 141.08               | 520.93   | 145532.99 | 268796.77 |
| At March 31, 2015                                             | 743.20         | 437.22          | 14,581.55 | 595.81                  | 118.67                                     | 377.90         | 97886.01          | 818.70            | 803.20           | 81.23                               | 82.10                | 548.92   | 142314.90 | 259389.41 |

**Notes:**

1. Freehold land includes Rs. 0.81 lac (Previous year Rs. 0.81 lac), Buildings includes Rs.409.07 lacs (Previous year NIL), which are yet to be registered in the Company's name.
2. Deletion from leasehold land NIL (Previous year Rs. 344.52 lacs) represented surrender of land taken from Gujarat Industrial Development Corporation.
3. Gross Block and Accumulated Depreciation of Buildings includes Rs.0.71 lac (Previous year Rs.0.71 lac) and Rs.0.58 lac (Previous year Rs.0.57 lac) respectively represent undivided share in assets jointly owned with others.
4. Adjustment to Plant and Machinery includes additions of Rs.500.11 lacs (Previous year additions of Rs.2108.72 lacs), adjustment to Building includes additions of Rs.27.67 lacs (Previous year additions of Rs.85.05 lacs) and adjustment to ships includes additions of Rs.4128.74 lacs (Previous year additions of Rs.11627.58 lacs) being variations in rupee liability in respect of foreign currency.
5. Adjustment from Plant and Machinery and Factory Equipment includes Cervat credit of Rs. 14.09 lacs (Previous year Rs.16.43 lacs) and Rs. 0.74 lac (Previous year NIL) respectively related to earlier years but availed during the year.
6. Capital work in progress (CWIP) includes preoperative expenses amounting to Rs.5200.48 lacs (Previous year Rs.3536.60 lacs) (Refer note no.36). Further, CWIP includes Rs.144.73 lacs (Previous year Rs.164.73 lacs) being variations in rupee liability in respect of foreign currency borrowings.

| (Rs. in Lacs)                      |          |                           |                              |          |                           |          |
|------------------------------------|----------|---------------------------|------------------------------|----------|---------------------------|----------|
| Particulars                        | Software | Software on Finance Lease | Intellectual Property Rights | Goodwill | Goodwill on Consolidation | Total    |
| <b>NOTE 14 : INTANGIBLE ASSETS</b> |          |                           |                              |          |                           |          |
| <b>Gross Block</b>                 |          |                           |                              |          |                           |          |
| At April 01, 2013                  | 13009.52 | 118.62                    | 2402.05                      | 15604.08 | 19784.32                  | 50918.59 |
| Purchase during the year           | 3076.25  | -                         | -                            | -        | -                         | 3076.25  |
| Adjustment                         | (73.90)  | -                         | -                            | -        | -                         | (73.90)  |
| Deletion                           | -        | -                         | -                            | -        | -                         | -        |
| Forex Translation Adjustment       | 1634.03  | 14.69                     | 297.42                       | 1932.07  | 2405.24                   | 6283.45  |
| At March 31, 2014                  | 17645.90 | 133.31                    | 2699.47                      | 17536.15 | 22189.56                  | 60204.39 |
| Purchase during the year           | 3154.06  | -                         | -                            | -        | -                         | 3154.06  |
| Deletion                           | (3.65)   | -                         | -                            | -        | -                         | (3.65)   |
| Adjustment                         | (70.22)  | -                         | -                            | -        | -                         | (70.22)  |
| Forex Translation Adjustment       | 421.27   | 2.65                      | 53.72                        | 348.96   | 434.43                    | 1261.03  |
| At March 31, 2015                  | 21147.36 | 135.96                    | 2753.19                      | 17885.11 | 22623.99                  | 64545.61 |
| <b>Net Block</b>                   |          |                           |                              |          |                           |          |
| At April 01, 2013                  | 10838.54 | 61.98                     | 2402.05                      | 6318.68  | -                         | 19621.25 |
| Addition                           | 2123.75  | 18.10                     | -                            | 1479.70  | -                         | 3621.55  |
| Deletion                           | -        | -                         | -                            | -        | -                         | -        |
| Adjustment                         | (58.67)  | -                         | -                            | -        | -                         | (58.67)  |
| Forex Translation Adjustment       | 1329.52  | 8.67                      | 297.42                       | 863.69   | -                         | 2499.30  |
| At March 31, 2014                  | 14233.14 | 88.75                     | 2699.47                      | 8662.07  | -                         | 25683.43 |
| Addition                           | 2462.15  | 18.91                     | -                            | 385.36   | -                         | 2866.42  |
| Deletion                           | (3.65)   | -                         | -                            | -        | -                         | (3.65)   |
| Adjustment                         | (20.21)  | -                         | -                            | -        | -                         | (20.21)  |
| Forex Translation Adjustment       | 340.61   | 1.77                      | 53.72                        | 185.01   | -                         | 581.11   |
| At March 31, 2015                  | 17012.04 | 109.43                    | 2753.19                      | 9232.44  | -                         | 29107.10 |
| At March 31, 2014                  | 3412.76  | 44.56                     | -                            | 8874.08  | 22189.56                  | 34520.96 |
| At March 31, 2015                  | 4135.32  | 26.53                     | -                            | 8652.67  | 22623.99                  | 35438.51 |

Note: For Goodwill on Consolidation, refer note no. 38

| (Rs. in Lacs)                                                                                                                                                          |                      |                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Particulars                                                                                                                                                            | As at March 31, 2015 | As at March 31, 2014 |
| <b>NOTE 15 : NON-CURRENT INVESTMENTS</b>                                                                                                                               |                      |                      |
| (Valued at cost unless otherwise stated)                                                                                                                               |                      |                      |
| <b>A. Investment in Equity Instruments</b>                                                                                                                             |                      |                      |
| <b>Other than Trade (Unquoted)</b>                                                                                                                                     |                      |                      |
| - 20,000 (Previous year 20,000) equity shares of Rs.10 each fully paid up in Shivalik Solid Waste Management Limited                                                   | 2.00                 | 2.00                 |
| - 30,00,000 (Previous year NIL) 12% Non convertible cumulative redeemable preference shares of Rs. 100 each fully paid up in Upper Ganges Sugar & Industries Limited * | 3000.00              | -                    |
| <b>Other than Trade (Quoted)</b>                                                                                                                                       |                      |                      |
| - 350 (Previous year 350) ordinary shares in StanCorp Financial Group, Inc., USA                                                                                       | 8.24                 | 8.08                 |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                         | (Rs. in Lacs)           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
| <b>B. Investment in Government Securities</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                         |                         |
| Other than Trade (Unquoted)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                         |                         |
| - 6 Year National Savings Certificates VIII Issue (lodged with Govt. Authorities)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 0.09                    | 0.09                    |
| - Indira Vikas Patra                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0.20                    | 0.20                    |
| <b>C. Investment in Bonds &amp; Debentures</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                         |                         |
| Other than Trade (Unquoted)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                         |                         |
| Debentures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                         |                         |
| - 218 (Previous year 218) 5% Non Convertible Debentures of Woodlands Hospital and Medical Research Centre Ltd. of Rs. 100 each fully paidup                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0.22                    | 0.22                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <u>3010.75</u>          | <u>10.59</u>            |
| Aggregate amount of unquoted investments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 3002.51                 | 2.51                    |
| Aggregate amount of quoted investments (Market value: Rs 7.95 lacs (Previous year Rs.7.00 lacs)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 8.24                    | 8.08                    |
| * During the year, Parent Company has made investment of Rs. 3,000.00 lacs in Upper Ganges Sugar & Industries Limited (UGSIL). As per the latest financial statement of UGSIL, their accumulated losses have resulted in erosion of significant portion of the net worth. This being long term strategic investment and also in view of projected profitable operations of the UGSIL in near future, in the opinion of the management no provision for diminution in the value of investment is required to be made as per Accounting Standard 13 "Accounting for Investments". |                         |                         |
| <b>NOTE 16 : LONG TERM LOANS AND ADVANCES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                         |                         |
| (Unsecured and considered good, unless stated otherwise)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                         |                         |
| Capital advances                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 1678.56                 | 1101.21                 |
| Balances with statutory/ government authorities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 654.35                  | 364.50                  |
| Loans to employees:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                         |                         |
| a) Secured, considered good                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 188.43                  | 250.52                  |
| b) Unsecured, considered good                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 38.28                   | 52.85                   |
| Advance fringe benefit tax (Net of provision for fringe benefit tax)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 3.70                    | 3.70                    |
| Advance Income Tax (Net of Provision for taxation)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 5162.75                 | 14447.62                |
| Prepaid Expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 1017.99                 | 1116.00                 |
| Deposits - others                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 853.44                  | 1099.29                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <u>9597.50</u>          | <u>18435.69</u>         |
| Considered doubtful:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                         |                         |
| Balances with statutory/ government authorities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 47.88                   | 48.03                   |
| Less: Provision for doubtful advances                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (47.88)                 | (48.03)                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <u>9597.50</u>          | <u>18435.69</u>         |
| Included in Loans to employees:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                         |                         |
| i. Dues from director of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2.15                    | -                       |
| ii. Dues from officer of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | -                       | 0.29                    |
| <b>NOTE 17 : OTHER NON-CURRENT ASSETS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                         |                         |
| Catalysts in use (value based on life technically assessed)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 1430.09                 | 1695.93                 |
| Non current bank balance (refer note no. 20)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 0.15                    | 14.06                   |
| Interest accrued on fixed deposits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | -                       | 1.54                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <u>1430.24</u>          | <u>1711.53</u>          |
| <b>NOTE 18 : INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                         |                         |
| Stores and spares {Including in transit Rs.30.63 lacs (Previous year Rs.31.43 lacs)}                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 11594.19                | 12013.04                |
| Catalysts in use (valued based on life technically assessed)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 630.80                  | 525.06                  |
| Naphtha                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 526.80                  | 526.80                  |

|                                                                                       | (Rs. in Lacs)           |                         |
|---------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                           | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
| Raw materials {Including in transit Rs.309.93 lacs (Previous year Rs.134.87 lacs)}    | 7653.00                 | 7083.36                 |
| Loose tools                                                                           | 16.13                   | 25.11                   |
| Packing materials                                                                     | 357.40                  | 419.21                  |
| Waste (at net realisable value)                                                       | 16.36                   | 35.35                   |
| Work-in-process                                                                       | 2850.21                 | 3745.70                 |
| Finished goods {Including in transit Rs.2370.63 lacs (Previous year Rs.5174.05 lacs)} | 8984.02                 | 19533.56                |
| Traded goods {Including in transit Rs. 2592.31 lacs (Previous year NIL)}              | 41241.97                | 24646.45                |
|                                                                                       | <u>73870.88</u>         | <u>68553.64</u>         |

#### NOTE 19 : TRADE RECEIVABLES

Outstanding for a period exceeding six months from the date they are due for payment

|                                                                                                                                      |                 |                 |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Secured, considered good                                                                                                             | 147.95          | 313.62          |
| Unsecured, considered good {Including subsidy receivable from Government of India Rs.17321.04 lacs (Previous year Rs.38603.91 lacs)} | 18590.57        | 41115.43        |
| Unsecured, considered doubtful                                                                                                       | 2206.70         | 2206.72         |
| Less: Provision for doubtful receivables                                                                                             | 2206.70         | 2206.72         |
|                                                                                                                                      | <u>18738.52</u> | <u>41429.05</u> |

#### Other receivables

|                                                                                                                                        |                  |                  |
|----------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Secured, considered good *                                                                                                             | 3289.35          | 4046.11          |
| Unsecured, considered good {Including subsidy receivable from Government of India Rs.249943.57 lacs (Previous year Rs.258532.43 lacs)} | 295088.21        | 310474.33        |
| Unsecured, considered doubtful                                                                                                         | 13.24            | 109.18           |
| Less: Provision for doubtful receivables                                                                                               | 13.24            | 109.18           |
|                                                                                                                                        | <u>298377.56</u> | <u>314520.44</u> |
|                                                                                                                                        | <u>317116.08</u> | <u>355949.49</u> |

\* Secured trade receivables includes Rs.113.10 lacs (Previous year Rs.349.02 lacs) secured against letter of credit.

#### NOTE 20 : CASH AND BANK BALANCES

##### Cash and Cash Equivalents

##### Balances with banks:

|                                                                                  |                |                 |
|----------------------------------------------------------------------------------|----------------|-----------------|
| On unpaid dividend / preference share redemption amount / fixed deposit accounts | 1091.46        | 1017.36         |
| On current accounts                                                              | 6442.19        | 8899.01         |
| On cash credit accounts                                                          | 61.04          | 87.86           |
| On saving accounts                                                               | 2.93           | 54.72           |
| On fixed deposit accounts                                                        | 562.55         | 312.55          |
| On escrow accounts                                                               | 135.04         | 338.87          |
| Cash on hand                                                                     | 10.09          | 12.52           |
| Cheques on hand                                                                  | 171.83         | -               |
|                                                                                  | <u>8477.13</u> | <u>10722.89</u> |

##### Other bank balances:

|                                                                               |                 |                |
|-------------------------------------------------------------------------------|-----------------|----------------|
| Deposit with original maturity for more than 12 months                        | 9.15            | 14.06          |
| Deposit with original maturity for more than 3 months but less than 12 months | 11906.54        | 9028.06        |
|                                                                               | <u>11915.69</u> | <u>9042.12</u> |
|                                                                               | 20392.82        | 19765.01       |

|                                                                                                        |                 |                 |
|--------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Less: Deposit with maturity more than 12 months disclosed under non-current assets (refer note no. 17) | 0.15            | 14.06           |
|                                                                                                        | <u>20392.67</u> | <u>19750.95</u> |

|                                                                                                                                          | (Rs. in Lacs)           |                         |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                                                                              | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
| <b>NOTE 21 : SHORT-TERM LOANS AND ADVANCES</b>                                                                                           |                         |                         |
| (Unsecured except to the extent stated and considered good except to the extent stated)                                                  |                         |                         |
| Advances recoverable in cash or in kind or for value to be received<br>(Considered doubtful Rs.62.68 lacs, Previous year Rs.109.56 lacs) | 4988.15                 | 5063.84                 |
| Balances with statutory/ government authorities<br>(Considered doubtful Rs.275.09 lacs, Previous year Rs.275.09 lacs)                    | 5523.97                 | 5767.38                 |
| Loans to employees:                                                                                                                      |                         |                         |
| a) Secured                                                                                                                               | 48.54                   | 56.23                   |
| b) Unsecured                                                                                                                             | 15.72                   | 28.92                   |
| Deposits - others<br>(Considered doubtful Rs.26.14 lacs, Previous Year Rs.26.14 lacs)                                                    | 591.97                  | 590.90                  |
| Inter - corporate deposits                                                                                                               | -                       | 6000.00                 |
| Prepaid expense                                                                                                                          | 1571.72                 | 1553.76                 |
| Advance income tax (Net of provision for taxation)                                                                                       | 10770.75                | 6593.11                 |
|                                                                                                                                          | <u>23510.82</u>         | <u>25654.14</u>         |
| Less: Provision for doubtful advances                                                                                                    | 363.91                  | 410.79                  |
|                                                                                                                                          | <u>23146.91</u>         | <u>25243.35</u>         |
| Included in Loans to employees :                                                                                                         |                         |                         |
| Dues from director of the Company                                                                                                        | -                       | 2.65                    |
| Dues from officer of the Company                                                                                                         | 0.29                    | 3.42                    |
| <b>NOTE 22 : OTHER CURRENT ASSETS</b>                                                                                                    |                         |                         |
| (Unsecured and considered good)                                                                                                          |                         |                         |
| Interest receivable on loans, deposits and others                                                                                        | 178.01                  | 185.97                  |
| Export benefits receivable                                                                                                               | 195.95                  | 179.42                  |
| Insurance and other claims receivable                                                                                                    | 502.95                  | 877.85                  |
| Unamortised premium on forward contracts                                                                                                 | 6947.99                 | 3563.01                 |
| Fertilisers Companies Govt. of India bonds (at lower of cost and market value)                                                           | 0.10                    | 0.10                    |
| Assets held for disposal (at lower of net written down value and net realisable value)                                                   | 292.40                  | 311.93                  |
| Unbilled Revenue                                                                                                                         | 403.12                  | 916.83                  |
|                                                                                                                                          | <u>8520.52</u>          | <u>6035.11</u>          |

**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015**

| Particulars                                                                                                                       | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| <b>NOTE 23 : REVENUE FROM OPERATIONS</b>                                                                                          |                              |                              |
| Sale of Products:                                                                                                                 |                              |                              |
| Sales of own manufactured products (including subsidy on fertilisers)                                                             | 553081.36                    | 527398.82                    |
| Sales of traded products (including subsidy on fertilisers)                                                                       | 320370.45                    | 262682.84                    |
| Sale of Services:                                                                                                                 |                              |                              |
| Income from operations of Shipping business<br>{Including Rs.41556.43 lacs from charter in ship (Previous year Rs.27519.77 lacs)} | 76310.83                     | 58928.25                     |
| Software development, KPO and BPO Services                                                                                        | 20307.41                     | 38264.24                     |
| Software licence fees                                                                                                             | 1172.11                      | 2634.38                      |
| Maintenance & support services                                                                                                    | 3043.79                      | 2924.29                      |
| Other Operating Revenues                                                                                                          |                              |                              |
| Export benefits                                                                                                                   | 692.86                       | 338.75                       |
| Others                                                                                                                            | 715.99                       | 208.43                       |
|                                                                                                                                   | <u>975694.80</u>             | <u>893380.00</u>             |
| Revenue from operations (gross)                                                                                                   |                              |                              |
| Less: Excise duty #                                                                                                               | 1920.37                      | 2322.98                      |
| Revenue from operations (net)                                                                                                     | <u>973774.43</u>             | <u>891057.02</u>             |

# Excise duty on sales amounting to Rs.1,920.37 lacs (Previous year Rs.2,322.98 lacs) has been reduced from sales in statement of profit and loss and excise duty on (decrease) in stock amounting to Rs. (38.80) lacs (Previous year Rs.(51.63) lacs) has been considered as (income) in note 29 of the financial statements.

| Particulars                                                          | (Rs. in Lacs)                |                              |
|----------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                      | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
| <b>NOTE 24 : OTHER INCOME</b>                                        |                              |                              |
| Interest on                                                          |                              |                              |
| - Fertilisers Bonds                                                  | 0.01                         | 0.01                         |
| - Employees loans                                                    | 12.41                        | 15.61                        |
| - Income Tax refunds                                                 | 890.21                       | 1485.65                      |
| - Deposit (Gross)                                                    | 1,087.52                     | 1685.86                      |
| - Payment from customers                                             | 917.34                       | 1792.71                      |
| - Current investments                                                | 87.87                        | 17.00                        |
| - Others                                                             | 18.95                        | -                            |
| Rent received (refer note no. 40 (ii))                               | 25.22                        | 111.04                       |
| Mark to Market gain on derivative transactions                       | 1483.72                      | 1389.02                      |
| Insurance claims received                                            | 1013.70                      | 1190.07                      |
| Liabilities no longer required written back                          | 273.36                       | 214.78                       |
| Provision for doubtful debts written back (net)                      | 22.52                        | -                            |
| Profit on sale of non trade current investments                      | 1360.25                      | 1104.91                      |
| Sale of scrap {Net of excise duty NIL (Previous year Rs.10.87 lacs)} | 257.02                       | 351.17                       |
| Foreign exchange variation                                           | 1342.94                      | -                            |
| Miscellaneous income                                                 | 1714.90                      | 1139.69                      |
|                                                                      | <b>10507.94</b>              | <b>10497.52</b>              |

**NOTE 25 : COST OF MATERIALS CONSUMED**

|                           |                  |                  |
|---------------------------|------------------|------------------|
| Opening inventories       | 7083.36          | 8109.16          |
| Add: Purchases*           | 281751.03        | 255193.27        |
| Less: Closing inventories | 7653.00          | 7083.36          |
|                           | <b>281181.39</b> | <b>256219.07</b> |
|                           | 402.67           | (114.36)         |

\* After adjustment for fluctuations in exchange rate

| Particulars                                                                                                     | (Rs. in Lacs)                |                              |                          |
|-----------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|--------------------------|
|                                                                                                                 | Year Ended<br>March 31, 2015 | Year Ended<br>March 31, 2014 | (Increase) /<br>decrease |
| <b>NOTE 26 : (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS, TRADED GOODS AND WASTE</b> |                              |                              |                          |
| Closing inventories                                                                                             |                              |                              |                          |
| - Work-in-process                                                                                               | 2850.21                      | 3745.70                      | 895.49                   |
| - Finished goods                                                                                                | 8984.02                      | 19533.56                     | 10549.54                 |
| - Traded goods                                                                                                  | 41241.97                     | 24646.45                     | (16595.52)               |
| - Waste                                                                                                         | 16.36                        | 35.35                        | 18.99                    |
|                                                                                                                 | <b>53092.56</b>              | <b>47961.06</b>              | <b>(5131.50)</b>         |
| Opening inventories                                                                                             |                              |                              |                          |
| - Work-in-process                                                                                               | 3745.70                      | 3212.09                      | (533.61)                 |
| - Finished goods                                                                                                | 19533.56                     | 33572.40                     | 14038.84                 |
| - Traded goods                                                                                                  | 24646.45                     | 67080.83                     | 42434.38                 |
| - Waste                                                                                                         | 35.35                        | 47.33                        | 11.98                    |
|                                                                                                                 | <b>47961.06</b>              | <b>103912.65</b>             | <b>55951.59</b>          |
|                                                                                                                 | <b>(5131.50)</b>             | <b>55951.59</b>              |                          |
| Adjustment for fluctuation in exchange rate                                                                     | (135.33)                     | 246.97                       |                          |
|                                                                                                                 | <b>(5266.83)</b>             | <b>56198.56</b>              |                          |

| Particulars                                                                     | (Rs. in Lacs)                |                              |
|---------------------------------------------------------------------------------|------------------------------|------------------------------|
|                                                                                 | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
| <b>NOTE 27 : EMPLOYEE BENEFITS EXPENSE</b>                                      |                              |                              |
| Salaries, wages and bonus*                                                      | 28282.23                     | 35009.22                     |
| Contribution to provident and other funds                                       | 1903.96                      | 2322.26                      |
| Gratuity expenses (refer note no. 36)                                           | 342.66                       | 328.50                       |
| Post retirement medical benefits (refer note no. 36)                            | 68.57                        | 175.82                       |
| Workmen and staff welfare expenses                                              | 1944.70                      | 2416.42                      |
| Employee stock option scheme expense                                            | 657.43                       | 644.21                       |
|                                                                                 | <u>33199.55</u>              | <u>40896.43</u>              |
| * Refer note no. 34                                                             |                              |                              |
| <b>NOTE 28 : FINANCE COSTS</b>                                                  |                              |                              |
| Interest {including interest on income tax : NIL (Previous year Rs.93.87 lacs)} | 15806.12                     | 20107.47                     |
| Bank charges and guarantee commission*                                          | 511.54                       | 635.10                       |
|                                                                                 | <u>16317.66</u>              | <u>20742.57</u>              |
| * Refer note no. 34                                                             |                              |                              |
| <b>NOTE 29 : OTHER EXPENSES</b>                                                 |                              |                              |
| Consumption of stores and spares                                                | 5206.57                      | 5719.10                      |
| Consumption of packing materials                                                | 9613.67                      | 8665.22                      |
| Sub contracting expenses                                                        | 5288.41                      | 8827.88                      |
| Power and fuel                                                                  | 138181.17                    | 130750.78                    |
| Catalyst charges written off                                                    | 872.55                       | 508.08                       |
| Rent (refer note no. 40(b) & (c))                                               | 4016.44                      | 5741.12                      |
| Rates and taxes                                                                 | 543.21                       | 716.16                       |
| Insurance                                                                       | 3427.86                      | 3158.58                      |
| Repairs and maintenance :                                                       |                              |                              |
| - Plant & Machinery                                                             | 3381.14                      | 3346.39                      |
| - Ships                                                                         | 819.95                       | 705.71                       |
| - Buildings                                                                     | 397.75                       | 399.53                       |
| - Others                                                                        | 1841.68                      | 2081.33                      |
| Ships bunker cost                                                               | 15601.91                     | 12989.88                     |
| Ships port dues                                                                 | 5088.43                      | 3804.76                      |
| Ships special survey expenses                                                   | 714.66                       | 1156.14                      |
| Directors' sitting fees                                                         | 23.08                        | 10.87                        |
| Travelling and conveyance*                                                      | 2277.01                      | 2822.07                      |
| Communication costs                                                             | 1046.36                      | 970.39                       |
| Printing and stationery                                                         | 124.63                       | 202.57                       |
| Legal and professional fees*                                                    | 1219.11                      | 2037.30                      |
| Auditor's remuneration                                                          |                              |                              |
| As auditor:                                                                     |                              |                              |
| - Audit fee                                                                     | 139.18                       | 228.31                       |
| - Tax audit fee                                                                 | 10.30                        | 8.82                         |
| - Limited review fee                                                            | 24.78                        | 24.78                        |
| - Out of pocket expenses                                                        | 6.33                         | 5.62                         |
| In other manner:                                                                |                              |                              |
| - Certification and other services                                              | 29.28                        | 31.92                        |
| Excise duty on (decrease) in inventories                                        | (38.80)                      | (51.63)                      |
| Freight and forwarding charges                                                  | 52118.85                     | 44499.16                     |

|                                                                              |        | (Rs. in Lacs)                |                              |
|------------------------------------------------------------------------------|--------|------------------------------|------------------------------|
| Particulars                                                                  |        | Year ended<br>March 31, 2015 | Year ended<br>March 31, 2014 |
| Cash rebate to customers                                                     |        | 503.67                       | 493.22                       |
| Commission and brokerage to other than sole selling agents                   |        | 2761.09                      | 2193.49                      |
| Other selling expenses                                                       |        | 575.50                       | 793.82                       |
| Donations / CSR expenses :                                                   |        |                              |                              |
| - Satya Electoral Trust                                                      |        | -                            | 200.20                       |
| - Others (including CSR expenses of Rs.835.55 lacs)                          |        | 835.55                       | 137.10                       |
| Depletion of loose tools                                                     |        | 19.66                        | 20.63                        |
| Green belt development/ horticulture expenses                                |        | 249.39                       | 252.54                       |
| Provision for doubtful advances and debts                                    |        | -                            | 88.34                        |
| Loss on foreign exchange variation (net)                                     |        | -                            | 1179.23                      |
| Premium on forward contracts amortised                                       |        | 10261.25                     | 12296.22                     |
| Loss on disposal of fixed assets (net)                                       |        | 206.06                       | 164.08                       |
| Bank charges and guarantee commission (other than financing)*                |        | 73.15                        | 113.62                       |
| Irrecoverable balances written off                                           | 192.85 |                              |                              |
| Less: Provision for doubtful debts and advances adjusted out of above        | 159.62 | 33.23                        | 0.98                         |
| Release of foreign currency translation reserve on liquidation of subsidiary |        | 281.12                       | -                            |
| Miscellaneous expenses *                                                     |        | 2894.78                      | 3365.80                      |
|                                                                              |        | <u>270669.96</u>             | <u>260660.11</u>             |

\* Refer note no. 34

#### NOTE 30 : EARNINGS PER SHARE (EPS)

|                                                                        |                  |                  |
|------------------------------------------------------------------------|------------------|------------------|
| Net profit after tax as per Statement of Profit and Loss               | 29461.18         | 24412.42         |
| Calculation of weighted average number of equity share of Rs.10 each   |                  |                  |
| - Number of shares at the beginning of the year                        | 416207852        | 416207852        |
| - Total equity shares outstanding at the end of the year               | 416207852        | 416207852        |
| - Weighted average number of equity shares outstanding during the year | <u>416207852</u> | <u>416207852</u> |
| Basic and Diluted Earnings Per Share (in Rs.)                          | 7.08             | 5.87             |
| Nominal Value of Equity Shares (in Rs.)                                | 10.00            | 10.00            |

#### 31 The Group comprises of the following entities:

| Name of the Group Company                                                        | Country of Incorporation | Percentage of Ownership as at 31.03.2015 | Percentage of Ownership as at 31.03.2014 |
|----------------------------------------------------------------------------------|--------------------------|------------------------------------------|------------------------------------------|
| <b>Subsidiaries</b>                                                              |                          |                                          |                                          |
| Chambal Infrastructure Ventures Limited ("CIVL") *                               | India                    | 100.00%                                  | 100.00%                                  |
| CFCL Overseas Limited ("COL") (under liquidation) **                             | Cayman Islands           | -                                        | 100.00%                                  |
| India Steamship Pte Limited ("ISS Pte")                                          | Singapore                | 100.00%                                  | 100.00%                                  |
| India Steamship Limited                                                          | India Steamship Limited  | 100.00%                                  | 100.00%                                  |
| CFCL Technologies Limited ("CTL") (w.e.f. 25.03.2015)                            | Cayman Islands           | 72.27%                                   | 72.27%                                   |
| <b>Step-down Subsidiary of ISS Pte</b>                                           |                          |                                          |                                          |
| India Steamship International FZE                                                | UAE                      | 100.00%                                  | 100.00%                                  |
| <b>Step-down Subsidiaries of CIVL</b>                                            |                          |                                          |                                          |
| Chambal Energy (Orissa) Limited (CEOL)                                           | India                    | 100.00%                                  | 100.00%                                  |
| Chambal Energy (Chhattisgarh) Limited (CECL)                                     | India                    | 100.00%                                  | 100.00%                                  |
| <b>Step-down Subsidiaries of CTL</b>                                             |                          |                                          |                                          |
| ISGN Corporation- erstwhile Novasoft Information Technology Corporation ("NITC") | USA                      | 100.00%                                  | 100.00%                                  |
| CFCL Ventures Limited (CVL)                                                      | Cayman Islands           | 100.00%                                  | 100.00%                                  |
| <b>Step-down Subsidiaries of NITC</b>                                            |                          |                                          |                                          |

|                                                                          |         |         |         |
|--------------------------------------------------------------------------|---------|---------|---------|
| ISGN Solutions, Inc ("ISGN")                                             | USA     | 100.00% | 100.00% |
| Step-down Subsidiaries of ISGN                                           |         |         |         |
| Richmond Title Genpar, LLC ('Genpar')                                    | USA     | 100.00% | 100.00% |
| Richmond Investors, LLC                                                  | USA     | 100.00% | 100.00% |
| Richmond Title Services, LP ('Richmond LP')                              | USA     | 100.00% | 100.00% |
| ISGN Fulfillment Services, Inc. (Pennsylvania)                           | USA     | 100.00% | 100.00% |
| Step-down Subsidiaries of ISGN Fulfillment Services, Inc                 |         |         |         |
| ISGN Fulfillment Agency, LLC #                                           | USA     | 100.00% | 100.00% |
| Step-down Subsidiaries of CVL                                            |         |         |         |
| ISG Novasoft Technologies Limited ('ISGNTL')                             | India   | 100.00% | 100.00% |
| Inuva Info Management Private Limited ('INUVA') - Subsidiary of 'ISGNTL' | India   | 71.00%  | 71.00%  |
| Joint Venture                                                            |         |         |         |
| Indo Maroc Phosphore S.A., Morocco                                       | Morocco | 33.33%  | 33.33%  |

# These entities being license companies, there are no assets and liabilities in these entities.

\* The Board of Directors of CIVL at its meeting held on March 30, 2015 approved a scheme of merger and amalgamation of CEOL and CECL with the CIVL. CIVL is in the process of filing the scheme with the Hon'ble Delhi High Court.

\*\* The Board of Directors and shareholders of CFCL Overseas Limited, Cayman Islands ("COL") has approved voluntary liquidation of COL. In pursuance of the voluntary liquidation, all the assets of COL (including the shares, warrants and convertible notes held by COL in CFCL Technologies Limited) were transferred in favour of Chambal Fertilisers and Chemicals Limited (sole shareholder of COL) on March 25, 2015. Accordingly, COL did not have any assets or liabilities as on March 31, 2015. As per the Certificate of Dissolution dated March 26, 2015 issued by the Registrar of Companies, Cayman Islands, COL will be deemed to be dissolved on June 26, 2015.

### 32A Contingent liabilities (not provided for) in respect of Parent Company:

(a) (Rs. in Lacs)

| S. No. | Particulars                                                                                                                                                                                                        | 2014-15                  | 2013-14                  |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| i)     | Demand raised by Service Tax, Sales Tax and Income Tax (IT) authorities being disputed by the Company*                                                                                                             | 624.07                   | 469.79                   |
| ii)    | Penalty levied by FERA Board under appeal before the Calcutta High Court                                                                                                                                           | 1.30                     | 1.30                     |
| iii)   | Claim against Nihat Shipping Company Limited in legal suits / notices, in which the Parent Company has been made a party, is being contested, since the Company acted as Agents / Technical & Operational Managers | -                        | 222.04                   |
| iv)    | Various labour cases                                                                                                                                                                                               | Amount not ascertainable | Amount not ascertainable |
| v)     | Other claims against the Company not acknowledged as debts                                                                                                                                                         | 402.93                   | 386.77                   |

\* Brief description of liabilities for (i) above :

(Rs. in Lacs)

| S. No. | Particulars                                                                                                                              | 2014-15 | 2013-14 |
|--------|------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|
| 1      | Income Tax :                                                                                                                             |         |         |
|        | Demand raised by IT authorities on account of various disallowances for AY 2003-04 including penalties.                                  | 1.28    | 1.28    |
|        | Demand raised by IT authorities on account of various disallowances for AY 2004-05 including penalties.                                  | 5.87    | 5.87    |
|        | Demand raised by IT authorities on account of various disallowances for AY 2008-09 including penalties.                                  | 123.23  | 123.23  |
|        | Demand raised by IT authorities on account of various disallowances for AY 2009-10.                                                      | 98.50   | 98.50   |
|        | Demand raised by IT authorities on account of various disallowances for AY 2010-11.                                                      | 70.33   | 70.33   |
|        | Demand raised by IT authorities on account of various disallowances for AY 2011-12.                                                      | 104.37  | 104.37  |
|        | Demand raised by IT authorities on account of various disallowances for AY 2012-13.                                                      | 154.22  |         |
|        | Demand raised by IT authorities on account of short deduction of TDS and interest thereon for AY 2008-09 to 2012-13.                     | 1.05    | 0.99    |
| 2      | Sales Tax :                                                                                                                              |         |         |
|        | Disallowance of VAT credit on raw materials used in the manufacturing of finished goods and lying in stock on April 1, 2006.             | 22.18   | 22.18   |
|        | Miscellaneous Rajasthan Sales Tax and Central Sales Tax demand.                                                                          | 38.47   | 38.47   |
| 3      | Service Tax :                                                                                                                            |         |         |
|        | Service Tax demand received on services from foreign parties in respect of service tax not paid on Tax deducted at source (TDS) portion. | 4.57    | 4.57    |
|        | Total                                                                                                                                    | 624.07  | 469.79  |

- (b) The Parent Company had received a demand of Rs. 352.34 lacs (Previous year Rs.352.34 lacs) from Sales Tax Department, Kota in an earlier year towards use of natural gas for ammonia fuel, power and steam generation for the period April, 1996 to May, 2001. The Parent Company has obtained a stay from Hon'ble High Court of Rajasthan, Jodhpur on 11th July, 2001. However, in the event of the Parent Company having to pay the above, it is reimbursable by Fertiliser Industrial Coordination Committee (FICC) / Government of India under Subsidy Scheme.
- (c) The Parent Company as well as other users of natural gas under HBJ Gas Pipeline had in earlier years received letters from GAIL (India) Limited (erstwhile Gas Authority of India Ltd), informing about the possibility of levy of excise duty on natural gas (presently not levied) with retrospective effect. The amount of such levy is not ascertainable. However, in the event of its levy, it is reimbursable by Fertiliser Industry Coordination Committee (FICC) of Ministry of Chemicals and Fertilisers, the Government of India under Subsidy Scheme.
- (d) The Parent Company as well as other users of Natural Gas under HBJ Gas Pipeline had received a letter in an earlier year from GAIL (India) Limited (erstwhile Gas Authority of India Ltd), informing about the possibility of levy of Central Sales Tax. The Parent Company has been taking the delivery of Gas in the State of Rajasthan and has been accordingly paying Rajasthan Sales Tax on the supply. Therefore, the Parent Company feels that no Central Sales Tax is payable by it. Further, the amount of such levy is not ascertainable. However, in the event of its levy, it is reimbursable by Fertiliser Industry Coordination Committee (FICC) of Ministry of Chemicals and Fertilisers, the Government of India under Subsidy Scheme.
- (e) Under the Jute Packaging Material (Compulsory use of Packing Commodities) Act, 1987, a specified percentage of fertilisers dispatched were required to be supplied in Jute bags up to 31.8.2001. The provisions of the said Act were challenged in the Supreme Court, which upheld the constitutional validity of this Act in its judgment in 1996. In spite of making conscious efforts to step up use of jute packaging material, the Parent Company had been unable to adhere to the specified percentage, due to strong customer resistance to use of jute bags. The Parent Company had received show cause notice from the Office of the Jute Commissioner, Kolkata, for levying a penalty of Rs.7380.36 lacs (Previous year Rs. 7380.36 lacs) for non compliance of the provisions of the said Act. The Parent Company has obtained a stay order from Delhi High Court against the above show cause notice and has been advised that the said levy is not tenable in law and accordingly no provision has been considered. Based on favourable decisions in similar cases, legal opinion taken by the Parent Company, discussions with the solicitors, etc., the Parent Company believes that there is fair chance of decisions in its favour in respect of all the items listed in (a) (i) to (v) and (b) to (e) above, hence no provision is considered necessary against the same.

### 32B Contingent liabilities (not provided for) in respect of Subsidiaries:

Claims lodged / suits filed against the Group by customers are as given below. In addition, the Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations or financial condition. The details of the cases, the amount of claim (wherever quantifiable) and the subsidiary of the Group involved is as presented below:

#### (a) Richmond Title Services (RTS)

- Lawsuit by borrowers for fraudulent inducement to purchase 10 properties that were part of an alleged illegal flipping scheme. RTS named as defendant because it performed the title work. Errors and Omissions (E&O) carrier has accepted the claim and the Group's deductible is USD 25,000 (Rs. 15.76 lacs). Matter is currently stayed due to the plaintiff and one defendant filing for bankruptcy. The Group's liability for this claim is not expected to be material.

#### (b) ISGN Solutions Inc and ISGN Fulfillment Services Inc

- Lawsuit by a customer under United States Bankruptcy Code, claiming all the payments made by the customer 90 days prior to filing bankruptcy as "avoidable transfer". ISGN Solutions Inc and ISGN Fulfillment services have received USD 1,360,831 (Rs. 830.59 lacs) from the customer during this tenure, which is being contested. The Group's legal counsel is of the opinion that since the payment received was due to a debt incurred in the ordinary course of business, the payment would not amount to an "avoidable transfer". A settlement offer has been made and response from the customer is awaited. The Group's liability for this claim is not expected to be material.

#### (c) ISG Novasoft Technologies Limited.

- Adjustments to taxable income made for the Assessment Year 2007-2008 (Financial Year 2006-07), Assessment Year 2008-09 (Financial Year 2007-08), Assessment Year 2009-2010 (Financial Year 2008-09) and Assessment Year 2010-2011 (Financial Year 2009-10) amounting to USD 0.91 million (Rs. 573.66 lacs), USD 0.42 million (Rs. 264.77 lacs), USD 0.46 million (Rs. 289.98 lacs) and USD 0.87 million (Rs. 548.45 lacs) respectively by the Deputy Commissioner of Income-tax on account of differential transfer pricing margin are contested before the Income-tax Appellate Tribunal Delhi and Bangalore, India. The Company's management considers these additions to gross margin as not tenable against the Company, and therefore no provision for this tax contingency has been established.

- 32C The Parent Company is involved in various litigations, the outcomes of which are considered probable, and in respect of which the Parent Company has made aggregate provision of Rs.15,050.73 lacs as at March 31, 2015.

### 33 Capital Commitments:

| (Rs.in lacs)                                                                                |         |         |
|---------------------------------------------------------------------------------------------|---------|---------|
| Particulars                                                                                 | 2014-15 | 2013-14 |
| Estimated amount of contracts remaining to be executed on Capital account (net of advances) | 4730.92 | 8030.91 |

### 34 Pre-operative expenditure

The Group has incurred some expenditure related to construction of fixed assets and accordingly capitalized the same to the gross value of assets to which they pertain. Consequently expenses disclosed under the respective notes are net of amount capitalised by the Group. The break up of expenditures is as follows:

| (Rs.in lacs)                                         |         |         |
|------------------------------------------------------|---------|---------|
| Particulars                                          | 2014-15 | 2013-14 |
| Opening Balance                                      | 3536.60 | 1821.14 |
| Add : Expenditure during the year :                  |         |         |
| Salaries, wages and bonus                            | 230.93  | 181.80  |
| Travelling and conveyance                            | 7.58    | 9.45    |
| Legal and professional fees                          | 1425.37 | 1235.59 |
| Bank charges and guarantee commission                | -       | 0.04    |
| Miscellaneous expenses                               | -       | 288.58  |
| Pre-operative expenditure (pending for allocation) * | 5200.48 | 3536.60 |

\* Related to the upcoming Urea manufacturing plant under the New Investment Policy 2012 of Rs. 4843.04 lacs (Previous year Rs. 3179.16 lacs) and Power projects.

### 35 Segment Information

#### Primary Segment : Business Segment

The Group has identified the business segment as its primary reportable segment as the Group's risks and rates of return are affected predominantly by differences in the products and services produced.

The Group's operating businesses are organized and managed separately according to the nature of products manufactured, traded and services provided. The five identified reportable segments are Fertilisers and other Agri- Inputs, Own Manufactured Phosphoric Acid, Textile, Shipping and Software & others.

"Fertilisers and other Agri-inputs segment includes manufacture and marketing of Urea, SSP and purchase and sale of Fertilisers and Agricultural inputs. During the beginning of financial year, the Parent Company has changed the policy of reporting of its segment information. The segment information is now being reported into three business segments (Fertilisers and other Agri-inputs, Shipping and Textile) by merging 'Own manufactured Fertiliser' and 'Traded Goods' segments into one business segment, namely Fertilisers and other Agri-inputs. The change has been made to reflect the Parent Company's segment revenue, results and capital employed more appropriately as it caters to the same geography, market, customers and needs of the farmers. The new segment information namely Revenue, Results and Capital Employed is derived by a simple arithmetic additions of the aforesaid particulars of the consolidating segments and as such there is no financial effect of the change."

The "Own Manufactured Phosphoric Acid Segment" (P2O5) includes manufacturing and marketing of Phosphoric Acid.

The "Textile segment" includes manufacturing and sale of synthetic and cotton yarn.

The "Shipping segment" includes transportation of crude oil and liquid products through vessels owned and/ or hired by the Shipping Division.

The "Software & Others Segment" includes software business, power & infrastructure activities of the Group.

The following table presents segment revenue, results, assets & liabilities in accordance with AS-17 as on March 31, 2015

| (Rs. In lacs)                                      |                                   |           |          |          |          |           |                                     |          |                   |           |           |           |
|----------------------------------------------------|-----------------------------------|-----------|----------|----------|----------|-----------|-------------------------------------|----------|-------------------|-----------|-----------|-----------|
| Particulars                                        | Fertilisers and other Agri-Inputs |           | P2O5     |          | Shipping |           | "Textile (Discontinuing operation)" |          | Software & others |           | Total     |           |
|                                                    | 2014-15                           | 2013-14   | 2014-15  | 2013-14  | 2014-15  | 2013-14   | 2014-15                             | 2013-14  | 2014-15           | 2013-14   | 2014-15   | 2013-14   |
| Revenue                                            |                                   |           |          |          |          |           |                                     |          |                   |           |           |           |
| External Sales (including other operating revenue) | 774935.98                         | 699321.12 | 56871.25 | 49045.08 | 76310.84 | 58928.26  | 41133.05                            | 39939.65 | 24523.31          | 43822.91  | 973774.43 | 891057.02 |
| Inter Segment Sales                                | -                                 | -         | -        | -        | -        | -         | -                                   | -        | -                 | -         | -         | -         |
| Total Sales                                        | 774935.98                         | 699321.12 | 56871.25 | 49045.08 | 76310.84 | 58928.26  | 41133.05                            | 39939.65 | 24523.31          | 43822.91  | 973774.43 | 891057.02 |
| Results                                            |                                   |           |          |          |          |           |                                     |          |                   |           |           |           |
| Segment Results                                    | 63155.65                          | 55444.16  | 2015.29  | 1835.10  | 5845.71  | (1408.89) | 1541.50                             | 2620.91  | (3850.02)         | (1265.06) | 68708.13  | 57226.22  |
| Unallocated Expenses (net)                         | -                                 | -         | -        | -        | -        | -         | -                                   | -        | -                 | -         | 9992.76   | 13207.15  |
| Operating Profit before Exceptional Items          | -                                 | -         | -        | -        | -        | -         | -                                   | -        | -                 | -         | 58715.37  | 44019.07  |
| Exceptional Item                                   | -                                 | -         | -        | -        | -        | -         | -                                   | -        | -                 | -         | -         | -         |
| Interest Expenses                                  | -                                 | -         | -        | -        | -        | -         | -                                   | -        | -                 | -         | 15806.12  | 20107.47  |
| Interest Income                                    | -                                 | -         | -        | -        | -        | -         | -                                   | -        | -                 | -         | 3014.31   | 4996.84   |
| Income Tax                                         | -                                 | -         | -        | -        | -        | -         | -                                   | -        | -                 | -         | 17971.81  | 5456.62   |
| Net Profit after Exceptional Items                 | -                                 | -         | -        | -        | -        | -         | -                                   | -        | -                 | -         | 27951.75  | 23451.82  |

| Particulars                                              | Fertilisers and other Agri-Inputs |           | P2O5     |          | Shipping  |           | "Textile (Discontinuing operation)" |          | Software & others |          | Total     |           |
|----------------------------------------------------------|-----------------------------------|-----------|----------|----------|-----------|-----------|-------------------------------------|----------|-------------------|----------|-----------|-----------|
|                                                          | 2014-15                           | 2013-14   | 2014-15  | 2013-14  | 2014-15   | 2013-14   | 2014-15                             | 2013-14  | 2014-15           | 2013-14  | 2014-15   | 2013-14   |
| Share of Minority Interest in losses                     | -                                 | -         | -        | -        | -         | -         | -                                   | -        | -                 | -        | 1509.43   | 960.60    |
| Net Profit for the year                                  | -                                 | -         | -        | -        | -         | -         | -                                   | -        | -                 | -        | 29461.18  | 24412.42  |
| Other Information                                        |                                   |           |          |          |           |           |                                     |          |                   |          |           |           |
| Segment Assets                                           | 473217.57                         | 504085.49 | 21919.68 | 24567.70 | 157206.43 | 156617.01 | 21642.56                            | 24732.59 | 47560.51          | 49819.62 | 721546.75 | 759822.41 |
| Unallocated Assets                                       | -                                 | -         | -        | -        | -         | -         | -                                   | -        | -                 | -        | 42281.98  | 44480.89  |
| Total Assets                                             | -                                 | -         | -        | -        | -         | -         | -                                   | -        | -                 | -        | 763828.73 | 804303.30 |
| Segment Liabilities                                      | 20652.23                          | 21606.90  | 14239.57 | 10903.32 | 6077.50   | 4589.80   | 2292.49                             | 2129.05  | 7734.97           | 7482.60  | 50996.76  | 46711.67  |
| Unallocated Liabilities                                  | -                                 | -         | -        | -        | -         | -         | -                                   | -        | -                 | -        | 482243.58 | 544808.12 |
| Total Liabilities                                        | -                                 | -         | -        | -        | -         | -         | -                                   | -        | -                 | -        | 533240.34 | 591519.79 |
| Capital Expenditure                                      | 11489.13                          | 14062.35  | 1918.44  | 838.17   | 4248.19   | 12138.24  | 1082.87                             | 597.38   | 3394.80           | 2437.02  | 22133.43  | 30073.16  |
| Unallocated Capital Expenditure                          | -                                 | -         | -        | -        | -         | -         | -                                   | -        | -                 | -        | 165.64    | 196.49    |
| Depreciation/Amortisation *                              | 9805.77                           | 10909.47  | 1204.41  | 1118.43  | 7469.79   | 10460.50  | 1834.49                             | 1536.15  | 3112.57           | 4087.63  | 23427.03  | 28112.18  |
| Unallocated Depreciation/Amortisation                    | -                                 | -         | -        | -        | -         | -         | -                                   | -        | -                 | -        | 144.12    | 124.47    |
| Non cash Expenses other than Depreciation & Amortisation | 0.29                              | -         | -        | -        | 13.39     | -         | -                                   | -        | -                 | -        | 13.68     | -         |
| Unallocated non cash expenses                            | -                                 | -         | -        | -        | -         | -         | -                                   | -        | -                 | -        | 19.55     | -         |

\* includes Rs. 1,922.44 lacs (Previous year NIL) adjusted from the amount of opening retained earnings.

### Secondary Segment : Geographical Segment

The analysis of geographical segment is based on the geographical location i.e., domestic and overseas markets, of the customers.

#### Secondary Segment Reporting (by Geographical Segments)

The following is the distribution of the group consolidated revenue from operation (net) by geographical markets, regardless of where the goods were produced:

| Particulars                | (Rs.in lacs) |           |
|----------------------------|--------------|-----------|
|                            | 2014-15      | 2013-14   |
| Revenue within India       | 911521.99    | 812693.72 |
| Revenue from outside India | 62252.44     | 78363.30  |
| Total                      | 973774.43    | 891057.02 |

#### Geographical segment wise receivables:

| Particulars                    | (Rs.in lacs) |           |
|--------------------------------|--------------|-----------|
|                                | 2014-15      | 2013-14   |
| Receivables within India       | 307785.43    | 345744.61 |
| Receivables from outside India | 9330.65      | 10204.88  |
| Total                          | 317116.08    | 355949.49 |

The Group has common fixed assets for producing goods/ providing services for Domestic market and Overseas markets. Hence, separate figures for fixed assets / additions to fixed assets have not been furnished.

## 36 Gratuity and other Post Employment Benefit Plans:

### (a) Gratuity

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure @ 15 days (15 to 30 days in case of Shipping Division) salary (last drawn) for each completed year of service. The Scheme is funded with insurance companies in the form of qualifying insurance policies except in the case of crew employees of the Shipping division. Further, gratuity details below includes liability of software division of the Group also.

### (b) Provident Fund

The Parent Company has set up provident fund trusts, which are managed by the Parent Company in respect of Fertiliser and Shipping division of the Parent Company and as per the Guidance Note on implementing AS-15, Employee Benefits (revised 2005) issued by the Accounting Standard Board (ASB), provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. The actuarial valuation of Provident Fund was carried out in accordance with the guidance note issued by Actuarial Society of India and provided the interest shortfall of Provident Fund liability in the books of accounts.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

## Statement of Profit and Loss

(Rs.in lacs)

| Particulars                               | Trust Managed Provident Fund |         | Gratuity |          |
|-------------------------------------------|------------------------------|---------|----------|----------|
|                                           | 2014-15                      | 2013-14 | 2014-15  | 2013-14  |
| Current service cost                      | 341.92                       | 351.90  | 254.00   | 287.67   |
| Interest cost on benefit obligation       | -                            | -       | 194.06   | 162.59   |
| Expected return on plan assets            | -                            | -       | (179.20) | (165.06) |
| Net actuarial loss recognised in the year | -                            | -       | 73.80    | 43.30    |
| Past service cost                         | -                            | -       | -        | -        |
| Net expense                               | 341.92                       | 351.90  | 342.66   | 328.50   |
| Actual return on plan assets              | -                            | -       | 27.82    | 111.20   |

## Balance Sheet

## Funded status and amount recognised in the Balance Sheet

(Rs.in lacs)

| Particulars                 | Trust Managed Provident Fund |         | Gratuity |          |
|-----------------------------|------------------------------|---------|----------|----------|
|                             | 2014-15                      | 2013-14 | 2014-15  | 2013-14  |
| Defined benefit obligation  | 9307.97                      | 8198.18 | 2783.64  | 2369.35  |
| Fair value of plan assets   | 9602.50                      | 8479.94 | 2334.10  | 2036.41  |
| Plan assets / (liability) * | 294.53                       | 281.76  | (449.54) | (332.94) |

\* Plan assets of Rs.294.53 lacs (Previous year Rs.281.76 lacs) has not been recognised in the financial statements, as the surplus of the trust, is distributable among the beneficiaries of the provident fund trust.

## Changes in the present value of defined benefit obligation are as follows:

(Rs.in lacs)

| Particulars                                  | Trust Managed Provident Fund |          | Gratuity |          |
|----------------------------------------------|------------------------------|----------|----------|----------|
|                                              | 2014-15                      | 2013-14  | 2014-15  | 2013-14  |
| Opening defined benefit obligation           | 8198.18                      | 7450.40  | 2369.35  | 2049.63  |
| Interest cost                                | 661.42                       | 651.91   | 194.06   | 162.59   |
| Contribution by plan participant / employees | 704.43                       | 629.48   | -        | -        |
| Current service cost                         | 341.92                       | 351.90   | 254.00   | 287.62   |
| Benefits paid out of funds                   | (692.83)                     | (881.63) | (167.17) | (115.38) |
| Benefits paid by the Group                   | -                            | -        | (86.44)  | (42.20)  |
| Actuarial (gains) / losses on obligation     | 78.72                        | (83.30)  | 219.84   | 24.95    |
| Settlement / transfer in                     | 16.13                        | 79.42    | -        | -        |
| Effect of exchange rate changes              | -                            | -        | -        | 2.14     |
| Closing defined benefit obligation           | 9307.97                      | 8198.18  | 2783.64  | 2369.35  |

## Changes in the fair value of plan assets are as follows:

(Rs.in lacs)

| Particulars                               | Trust Managed Provident Fund |          | Gratuity |          |
|-------------------------------------------|------------------------------|----------|----------|----------|
|                                           | 2014-15                      | 2013-14  | 2014-15  | 2013-14  |
| Opening fair value of plan assets         | 8479.94                      | 7623.41  | 2036.41  | 1847.72  |
| Expected return                           | 741.99                       | 667.04   | 179.20   | 165.06   |
| Contribution by employer                  | 341.92                       | 351.90   | 196.70   | 154.51   |
| Plan participants / Employee Contribution | 704.43                       | 629.48   | -        | -        |
| Benefits paid                             | (692.83)                     | (881.63) | (224.36) | (115.38) |
| Actuarial (gains) / losses on obligation  | 10.92                        | 10.32    | 146.04   | (18.40)  |
| Settlement / transfer in                  | 16.13                        | 79.42    | -        | -        |
| Effect of exchange rate changes           | -                            | -        | 0.11     | 2.90     |
| Closing fair value of plan assets         | 9602.50                      | 8479.94  | 2334.10  | 2036.41  |

The Parent Company expects to contribute Rs.320.15 lacs (Previous year Rs.269.76 lacs (approx.)) and Rs.425.00 lacs (Previous year Rs.360.00 lacs (approx.)) to gratuity trust fund and provident fund trust respectively in the financial year 2015-16.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

| Particulars                                      | Trust Managed Provident Fund (%) |         | Gratuity (%) |         |
|--------------------------------------------------|----------------------------------|---------|--------------|---------|
|                                                  | 2014-15                          | 2013-14 | 2014-15      | 2013-14 |
| Investments with insurers/ Government securities | 100                              | 100     | 100          | 100     |

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity and trust managed provident fund for the Company's plans are shown below:

| Particulars                 | Trust Managed Provident Fund |         | Gratuity     |              |
|-----------------------------|------------------------------|---------|--------------|--------------|
|                             | 2014-15                      | 2013-14 | 2014-15      | 2013-14      |
| Discount rate (%)           | 8 to 8.75                    | 8.75    | 8.00         | 8.50 to 8.60 |
| Expected rate of return (%) | 8.75 to 8.85                 | 8.75    | 8.50 to 8.85 | 8 to 8.50    |
| Employee turnover rate (%)  | 2 to 10                      | 2 to 10 | 2 to 35      | 2 to 35      |

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous four periods in respect of gratuity and current year and previous one year in respect of Trust managed provident fund are as follows:

(Rs.in lacs)

| Particulars                                                | Trust Managed Provident Fund |         | Gratuity |          |          |          |          |
|------------------------------------------------------------|------------------------------|---------|----------|----------|----------|----------|----------|
|                                                            | 2014-15                      | 2013-14 | 2014-15  | 2013-14  | 2012-13  | 2011-12  | 2010-11  |
| Defined Benefit Obligation                                 | 9307.97                      | 8198.18 | 2783.64  | 2369.35  | 2049.63  | 1791.22  | 1325.49  |
| Plan assets                                                | 9602.50                      | 8479.94 | 2334.10  | 2036.41  | 1847.72  | 1301.98  | 1003.80  |
| Surplus / (deficit)                                        | 294.53                       | 281.76  | (449.54) | (332.94) | (201.91) | (489.24) | (321.69) |
| Experience adjustment on plan assets - gain / (loss)*      | ..**                         | ..**    | 101.88   | (39.02)  | 16.72    | (19.78)  | 24.13    |
| Experience adjustment on plan liabilities - gain / (loss)* | ..**                         | ..**    | (77.28)  | (5.26)   | (69.79)  | (102.06) | (24.50)  |

\* Experience adjustment on plan assets/liability in case of gratuity does not include details of software division in absence of details in certificate.

\*\* The amount would not be material in the opinion of the management in case of provident fund.

#### (c) Post Retirement Medical Benefits Plan

The Parent Company has post retirement medical benefit scheme in the nature of defined benefit plan which is unfunded. The following table summarises the components of net benefit/ expense recognised in the statement of Profit and Loss and Balance Sheet for the plan.

##### Statement of Profit and Loss:

(Rs. in Lacs)

| Particulars                                 | 2014-15 | 2013-14 |
|---------------------------------------------|---------|---------|
| Current Service Cost                        | 14.27   | 17.67   |
| Interest Cost on defined benefit obligation | 14.46   | -       |
| Expected return on plan assets              | -       | -       |
| Expenses related to earlier years           | -       | -       |
| Net actuarial (Gains)/ Losses               | 39.84   | 158.15  |
| Total Expense                               | 68.57   | 175.82  |

##### Balance Sheet

##### Net Liability recognised in the Balance Sheet

| Particulars                                 | 2014-15 | 2013-14 |
|---------------------------------------------|---------|---------|
| Present value of defined benefit obligation | 232.18  | 170.12  |
| Plan assets                                 | -       | -       |
| Net Liability                               | 232.18  | 170.12  |

Changes in the present value of defined benefit obligation are as follows:

| Particulars                             | 2014-15 | 2013-14 |
|-----------------------------------------|---------|---------|
| Obligation in the beginning of the year | 170.12  | -       |
| Current service cost                    | 14.27   | 17.67   |
| Interest cost                           | 14.46   | -       |
| Benefits paid by the Company            | (6.51)  | (5.70)  |
| Actuarial losses/ (gains)               | 39.84   | 158.15  |
| Obligation at the end of the year       | 232.18  | 170.12  |

Actuarial assumptions:

| Particulars                  | 2014-15                           | 2013-14                           |
|------------------------------|-----------------------------------|-----------------------------------|
| Discount rate                | 8.00%                             | 8.50%                             |
| Withdrawal rate              | 2% to 10%                         | 2% to 10%                         |
| Medical cost escalation rate | 3.00%                             | 3.00%                             |
| Mortality                    | LIC Annuitants (1996-98) ultimate | LIC Annuitants (1996-98) ultimate |

Amount for the current year are as follows:

(Rs. in Lacs)

| Particulars                                            | 2014-15  | 2013-14  |
|--------------------------------------------------------|----------|----------|
| Defined benefit obligation                             | (232.18) | (170.12) |
| Plan assets                                            | -        | -        |
| Surplus/ (deficit)                                     | (232.18) | (170.12) |
| Experience adjustment on plan liabilities gain/ (loss) | (23.09)  | (158.15) |
| Experience adjustment on plan assets gain/ (loss)      | -        | -        |

Contribution to Defined Contribution Plans:

(Rs. in Lacs)

| Particulars                    | 2014-15 | 2013-14 |
|--------------------------------|---------|---------|
| Provident Fund / Pension Fund* | 432.83  | 453.80  |
| Superannuation Fund            | 118.00  | 117.01  |
| National Pension Scheme**      | 17.98   | 19.95   |

\*Provident fund in respect of textile division of the Parent Company and Pension fund in respect of all divisions of the Company and subsidiaries of the Group.

\*\* in respect of Fertiliser division of the Parent Company.

37 Related Party Disclosures

During the year, the Group entered into transactions with the related parties. Those transactions along with related balances as at March 31, 2015 and for the year then ended are presented in the following table. List of related parties along with nature and volume of transactions is given below:

(a) Joint Ventures

Indo Maroc Phosphore S.A. Morocco

(Rs. in Lacs)

| Particulars                             | 2014-15 | 2013-14 |
|-----------------------------------------|---------|---------|
| Reimbursement of expenses               | -       | 23.29   |
|                                         | -       | 23.29   |
| Outstanding balances as at the year end | 22.53   | 12.04   |
| Other receivables                       | 22.53   | 12.04   |

(b) Key Management Personnel and their relatives

Mr. Anil Kapoor

(Rs. in Lacs)

| Nature of Transactions                             | 2014-15 | 2013-14 |
|----------------------------------------------------|---------|---------|
| Remuneration paid to Managing Director*            | 343.57  | 303.81  |
| Mr. Anil Kapoor                                    | 343.57  | 303.81  |
| Interest income on loan given to Managing Director | 0.14    | 0.16    |
| Mr. Anil Kapoor                                    | 0.14    | 0.16    |
| Outstanding balances as at the year end            | 2.15    | 2.65    |
| Loan receivable                                    |         |         |
| Mr. Anil Kapoor                                    | 2.15    | 2.65    |

\* Managing Director is covered under the Company's Group Gratuity Scheme along with other employees of the Company. The Gratuity, leave liability and post retirement medical benefits is determined for all the employees on an overall basis, based on the actuarial valuation done by an independent actuary. The specific amount of gratuity, leave liability and post retirement medical benefits liability for Managing Director can not be ascertained separately, except for the amount actually paid.

- 38 Goodwill in the Balance Sheet as per the details given below represents goodwill of ISGN Corporation, ISGN Solutions Inc, Richmond entities and ISGN Fulfillment Services Inc. and its subsidiaries. Such Goodwill has been tested for impairment using the cash flow projections that are based on most recent financials budgets / forecasts approved by management.

(Rs. in Lacs)

| Particulars                                         | 2014-15         | 2013-14         |
|-----------------------------------------------------|-----------------|-----------------|
| ISGN Corporation                                    | 3666.70         | 3602.17         |
| ISGN Solutions Inc.                                 | 2766.49         | 2712.51         |
| Richmond entities                                   | 2179.23         | 2136.71         |
| ISGN Fulfillment Services Inc. and its Subsidiaries | 14011.57        | 13738.17        |
| <b>Total</b>                                        | <b>22623.99</b> | <b>22189.56</b> |

### 39 Government Grants and Subsidies

- (a) Nitrogenous Fertilizers are under the Concession Scheme including freight as per New Pricing Scheme (NPS-Stage III), Uniform Freight Policy and New Investment Policy 2008. The concession price and freight has been accounted for on the basis of notified prices, further adjusted for input price escalation/ de-escalation and as estimated by the management based on the prescribed norms in line with known policy parameters. The NPS - Stage III policy was applicable for the period from October 1, 2006 to March 31, 2010, which has been extended thereafter provisionally till further orders. Accordingly, the impact of revised concession price has been accounted for.

Contribution from sale of surplus ammonia has been accounted for in accordance with the known policy parameters.

Current year's subsidy income is inclusive of Rs.628.16 lacs (Previous year Rs.2872.89 lacs) being the subsidy income, pertaining to earlier years, but determined during the year.

- (b) Subsidy on traded fertilisers (other than Gypsum) has been accounted based on Nutrient Based Policy as notified by the Government of India.

Current year's subsidy income is inclusive of NIL (Previous year Rs. -1014.87 lacs) being the subsidy income, pertaining to earlier years but determined during the year.

- (c) Subsidy on traded fertilisers (Gypsum) has been accounted as notified by the Government of Rajasthan.

- (d) The Textile Division of the Parent Company is eligible for interest concession under the TUFS (Technology Upgradation Fund Scheme) of the Government of India. Accordingly, the Company has availed interest concession of Rs.158.20 lacs (Previous year Rs.242.65 lacs) during the year and reduced the same from interest expenses.

### 40 Leases

#### (i) Assets taken on lease

- (a) The Group is having certain fixed assets taken on finance lease of Rs.922.82 lacs (Previous year Rs. 921.77 lacs). The lease payment made during the year amounts to Rs.237.98 lacs (Previous year Rs.236.75 lacs), out of which Rs.162.90 lacs (Previous year Rs.141.42 lacs) has been adjusted against Principal and Rs.75.08 lacs (Previous year Rs.95.33 lacs) has been shown as interest expense. The interest rate for various leases varies from 5.99% p.a. to 27.34% p.a. There is no renewal and escalation clause as well as restriction imposed in the lease agreement. There are no sub-leases. The break up of minimum lease payment outstanding as at March 31, 2015 is as follows:

(Rs. in Lacs)

| Period                                    | 2014-15                |                                         |                       | 2013-14                |                                         |                       |
|-------------------------------------------|------------------------|-----------------------------------------|-----------------------|------------------------|-----------------------------------------|-----------------------|
|                                           | Minimum lease payments | Present value of minimum lease payments | Finance lease charges | Minimum lease payments | Present value of minimum lease payments | Finance lease charges |
| Payable within one year                   | 124.53                 | 72.45                                   | 52.08                 | 238.42                 | 162.78                                  | 75.64                 |
| Payable after one year but before 5 years | 225.17                 | 163.84                                  | 61.33                 | 349.03                 | 236.42                                  | 112.61                |

- (b) The Group has entered into Operating Lease Agreements for the premises which are non-cancelable. The lease payments recognized in the Statement of Profit and Loss during the year amounts to Rs.2192.29 lacs (Previous year Rs.2888.61 lacs). The renewal of lease will be as per the mutual understanding of lessee and lessor and there is no escalation clause. There are no restrictions imposed by lease arrangements and there are no sub-leases. The break up of minimum lease payment outstanding as at March 31, 2015 is as follows:

(Rs.in lacs)

| Period                                       | Minimum Lease Payments |         |
|----------------------------------------------|------------------------|---------|
|                                              | 2014-15                | 2013-14 |
| Payable within one year                      | 1984.46                | 1892.90 |
| Payable after one year but within five years | 6022.96                | 5777.50 |
| Payable after five year                      | 1844.08                | 646.88  |

- (c) The lease payments, other than cases covered in point no. (b) above i.e. non-cancelable leases, recognized in the Statement of Profit and Loss during the year amounts to Rs.1824.15 lacs (Previous year Rs.2852.51 lacs). The renewal of leases will be as per the mutual understanding of lessee and lessor and there is no escalation clause. There are no restrictions imposed in the lease agreements.

(ii) Assets given on lease

The Group has sub-leased certain of its office premises under non cancellable operating lease arrangements. The lease terms range from 6 months to three years.

Rent income for such operating leases recognized in the Statement of Profit and Loss for the year is US \$ 28,289 (Rs. 17.27 lacs) (Previous Year US \$ 166,336 (Rs.97.46 lacs)).

Future minimum lease payments are as follows:

(Rs.in lacs)

| Period                                       | Minimum Lease Payments |         |
|----------------------------------------------|------------------------|---------|
|                                              | 2014-15                | 2013-14 |
| Payable within one year                      | -                      | 175.18  |
| Payable after one year but within five years | -                      | 249.04  |
| Payable after five year                      | -                      | 424.22  |

41 Employees Stock Option Scheme

(i) Holding Company

Employee Stock Option Plan

In terms of approval of shareholders accorded at the Annual General Meeting held on 27th August, 2010 and in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 2014, (SEBI Guidelines) the Parent Company formulated CFCL Employees Stock Option Scheme, 2010 ("Plan") for specified categories of employees and managing director of the Parent Company. The Nomination and Remuneration Committee comprising of majority of independent directors administers the Plan. As per the Plan, 41,62,000 Stock Options can be issued to managing director and other specified categories of employees of the Parent Company. The options are to be granted at market price. As per SEBI Guidelines, the market price is taken as the closing price on the day preceding the date of grant of options, on the stock exchange where the trading volume is the highest. Each option, upon vesting, shall entitle the holder to acquire 1 equity share of Rs.10 . Details of the scheme are as under:

| Particulars                          | Tranche 1                                       | Tranche 2                                       | Tranche 3                                       | Tranche 4                                       | Tranche 5                                       |
|--------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Date of grant                        | 16/Sep/10                                       | 22/Jan/11                                       | 10/May/11                                       | 17/Oct/11                                       | 11/May/12                                       |
| Date of Board Approval               | 08/May/10                                       | 08/May/10                                       | 08/May/10                                       | 08/May/10                                       | 08/May/10                                       |
| Date of Shareholder's approval       | 27/Aug/10                                       | 27/Aug/10                                       | 27/Aug/10                                       | 27/Aug/10                                       | 27/Aug/10                                       |
| Number of options granted            | 28,50,000                                       | 3,00,000                                        | 2,20,000                                        | 1,00,000                                        | 2,70,000                                        |
| Method of settlement (cash / equity) | Equity                                          | Equity                                          | Equity                                          | Equity                                          | Equity                                          |
| Exercise period                      | 5 years from the date of vesting                | 5 years from the date of vesting                | 5 years from the date of vesting                | 5 years from the date of vesting                | 5 years from the date of vesting                |
| Vesting conditions                   | Continued employment and individual performance | Continued employment and individual performance | Continued employment and individual performance | Continued employment and individual performance | Continued employment and individual performance |

\* In case of death / superannuation of the employee, 3 years from the date of death / superannuation or exercise period whichever is earlier.

Vesting Schedule:

| Vesting Date                   | All tranches |
|--------------------------------|--------------|
| 1 year from the date of grant  | 15%          |
| 2 years from the date of grant | 15%          |
| 3 years from the date of grant | 20%          |
| 4 years from the date of grant | 25%          |
| 5 years from the date of grant | 25%          |

Movement in option have been summarized below:

| Particulars                              | FY 2014-15     | FY 2013-14     |
|------------------------------------------|----------------|----------------|
|                                          | No. of options | No. of options |
| Outstanding at the beginning of the year | 28,75,300      | 31,04,200      |
| Granted during the year                  | -              | -              |
| Forfeited during the year                | 72,500         | 2,28,900       |

|                                                        |           |           |
|--------------------------------------------------------|-----------|-----------|
| Exercised during the year                              | -         | -         |
| Expired during the year                                | -         | -         |
| Outstanding at the end of the year                     | 28,02,800 | 28,75,300 |
| Exercisable at the end of the year                     | 19,59,800 | 12,85,300 |
| Weighted average remaining contractual life (in years) | 2.10      | 3.03      |
| Weighted average Exercise price (in Rs.)               | 74.76     | 74.76     |

The details of exercise price of stock options outstanding at the end of the year are:

| Tranche | Weighted Avg. fair value of options (in Rs.) | Range of exercise price (in Rs.) | Number of options outstanding (Qty) | Weighted average remaining contractual life of options (in years) | Weighted average exercise price (in Rs.) |
|---------|----------------------------------------------|----------------------------------|-------------------------------------|-------------------------------------------------------------------|------------------------------------------|
| 1       | 27.12                                        | 73.50                            | 21,54,900                           | 1.88                                                              | 73.50                                    |
| 2       | 28.84                                        | 76.85                            | 2,47,900                            | 1.88                                                              | 76.85                                    |
| 3       | 34.59                                        | 82.90                            | 1,60,000                            | 2.80                                                              | 82.90                                    |
| 4       | 41.48                                        | 101.10                           | 50,000                              | 2.80                                                              | 101.10                                   |
| 5       | 31.48                                        | 69.40                            | 1,90,000                            | 3.80                                                              | 69.40                                    |

#### Stock Options granted

The weighted average fair value of stock options granted till date is Rs.28.40 per option (Previous year Rs.28.40 per option). The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

| Particulars                                                        | Tranche 1 | Tranche 2 | Tranche 3 | Tranche 4 | Tranche 5 |
|--------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Weighted average share price (Rs.)                                 | 73.50     | 76.85     | 82.90     | 101.10    | 69.40     |
| Exercise Price (Rs.)                                               | 73.50     | 76.85     | 82.90     | 101.10    | 69.40     |
| Expected volatility                                                | 63.06%    | 63.94%    | 63.76%    | 62.18%    | 63.06%    |
| Life of the options granted (vesting and exercise period) in years | 1.88      | 1.88      | 2.80      | 2.80      | 3.80      |
| Average risk-free interest rate                                    | 7.79%     | 8.05%     | 8.21%     | 8.29%     | 8.47%     |
| Expected dividend yield                                            | 7.02%     | 7.02%     | 5.77%     | 5.77%     | 4.62%     |

The expected volatility was determined based on historical volatility data. For calculating volatility, the Parent Company has considered the daily volatility of the stock prices of the Parent Company on National Stock Exchange over a period prior to the date of grant, corresponding with the expected life of the options.

In FY 2010-11, CFCL Employees Welfare Trust ("Trust") was constituted, inter alia, for the purpose of subscribing/ acquiring equity shares of Chambal Fertilisers and Chemicals Limited from the Parent Company /Secondary market, to hold the shares and to allocate/ transfer these shares to eligible employees of the Parent Company from time to time on the terms and conditions specified under the Plan. The Board of Directors at its meeting held on May 8, 2010 had approved grant of financial assistance upto Rs.3000 lacs by the Parent Company to Trust in such manner and on such terms as agreed between the trustee(s) of the Trust and Managing Director of the Parent Company for the purpose of subscribing/acquiring shares of the Parent Company. The outstanding loan to the trust as at March 31, 2015 is Rs.1615.25 lacs (Previous year Rs.1,665.10 lacs). Trust has purchased 2442,202 equity shares (Previous year 2,442,202 equity shares) of the Parent Company from the open market, out of interest free loan provided by the Parent Company till March 31, 2015.

#### (ii) Subsidiary Company

The Board of Directors of the CFCL Technologies Limited approved the 2007 Share Option Plan ('Plan') for granting stock options to certain employees of its subsidiary companies as per Management's discretion. A committee has been constituted to administer the Plan along with the Board and to determine the grant date fair value which would be the exercise price for such options. A total of 6,081,498 ordinary shares were reserved for issuance under the Plan.

The fair value of the ordinary shares has been determined by the management on the date of the grant of the stock options to the employees pursuant to the Plan using the Black-Scholes valuation model. The stock options vest equally over the period of 4 years and the exercise period is 10 years from the date of grant. The stock compensation cost is a component of the fair value of the stock options and the number of options, which is recognised as employee compensation cost over the vesting period, provided that the stock option holders continue to be in employment. The employee compensation cost recognised in the Statement of profit and loss is USD 1,077,124 (Rs. 657.43 lacs) (previous year: USD 1,099,530 (Rs. 644.21 lacs)). The weighted average remaining useful life of the stock options is 8.59 years (previous year: 8.82 years).

The CFCL Technologies Limited, in its Board Meeting held on 19 July 2013, had modified the exercise price of all the outstanding stock options to USD 1.09 to bring it in line with the fair value of the share as at that date. Accordingly, all the existing stock options were re-priced at USD 1.09. The Company had accounted for this change in accordance with the Guidance Note on "Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountants of India.

The following table details the movement of options under the Plan mentioned above:

The following scheme is in operation:

| Particulars                          | 2014                         | 2013                                                                               |
|--------------------------------------|------------------------------|------------------------------------------------------------------------------------|
| Date of grant                        | Mar 3, 2014 ; August 1, 2014 | Feb 1, 2013 ; May 01, 2013 ; August 1, 2013 ; September 1, 2013 ; November 1, 2013 |
| Date of Board Approval               | Mar 3, 2014 ; August 1, 2014 | Feb 1, 2013 ; May 01, 2013 ; August 1, 2013 ; September 1, 2013 ; November 1, 2013 |
| Date of Shareholder's approval       | -                            | -                                                                                  |
| Number of options granted            | 7,21,454                     | 30,03,734                                                                          |
| Options forfeited during the period  | 8,12,046                     | 10,32,699                                                                          |
| Method of Settlement (Cash / Equity) | Equity                       | Equity                                                                             |
| Vesting Period                       | 48 months                    | 48 months                                                                          |
| Exercise Period                      | Exercisable on vesting       | Exercisable on vesting                                                             |
| Vesting Conditions                   | Service conditions           | Service conditions                                                                 |

Note : The options are exercisable from the vesting date upto a maximum period of 10 years from the date of grant.

The details of activity under the plan have been summarized below:

| Particulars                                                         | 2014              |                                         | 2013              |                                         |
|---------------------------------------------------------------------|-------------------|-----------------------------------------|-------------------|-----------------------------------------|
|                                                                     | Number of options | Weighted Average Exercise Price (US \$) | Number of options | Weighted Average Exercise Price (US \$) |
| Outstanding at the beginning of the year                            | 38,90,439         | 1.09                                    | 27,25,614         | 3.66                                    |
| Granted during the year                                             | 7,21,454          | 1.24                                    | 30,03,734         | 1.09                                    |
| Forfeited during the year                                           | 8,12,046          | 1.09                                    | 10,32,699         | 1.91                                    |
| Exercised during the year                                           | -                 | -                                       | -                 | -                                       |
| Expired during the year                                             | -                 | -                                       | 8,06,210          | 1.09                                    |
| Outstanding at the end of the year                                  | 37,99,847         | 1.12                                    | 38,90,439         | 1.09                                    |
| Exercisable at the end of the year                                  | 12,72,772         | 1.1                                     | 9,97,257          | 1.09                                    |
| Weighted average remaining contractual life (in year)               | 8.59              |                                         | 8.82              |                                         |
| Weighted average fair value of options granted on the date of grant | -                 | 1.09                                    | -                 | 1.09                                    |

The details of exercise price for stock options outstanding at the year end are as follows:

| Exercise prices      | Number of options outstanding | Weighted average remaining contractual life of options (in years) | Weighted average exercise price |
|----------------------|-------------------------------|-------------------------------------------------------------------|---------------------------------|
| USD 1.09 to USD 1.26 | 37,99,847                     | 8.59                                                              | US \$ 1.12                      |

The weighted average fair value of stock options granted during the year was US \$ USD 0.64 to USD 0.75 (previous year US \$ 0.53 ). The Black Scholes option pricing model has been used for computing the weighted average fair value considering the following inputs:

| Particulars                                           | 2014             | 2013         |
|-------------------------------------------------------|------------------|--------------|
| Weighted average share price (US \$)                  | \$1.09 to \$1.26 | 1.09         |
| Exercise Price (US \$)                                | \$1.09 to \$1.26 | 1.09         |
| Expected volatility                                   | 0.6585           | 0.6585       |
| Historical volatility                                 | Note (b)         | Note (b)     |
| Life of options granted (vesting and exercise period) | Note (a)         | Note (a)     |
| Expected dividend                                     | NIL              | NIL          |
| Average risk-free interest rate                       | 0.92 – 1.25 %    | 0.36 - 0.46% |
| Expected dividend rate                                | NIL              | NIL          |

Notes:

(a) Vesting period is 4 years and exercise period is 10 years from the grant date.

(b) The historical volatility has been calculated based on the share of the comparable companies over the previous 5.38 to 5.64 years.

(c) Risk free rate of return has been calculated using 6 years US Treasury bond yield as on the date of respective grant.

Effect of the employee share based payment plans on the Statement of Profit and Loss and on its financial position:

(Rs. in Lacs)

| Particulars                                                                                                       | 2014     | 2013    |
|-------------------------------------------------------------------------------------------------------------------|----------|---------|
| Total Employee Compensation Cost pertaining to share-based payment plans                                          | 2310.26  | 3019.67 |
| Compensation Cost pertaining to equity-settled employee share-based payment plan included above for previous year | (790.00) | 646.06  |
| Compensation Cost pertaining to equity-settled employee share-based payment plan included above for current year  | 657.43   | 644.21  |
| Liability for employee stock options outstanding as at year end Deferred Compensation Cost                        | 2442.83  | 1729.40 |

The estimated weighted average fair value of options granted is US \$ USD 0.64 to USD 0.75 (Previous year US \$ 0.53 ) per share. This was calculated by applying the Black-Scholes option pricing model with the following inputs:

| Particulars                                 | 2014                   | 2013          |
|---------------------------------------------|------------------------|---------------|
| Fair value per share (US \$)                | 1.09                   | 1.09          |
| Exercise price (US \$)                      | 1.09                   | 1.09          |
| Average risk-free interest rate             | 0.92 – 1.25 %          | 0.36 - 0.46 % |
| Expected volatility of share price          | 0.6585                 | 0.6585        |
| Expected life of options granted (in years) | 6.00                   | 5.38 to 5.64  |
| Expected dividend yield                     | NIL                    | NIL           |
| Fair value of the options (US \$)           | US\$ 0.64 to US\$ 0.75 | 0.53          |

Expenses arising from the plan US \$ 1,077,124 (Rs. 657.43 lacs)  
(Previous year US \$ 1,099,530 (Rs.644.21 lacs))

Closing balance of liability for the plan US \$ 3,875,051 (Rs. 2442.83 lacs)  
(Previous year US \$ 2,797,927 (Rs.1729.40 lacs))

The following table provides details in respect of range of exercise price and weighted average remaining contractual life for the options outstanding at the year end.

| Range of exercise price | Shares *  | Weighted average remaining life |
|-------------------------|-----------|---------------------------------|
| USD 1.09 to USD 1.26    | 37,99,847 | 8.59 years                      |

\* (includes 2,028,667 options (Previous year 1,621,734 options) granted to directors including non-executive director of CFCL Technologies Limited (CTL).

**(iii) Since the Company used the intrinsic value method, the impact on the reported net profit and earnings per share by applying the fair value based method**

In March 2005, the ICAI has issued a guidance note on “Accounting for Employees Share Based Payments” applicable to employee based share plan, the grant date in respect of which falls on or after April1, 2005. The said guidance note requires the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation in the financial statements. Applying the fair value based method defined in the said guidance note, the impact on the reported net profit and earnings per share would be as follows:

(Rs. in Lacs)

| Particulars                                                    | 2014-15  | 2013-14  |
|----------------------------------------------------------------|----------|----------|
| Profit as reported                                             | 29461.18 | 24412.42 |
| Add : Employee stock compensation under intrinsic value method | -        | -        |
| Less : Employee stock compensation under fair value method     | 49.92    | 73.67    |
| Proforma profit                                                | 29411.26 | 24338.75 |
| Earning per share                                              |          |          |
| Basic and Diluted                                              |          |          |
| - As reported (in Rs.)                                         | 7.08     | 5.87     |
| - Proforma (in Rs.)                                            | 7.07     | 5.85     |

**42 Rights, preference and restrictions attached to preference shares**

Series H preference shares are convertible into ordinary shares in the ratio of 1:1. Series B and Series F preference shares are convertible into ordinary shares in the ratio of 1.02:1. Series C, Series D and Series E preference shares are convertible into ordinary shares in the ratio of 1.30:1. Series G preference shares are convertible into ordinary shares in the ratio of 1.63:1 Series A-1 and Series B-1 preference shares are convertible into ordinary shares in the ratio of 1.99:1. Series F-1 preference shares are convertible into ordinary shares in the ratio of 2.16:1. Further Series C-1, Series D-1 and Series E-1 preference shares are convertible into ordinary shares in the ratio of 2.75:1. The above conversion is subject to adjustments set forth in the Articles of Association of the CTL.

While the holders of preference shares may generally elect to convert into ordinary shares at any time, all preferences shares will automatically stand converted in the above ratio under any of the following two circumstances:

- (i) immediately prior to a Qualified IPO (as defined in the Articles of Association of the CTL) or;
- (ii) with the vote or written consent of the holders of a majority of the then outstanding preference shares voting separately to convert the respective Series of preference shares based on above conversion ratio.

Preference shareholders carry voting rights on an as converted basis with ordinary shareholders, except for key governance protections outlined in the Articles of Association of the CTL, in which case each class votes separately on an as converted basis as per the terms of the preference shareholders agreement. Further preference shareholders carry preferential dividend rights over ordinary shares if declared by the Board of Directors and priority over ordinary shares in the event of any liquidation, dissolution or winding up of the affairs of CTL.

Within ninety (90) days after the receipt of a written request from members holding not less than a majority of the then outstanding preference shares, voting together on an as converted basis, that all preference shares be redeemed (such date within such ninety (90) days period being the "Redemption Date") and concurrently with the surrender by the holders of outstanding preference shares of the certificates representing such preference shares, the CTL shall, to the extent it may lawfully do so, redeem all of the then outstanding preference shares by paying an amount in cash per preference share to be redeemed equal to the greater of (i) the original purchase price per share (subject to adjustment for any Recapitalizations) and (ii) the fair market value of such preference share as of the Redemption Date, as determined by an independent third-party investment bank or similar financial service provider agreed to by the CTL and the holders of at least a majority of the preference shares then outstanding, voting together on an as-converted basis (the "Redemption Price").

If, on the Redemption Date, the funds of the CTL legally available for redemption of preference shares are insufficient to redeem all outstanding preference shares, those funds that are legally available will be used to make payment to the holders of preference shares on a pro-rata basis in proportion to the number of preference shares then held by such members. Any preference shares not redeemed shall remain outstanding and shall be entitled to all the rights and preferences provided herein. At any time thereafter when additional funds of the CTL are legally available for the redemption of the preference shares, such funds will immediately be used to redeem the balance of the preference shares not redeemed on the Redemption Date in the manner and in the order set forth in the preceding sentence.

In the event of liquidation, preference shareholders have a preferential right over ordinary shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

**43 Details of loans and advances to firms/companies in which directors are interested and investments by the loanee in the shares of the Company (as required by clause 32 of listing agreement)**

(Rs. in Lacs)

| Particulars                                                               | Outstanding amount as at* |            | Maximum amount outstanding during financial year |         |
|---------------------------------------------------------------------------|---------------------------|------------|--------------------------------------------------|---------|
|                                                                           | 31.03.2015                | 31.03.2014 | 2014-15                                          | 2013-14 |
| Loans and advances to firms / Companies in which directors are interested |                           |            |                                                  |         |
| - The Oudh Sugar Mills Limited                                            | -                         | 2000       | -                                                | 2000    |
| - Upper Ganges Sugar & Industries Limited                                 | -                         | 2000       | -                                                | 2000    |
| Investment by the above mentioned loanees in the shares of the Company    |                           |            |                                                  |         |
| - Upper Ganges Sugar & Industries Limited                                 | -                         | 70.42      | -                                                | 70.42   |

\* Repayable within one year

**44 Interest in Joint Venture of the Group:**

The Group has 33.33% ownership interest in Indo Maroc Phosphore S.A. IMACID, which is engaged in manufacturing of phosphoric acid. IMACID is registered in Morocco and follows Accounting period from January to December and accounts are being consolidated on the same basis.

There is no contingent liability in current and previous year. Amount of capital commitment in current year Rs. 351.09 lacs (previous year NIL).

(Rs. in Lacs)

| Particulars                   | 2014           | 2013           |
|-------------------------------|----------------|----------------|
| <b>EQUITY AND LIABILITIES</b> |                |                |
| Shareholders' Funds           |                |                |
| Share capital                 | -              | -              |
| Reserves and surplus          | 9075.59        | 8850.72        |
| <b>Total</b>                  | <b>9075.59</b> | <b>8850.72</b> |
| Non-Current Liabilities       |                |                |
| Long-term borrowings          |                |                |

|                                                                               |                 |                 |
|-------------------------------------------------------------------------------|-----------------|-----------------|
| Deferred tax liabilities (Net)                                                | -               | -               |
| Other long term liabilities                                                   | -               | -               |
| Long term provisions                                                          | -               | -               |
| <b>Total</b>                                                                  | <b>-</b>        | <b>-</b>        |
| <b>Current Liabilities</b>                                                    |                 |                 |
| Short-term borrowings                                                         | -               | -               |
| Trade payables                                                                | 12190.45        | 9907.50         |
| Other current liabilities                                                     | 2050.44         | 997.24          |
| Short-term provisions                                                         | -               | -               |
| <b>Total</b>                                                                  | <b>14240.89</b> | <b>10904.74</b> |
| <b>Grand Total</b>                                                            | <b>23316.48</b> | <b>19755.46</b> |
| <b>ASSETS</b>                                                                 |                 |                 |
| <b>Non-current assets</b>                                                     |                 |                 |
| <b>Fixed assets</b>                                                           |                 |                 |
| Tangible assets                                                               | 4251.73         | 5245.64         |
| Intangible assets                                                             | -               | -               |
| Capital work-in-progress                                                      | 1883.62         | 476.56          |
| Intangible assets under development                                           | -               | -               |
| Non-current investments                                                       | -               | -               |
| Deferred tax assets (net)                                                     | -               | -               |
| Long term loans and advances                                                  | -               | 791.91          |
| Other non-current assets                                                      | -               | -               |
| <b>Total</b>                                                                  | <b>6135.35</b>  | <b>6514.11</b>  |
| <b>Current assets</b>                                                         |                 |                 |
| Inventories                                                                   | 3,987.03        | 4341.31         |
| Trade receivables                                                             | 6,460.03        | 5248.24         |
| Cash and cash equivalents                                                     | 13,023.22       | 11968.39        |
| Short-term loans and advances                                                 | 3,867.19        | 5737.66         |
| Other current assets                                                          | -               | -               |
| <b>Total</b>                                                                  | <b>27337.47</b> | <b>27295.60</b> |
| <b>Grand Total</b>                                                            | <b>33472.82</b> | <b>33809.71</b> |
| <b>Income</b>                                                                 |                 |                 |
| Revenue from operations (Net)                                                 | 56871.25        | 49045.08        |
| Other income                                                                  | 2139.62         | 266.69          |
| <b>Total Revenue</b>                                                          | <b>59010.87</b> | <b>49311.77</b> |
| <b>Expenses:</b>                                                              |                 |                 |
| Cost of materials consumed                                                    | 41205.81        | 34512.02        |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 692.65          | (1418.19)       |
| Employee benefits expense                                                     | 2049.41         | 2014.05         |
| Financial costs                                                               | 0.63            | 0.34            |
| Operating and other expenses                                                  | 11174.19        | 10996.45        |
| Depreciation / Amortization                                                   | 1204.41         | 1118.43         |
| <b>Total Expenses</b>                                                         | <b>56327.10</b> | <b>47223.10</b> |
| Profit after exceptional items and before tax                                 | 2683.77         | 2088.67         |
| <b>Tax expenses:</b>                                                          |                 |                 |
| Current tax                                                                   | 574.82          | 457.62          |
| <b>Profit for the year</b>                                                    | <b>2108.95</b>  | <b>1631.05</b>  |

The above figures are after eliminating all intra-group balances and intra-group transactions.

- 45 Figures pertaining to the Subsidiaries and Joint Venture have been reclassified wherever considered necessary to bring them in line with the Company's financial statements.

- 46 Pending receipt of appeal effect orders for the assessment years where appeals have been decided in favour of the Parent Company by the Commissioner of Income Tax (Appeals) and/ or Income Tax Appellate Tribunal, interest on income tax refund has not been recognized thereof as the amount is presently not reasonably determinable. Interest income on this refund shall be recognized in the year the appeal effect order is received from Income Tax Department.

47 **Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprise Development (MSMED) Act, 2006:**  
(Rs. in Lacs)

| Particulars                                                                                                                                                                                                                                                                          | 2014-15 | 2013-14 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|
| The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.                                                                                                                                                                                 | 22.75   | 43.58   |
| The interest due on unpaid principal amount remaining as at the end of each accounting year.                                                                                                                                                                                         | -       | -       |
| The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.                                     | -       | -       |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.                                                                | -       | -       |
| The amount of interest accrued and remaining unpaid at the end of each accounting year, and                                                                                                                                                                                          | -       | -       |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductive expenditure under Section 23 of the MSMED Act, 2006. | -       | -       |

48 **Derivative Instruments**

(a) **Derivative outstanding as on March 31, 2015**

| S. No. | Details of Derivatives | Currency / pair of currency | Amount in foreign currency                  | Amount (Rs. in lacs)     | Purpose                                                 |
|--------|------------------------|-----------------------------|---------------------------------------------|--------------------------|---------------------------------------------------------|
| 1      | Forward Contracts Buy  | INR USD                     | USD<br>31,10,03,482.82<br>(22,19,17,230.00) | 194443.20<br>(133106.99) | To hedge foreign currency loans from bank.              |
|        |                        | INR EUR                     | EUR<br>84,75,568.46<br>(-)                  | 5696.77<br>(-)           | To hedge trade payables                                 |
| 2      | Interest Swaps Buy     | INR USD                     | USD<br>7,94,50,000.00<br>(9,66,53,333.00)   | -                        | To hedge the interest expenses on foreign currency loan |

(b) **Details of foreign currency exposure that are not hedged by a derivative instrument or otherwise**

| S. No. | Exposure in foreign currency | Bank Balances                  | Nature of exposure and amount    |                                      |                                  |
|--------|------------------------------|--------------------------------|----------------------------------|--------------------------------------|----------------------------------|
|        |                              |                                | Trade and other payables         | Loans and interest accrued           | Trade and other receivables      |
| 1      | USD                          | 10,16,881.20<br>(10,31,921.00) | 96,78,435.00<br>(65,54,149.93)   | 17,20,33,219.59<br>(20,48,39,748.77) | 52,25,420.15<br>(1,20,89,347.29) |
| 2      | SGD                          | -<br>(21,255.00)               | 2,60,674.00<br>(93,567.00)       | -                                    | 15,197.00<br>(75,507.00)         |
| 3      | JPY                          | -<br>-                         | 1,34,31,023.74<br>(21,75,325.00) | -                                    | 71,91,239.83<br>(13,29,720.00)   |
| 4      | GBP                          | 2,190.94<br>(2,491.56)         | 4,604.00<br>(12,971.00)          | -                                    | -<br>-                           |
| 5      | EURO                         | -                              | 5,37,032.80<br>(41,978.43)       | 4,27,241.82                          | 43,28,487.58<br>(2,042.00)       |
| 6      | AED                          | -                              | 1,02,431.00<br>(1,82,529.00)     | -                                    | -<br>-                           |
| 7      | MAD                          | -                              | -                                | -                                    | -<br>(2,14,36,657.30)            |
| 8      | KW                           | -                              | (1,59,23,726.00)                 | -                                    | -<br>-                           |
| 9      | NOK                          | -                              | 57,089.00<br>(15,000.00)         | -                                    | -<br>-                           |

|                      |            |          |               |             |               |
|----------------------|------------|----------|---------------|-------------|---------------|
| 10                   | THB        |          | -             | -           | -             |
|                      |            |          | (1,18,899.00) |             | (3,09,286.00) |
| 11                   | AUD        |          | 495.00        | -           | 4,913.00      |
|                      |            |          | (740.00)      | -           | (1,96,000.00) |
| 12                   | NZD        |          | -             | -           | -             |
|                      |            |          | -             | -           | -             |
| 13                   | YUAN (CNY) |          | -             |             | -             |
|                      |            |          |               |             | (84,061.00)   |
| 14                   | DKK        |          | -             |             | 10,624.00     |
|                      |            |          | -             |             | (10,624.00)   |
| 15                   | RM (MYR)   |          | -             |             | 17,345.00     |
|                      |            |          |               |             | (24,052.00)   |
| 16                   | CHF        |          | -             |             | -             |
|                      |            |          |               |             | (5,470.00)    |
| Exposure Rs. in lacs |            | 637.62   | 6933.68       | 107535.24   | 12619.97      |
|                      |            | (630.92) | (38161.08)    | (122378.17) | (9820.88)     |

Notes:

- (a) Unhedged Borrowings of Rs. 78,022.68 lacs (Previous year Rs. 99774.37 lacs) are not payable within next one year.  
(b) The hedging of Foreign Currency outflows is decided after considering the extent of natural hedge available from foreign currency inflows from export of goods and shipping activities.  
(c) In case of hedged transactions mentioned in (a) above, all losses, wherever applicable, as of March 31, 2015 have been provided for.  
(d) Previous year figures have been given in brackets.

- 49 The Deferred Tax charge and dividend distribution tax for the current year ended March 31, 2015 includes additional charge of Rs.760.85 lacs and Rs. 28.75 lacs respectively. This is due to increase in rate of surcharge of income tax as proposed in the Finance Bill, 2015
- 50 Based on the favourable decision by Income Tax Appellate Tribunal (ITAT)/ and CIT (Appeals), the Parent Company had, during the previous year, reversed the amount of provision for Income Tax relating to Section 80-IA of Income Tax Act, 1961 for various years aggregating to Rs.5975.82 lacs. The same has been shown as Income tax credit related to earlier years.
- 51 The Parent Company had during the previous year consolidated the financial statements of CFCL Employees Welfare Trust (Trust) with the standalone financial statements of the Parent Company as per the opinion of Expert Advisory Committee (EAC) of Institute of Chartered Accountant of India (issued in the month of March 2014). The Trust had acquired in the past equity shares of the Parent Company from the secondary market for transfer to the eligible employees as per the CFCL Employees Stock Option Scheme of the Parent Company. Consequently, the Shareholders' Funds of the Parent Company had been adjusted by Rs.1656.92 lacs i.e. (a) downward adjustment in share capital by Rs.225.34 lacs being the face value of 2,253,402 equity shares held by the Trust, (b) downward adjustment in reserves by Rs.1518.79 lacs representing the purchase price in excess of face value of such equity shares; and (c) increase in reserves by Rs.87.21 lacs towards the accumulated profits of the Trust till 31.03.2013 and dividend received by the Trust during the year 2012-13. Further, the amount of loan of Rs.1665.10 lacs outstanding in the name of Trust in the books of the Parent Company as at 31.03.2014 had been eliminated against the amount of loan outstanding in the name of Parent Company appearing in the books of Trust as at 31.03.2014.

## 52 Discontinuing operation

In view of the Parent Company's strategy to focus more on its core business, Board of Directors of the Parent Company at its meeting held on March 14, 2015, inter alia, has approved the transfer of its textile business i.e. Birla Textile Mills (non core business) located in Himachal Pradesh, to Sutlej Textiles and Industries Limited, as a going concern on slump sale basis w.e.f. April 01, 2015 at a consideration not less than the book value of assets. The aforesaid transaction is subject to requisite approvals as may be required. Further, the Parent Company has already received a sum of Rs. 500 lacs as an advance towards the aforesaid sale.

The following statement shows the revenue and expenditure of the discontinuing operation of Birla Textile Mills:

| (Rs. in Lacs)                               |            |            |
|---------------------------------------------|------------|------------|
| Particulars                                 | FY 2014-15 | FY 2013-14 |
| Revenue                                     | 41364.78   | 40189.54   |
| Less: Expenses                              | 38173.74   | 35895.61   |
| Less: Finance cost                          | 252.40     | 374.94     |
| Less: Depreciation and amortisation expense | 1515.91    | 1536.15    |
| Profit Before Tax                           | 1422.73    | 2382.84    |
| Tax Expenses                                | 403.48     | 684.11     |
| Profit after Tax                            | 1019.25    | 1698.73    |

The carrying amounts of the total assets and liabilities of the division are as follows:

(Rs. in Lacs)

| Particulars       | As at<br>March 31, 2015 | As at<br>March 31, 2014 |
|-------------------|-------------------------|-------------------------|
| Total Assets      | 21809.00                | 24908.00                |
| Total Liabilities | 5669.20                 | 8421.58                 |
| Net assets        | 16139.80                | 16486.42                |

Net cash flow attributable to the division are as below:

(Rs. in Lacs)

| Particulars                   | March 31, 2015 | March 31, 2014 |
|-------------------------------|----------------|----------------|
| Operating activities          | 5587.99        | (464.43)       |
| Investing activities          | (931.45)       | (505.37)       |
| Financing activities          | (4613.60)      | 1095.83        |
| Net cash inflows / (outflows) | 42.94          | 126.03         |

- 53 As the financial statements of CFCL Technologies Limited (CTL) and its subsidiaries are drawn up as at December 31, 2014, adjustments have been made for significant transactions during the period from January 1, 2015 to March 31, 2015 in accordance with Accounting Standard (AS) 21, Consolidated Financial Statements as notified under section 133 of the Companies Act 2013. During this period, erstwhile subsidiary of Parent Company, CFCL Overseas Limited (COL) has purchased convertible note amounting to Rs.2187.68 lacs of CTL. Accordingly, we have adjusted the above transactions in the books of CTL. Thus, the balances in Current accounts as shown in note no. 20 of the financial statements includes convertible note amounting to Rs.2187.68 lacs.

54 **Disclosure required under Section 186 (4) of the Companies Act 2013**

Particulars of Investments made during FY 2014-15:

(Rs. in Lacs)

| Sr. No. | Name of the Investee                      | Investment made | Outstanding Balance as at March 31, 2015 |
|---------|-------------------------------------------|-----------------|------------------------------------------|
| 1       | Upper Ganges Sugar and Industries Limited | 3000.00         | 3000.00                                  |
| 2       | Investment made in corporate bonds        | 32099.88        | -                                        |

55 **Additional information pursuant to Schedule III of Companies Act 2013, "General instructions for the preparation of consolidated financial statements" for financial year 2014-15**

| S. No. | Name of the Entity                                                               | Net Assets, i.e., total assets minus total liabilities |                      | Share in Profit or Loss             |                      |
|--------|----------------------------------------------------------------------------------|--------------------------------------------------------|----------------------|-------------------------------------|----------------------|
|        |                                                                                  | As % of consolidated net assets                        | Amount (Rs. in lacs) | As % of consolidated profit or loss | Amount (Rs. in lacs) |
|        | Parent Company                                                                   |                                                        |                      |                                     |                      |
|        | Chambal Fertilisers and Chemicals Limited                                        | 81.58                                                  | 183642.31            | 110.57                              | 32576.58             |
|        | Indian Subsidiaries                                                              |                                                        |                      |                                     |                      |
| 1      | India Steamship Limited                                                          | 0.01                                                   | 28.59                | 0.00                                | 0.42                 |
| 2      | Chambal Infrastructure Ventures Limited                                          | 0.36                                                   | 812.06               | (0.00)                              | (0.70)               |
| 3      | Chambal Energy (Orissa) Limited                                                  | (0.01)                                                 | (18.29)              | 0.00                                | 0.15                 |
| 4      | Chambal Energy (Chhattisgarh) Limited                                            | (0.00)                                                 | (6.91)               | 0.00                                | 0.15                 |
| 5      | ISG Novasoft Technologies Limited ('ISGNLT')                                     | 1.48                                                   | 3341.48              | 1.87                                | 550.83               |
| 6      | Inuva Info Management Private Limited ('INUVA') - Subsidiary of 'ISGNLT'         | (0.02)                                                 | (34.95)              | (0.01)                              | (1.66)               |
|        | Foreign Subsidiaries                                                             |                                                        |                      |                                     |                      |
| 1      | India Steamship Pte Limited ("ISS Pte")                                          | 0.90                                                   | 2,033.15             | (5.97)                              | (1758.52)            |
| 2      | India Steamship International FZE (subsidiary of ISS Pte)                        | 0.00                                                   | 3.44                 | (0.04)                              | (11.58)              |
| 3      | CFCL Technologies Limited (CTL)                                                  | 47.49                                                  | 106910.04            | (1.13)                              | (332.32)             |
| 4      | ISGN Corporation- erstwhile Novasoft Information Technology Corporation ("NITC") | (16.70)                                                | (37598.24)           | (4.79)                              | (1409.96)            |
| 5      | CFCL Ventures Limited (CVL)                                                      | (0.01)                                                 | (14.12)              | (0.00)                              | (1.45)               |
| 6      | ISGN Solutions, Inc ("ISGN")                                                     | (12.57)                                                | (28296.69)           | (1.07)                              | (314.38)             |

|    |                                                |               |                  |               |                 |
|----|------------------------------------------------|---------------|------------------|---------------|-----------------|
| 7  | Richmond Title Genpar, LLC ('Genpar')          | (0.42)        | (938.37)         | (0.06)        | (17.50)         |
| 8  | Richmond Investors, LLC                        | -             | -                | -             | -               |
| 9  | Richmond Title Services, LP ('Richmond LP')    | -             | -                | -             | -               |
| 10 | ISGN Fulfillment Services, Inc. (Pennsylvania) | (8.22)        | (18507.02)       | (11.69)       | (3445.42)       |
| 11 | ISGN Fulfillment Services, Inc. #              | -             | -                | -             | -               |
| 12 | ISGN Fulfillment Agency, LLC #                 | -             | -                | -             | -               |
| 13 | CFCL Overseas Limited (COL) (under liquidated) | -             | -                | 0.03          | 8.16            |
|    | Minority Interests in subsidiaries             |               |                  |               |                 |
|    | CFCL Technologies Limited (CTL)                | (2.43)        | (5477.28)        | 5.12          | 1509.43         |
|    | Joint Venture                                  |               |                  |               |                 |
| 1  | Indo Maroc Phosphore S.A, Morocco              | 8.54          | 19231.91         | 7.16          | 2108.95         |
|    | <b>Total</b>                                   | <b>100.00</b> | <b>225111.11</b> | <b>100.00</b> | <b>29461.18</b> |

# These entities being license companies and there are no assets and liabilities in these companies.

Note: Above figures for net assets and share in profit or (loss) of entities are after elimination of all intra group transactions.

56 Previous Year's figures have been regrouped and/or rearranged wherever necessary to confirm to this year's classification.

As per our report of even date

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 301003E

per Anil Gupta  
Partner  
Membership No - 87921

Place : Gurgaon  
Date : April 30,2015

For and on behalf of the Board of Directors of  
Chambal Fertilisers and Chemicals Limited

Anil Kapoor  
Managing Director

Abhay Baijal  
Chief Financial Officer

Place : New Delhi  
Date : April 30,2015

S.K. Poddar  
Chairman

M.S. Rathore  
Vice President - Legal,  
Corporate Communication & Secretary

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement Containing salient features of the financial statements of Subsidiaries/ Joint Venture

**Part A : Subsidiaries**

| Sr. No. | Name of the Subsidiary                                 | Reporting Period        | Reporting Currency and Exchange Rate as on the last date of the relevant Financial year in the case of foreign subsidiaries |                              | Share Capital | Reserves and Surplus | Total Assets | Total Liabilities | Investments | Turnover | Profit/ (Loss) before Taxation | Provision for Taxation | Profit/ (Loss) after Taxation | Proposed Dividend | % of Shareholding |
|---------|--------------------------------------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------|------------------------------|---------------|----------------------|--------------|-------------------|-------------|----------|--------------------------------|------------------------|-------------------------------|-------------------|-------------------|
|         |                                                        |                         | Balance sheet                                                                                                               | Statement of profit and loss |               |                      |              |                   |             |          |                                |                        |                               |                   |                   |
| 1       | Chambal Infrastructure Ventures Ltd., India            | 01.04.2014 - 31.03.2015 | -                                                                                                                           | -                            | 940.00        | (117.94)             | 822.34       | 822.34            | -           | -        | (0.69)                         | -                      | (0.69)                        | -                 | 100.00            |
| 2       | Chambal Energy (Chhattisgarh) Ltd., India              | 01.04.2014 - 31.03.2015 | -                                                                                                                           | -                            | 5.00          | (11.91)              | 257.84       | 257.84            | -           | -        | 0.15                           | 0.03                   | 0.12                          | -                 | 100.00            |
| 3       | Chambal Energy (Orissa) Ltd., India                    | 01.04.2014 - 31.03.2015 | -                                                                                                                           | -                            | 5.00          | (23.29)              | 94.51        | 94.51             | -           | -        | 0.15                           | 0.03                   | 0.12                          | -                 | 100.00            |
| 4       | CFCL Overseas Limited, Cayman Islands (1)              | 01.04.2014 - 24.03.2015 | -                                                                                                                           | US \$ = Rs. 63.33            | -             | -                    | -            | -                 | -           | -        | 8.32                           | -                      | 8.32                          | -                 | 100.00            |
| 5       | CFCL Technologies Limited, Cayman Islands              | 01.01.2014 - 31.12.2014 | US \$ = Rs. 63.33                                                                                                           | US \$ = Rs. 63.33            | 1.14          | 100701.27            | 101847.57    | 101847.57         | -           | -        | (739.66)                       | -                      | (739.66)                      | -                 | 72.27             |
| 6       | CFCL Ventures Limited, Cayman Islands (3)              | 01.01.2014 - 31.12.2014 | US \$ = Rs. 63.33                                                                                                           | US \$ = Rs. 63.33            | 31.67         | 5252.96              | 5298.80      | 5298.80           | -           | -        | (1.50)                         | -                      | (1.50)                        | -                 | 72.27             |
| 7       | ISGN Corporation, USA (3)                              | 01.01.2014 - 31.12.2014 | US \$ = Rs. 63.33                                                                                                           | US \$ = Rs. 63.33            | 54.01         | 57993.40             | 84408.18     | 84408.18          | -           | 15049.54 | (1900.52)                      | 125.40                 | (2025.92)                     | -                 | 72.27             |
| 8       | ISGN Solutions Inc., USA (3)                           | 01.01.2014 - 31.12.2014 | US \$ = Rs. 63.33                                                                                                           | US \$ = Rs. 63.33            | 46.17         | 33197.02             | 39850.52     | 39850.52          | -           | 6516.17  | (355.99)                       | 19.69                  | (375.68)                      | -                 | 72.27             |
| 9       | Richmond Investors, LLC, USA (3)                       | 01.01.2014 - 31.12.2014 | US \$ = Rs. 63.33                                                                                                           | US \$ = Rs. 63.33            | 1354.25       | -                    | 1354.25      | 1354.25           | -           | -        | -                              | -                      | -                             | -                 | 72.27             |
| 10      | Richmond Title Genpar, LLC, USA (3)                    | 01.01.2014 - 31.12.2014 | US \$ = Rs. 63.33                                                                                                           | US \$ = Rs. 63.33            | 13.68         | -                    | 13.68        | 13.68             | -           | -        | -                              | -                      | -                             | -                 | 72.27             |
| 11      | Richmond Title Services, LP, USA (3)                   | 01.01.2014 - 31.12.2014 | US \$ = Rs. 63.33                                                                                                           | US \$ = Rs. 63.33            | 1367.96       | (942.71)             | 829.85       | 829.85            | -           | -        | (20.88)                        | -                      | (20.88)                       | -                 | 72.27             |
| 12      | ISGN Fulfillment Services, Inc., Pennsylvania, USA (3) | 01.01.2014 - 31.12.2014 | US \$ = Rs. 63.33                                                                                                           | US \$ = Rs. 63.33            | 0.00          | (179.81)             | 6791.64      | 6791.64           | 8.28        | 14749.12 | (3462.29)                      | 11.11                  | (3473.40)                     | -                 | 72.27             |
| 13      | ISGN Fulfillment Services, Inc., AZ, USA (2) (3)       | 01.01.2014 - 31.12.2014 | -                                                                                                                           | -                            | -             | -                    | -            | -                 | -           | -        | -                              | -                      | -                             | -                 | 72.27             |
| 14      | ISGN Fulfillment Agency, LLC, DE, USA (2) (3)          | 01.01.2014 - 31.12.2014 | -                                                                                                                           | -                            | -             | -                    | -            | -                 | -           | -        | -                              | -                      | -                             | -                 | 72.27             |

(Rs. in Lacs)

|    |                                              |            |                   |                   |         |         |         |         |      |         |         |        |         |   |        |
|----|----------------------------------------------|------------|-------------------|-------------------|---------|---------|---------|---------|------|---------|---------|--------|---------|---|--------|
| 15 | ISG Novasoft Technologies Limited, India (3) | 01.01.2014 | -                 | -                 | 3623.00 | 2620.00 | 7948.00 | 7948.00 | -    | 8093.00 | 992.00  | 617.00 | 375.00  | - | 72.27  |
|    |                                              | 31.12.2014 | -                 | -                 |         |         |         |         |      |         |         |        |         |   |        |
| 16 | Inuva Info Management Pvt. Ltd., India (4)   | 01.01.2014 | -                 | -                 | 2.38    | 32.97   | 40.71   | 40.71   | -    | -       | (0.82)  | -      | [0.82]  | - | 51.32  |
|    |                                              | 31.12.2014 | -                 | -                 |         |         |         |         |      |         |         |        |         |   |        |
| 17 | India Steamship Pte. Limited, Singapore      | 01.04.2014 | US \$ = Rs. 62.50 | US \$ = Rs. 61.15 | 437.54  | 1810.17 | 3303.46 | 3303.46 | 4.25 | 7548.85 | 1872.75 | 295.14 | 1577.61 | - | 100.00 |
|    |                                              | 31.03.2015 | US \$ = Rs. 62.50 | US \$ = Rs. 61.15 |         |         |         |         |      |         |         |        |         |   |        |
| 18 | India Steamship International FZE, UAE       | 01.04.2014 | -                 | -                 | 4.25    | [51.44] | 3.44    | 3.44    | -    | -       | -       | -      | (11.60) | - | 100.00 |
|    |                                              | 31.03.2015 | -                 | -                 |         |         |         |         |      |         |         |        |         |   |        |
| 19 | India Steamship Limited, India               | 01.04.2014 | -                 | -                 | 25.00   | 3.59    | 28.72   | 28.72   | -    | -       | 0.47    | 0.07   | 0.40    | - | 100.00 |
|    |                                              | 31.03.2015 | -                 | -                 |         |         |         |         |      |         |         |        |         |   |        |

(1) In pursuance of the voluntary liquidation of CFCL Overseas Limited (COL), Cayman Island all the assets of COL were transferred in favour of the Company on March 25, 2015. Accordingly, turnover and Profit after Tax are for the period upto March 24, 2015.

(2) These entities being license companies, there are no assets & liabilities and no financial transactions were carried out during the financial year.

(3) Wholly owned subsidiary of CFCL Technologies Limited, Cayman Islands.

(4) ISG Novasoft Technologies Limited, India holds 71% shares in Inuva Info Management Pvt. Ltd., India

#### Part B: Joint Venture

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Venture

| Name of Joint Venture             | Latest Audited Balance Sheet Date | Shares of joint venture held by the company on the year end |                                                    |                       | How there is significant influence | Reason why joint venture is not consolidated | Networth attributable to the shareholding as per latest audited balance sheet (Rs in lac) | Profit/Loss for the year (Rs in lac) |                                 |
|-----------------------------------|-----------------------------------|-------------------------------------------------------------|----------------------------------------------------|-----------------------|------------------------------------|----------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------|---------------------------------|
|                                   |                                   | No. of shares                                               | Amount of Investment in Joint Venture (Rs. in lac) | Extent of holding (%) |                                    |                                              |                                                                                           | Considered in consolidation          | Not considered in consolidation |
| Indo maroc Phosphore S.A. Morocco | 31.12.2014                        | 206667 shares                                               | 8513.32                                            | 33.33                 | Holding more than 20% shares       | Not Applicable                               | 18025.55                                                                                  | 2108.95                              | 4217.90                         |

For and on behalf of the Board of Directors of  
Chambal Fertilisers and Chemicals Limited

Anil Kapoor  
Managing Director

S.K. Poddar  
Chairman

Abhay Bajjal  
Chief Financial Officer

M.S. Rathore  
Vice President - Legal,  
Corporate Communication & Secretary

Place : New Delhi

Date : April 30, 2015

## CHAMBAL FERTILISERS AND CHEMICALS LIMITED

### E-COMMUNICATION REGISTRATION FORM

|                                 |   |       |
|---------------------------------|---|-------|
| Folio No. (FOR PHYSICAL SHARES) | : | _____ |
| Name of 1st Registered Holder   | : | _____ |
| Name(s) of Joint holder(s)      | : | _____ |
| Registered Address              | : | _____ |
| E-Mail ID (to be registered)    | : | _____ |
| Phone No./Mobile No.            | : | _____ |

I/We, shareholder of Chambal Fertilisers and Chemicals Limited agree to receive communication from the Company in electronic mode. Please register my above e-mail in your records for sending communication through e-mail.

Date: 1. 2. 3.

Signature of Shareholder(s)  
(as appearing in the Company's records)

Notes:

1. Shareholder(s) is/are requested to keep the Company informed as and when there is any change in the e-mail address.
2. In case, shares are held in electronic form, kindly register your email particulars with your Depository Participant.

## ECS MANDATE FORM

|                                                                             |   |                                                                                        |                          |              |                          |                 |                          |       |                          |  |  |  |  |  |  |  |  |
|-----------------------------------------------------------------------------|---|----------------------------------------------------------------------------------------|--------------------------|--------------|--------------------------|-----------------|--------------------------|-------|--------------------------|--|--|--|--|--|--|--|--|
| 1. Shareholder's name (in Block Letter)                                     | : |                                                                                        |                          |              |                          |                 |                          |       |                          |  |  |  |  |  |  |  |  |
|                                                                             | : | (First holder)                                                                         |                          |              |                          |                 |                          |       |                          |  |  |  |  |  |  |  |  |
|                                                                             | : |                                                                                        |                          |              |                          |                 |                          |       |                          |  |  |  |  |  |  |  |  |
|                                                                             | : | (Joint holder)                                                                         |                          |              |                          |                 |                          |       |                          |  |  |  |  |  |  |  |  |
|                                                                             | : |                                                                                        |                          |              |                          |                 |                          |       |                          |  |  |  |  |  |  |  |  |
| 2. Folio Number (for Physical shares)                                       | : |                                                                                        |                          |              |                          |                 |                          |       |                          |  |  |  |  |  |  |  |  |
| 3. Number of Shares                                                         | : |                                                                                        |                          |              |                          |                 |                          |       |                          |  |  |  |  |  |  |  |  |
| 4. Bank Name                                                                | : |                                                                                        |                          |              |                          |                 |                          |       |                          |  |  |  |  |  |  |  |  |
| 5. Branch Name & Address                                                    | : |                                                                                        |                          |              |                          |                 |                          |       |                          |  |  |  |  |  |  |  |  |
| 6. IFSC Code No.                                                            | : |                                                                                        |                          |              |                          |                 |                          |       |                          |  |  |  |  |  |  |  |  |
| 7. Status of Investor<br>(Mark "√" in the appropriate box)                  | : | Resident                                                                               | <input type="checkbox"/> | Non-Resident | <input type="checkbox"/> |                 |                          |       |                          |  |  |  |  |  |  |  |  |
| 8. Account Type<br>(Mark "√" in the appropriate box)                        | : | SB A/C                                                                                 | <input type="checkbox"/> | Current A/C  | <input type="checkbox"/> | Cash Credit A/C | <input type="checkbox"/> | Other | <input type="checkbox"/> |  |  |  |  |  |  |  |  |
| 9. Account Number                                                           | : | <div style="display: flex; border: 1px solid black; height: 25px; width: 100%;"></div> |                          |              |                          |                 |                          |       |                          |  |  |  |  |  |  |  |  |
| 10. Ledger Folio No. of the A/C<br>(if appearing on Cheque Book)            | : | <div style="display: flex; border: 1px solid black; height: 25px; width: 100%;"></div> |                          |              |                          |                 |                          |       |                          |  |  |  |  |  |  |  |  |
| 11. Nine digit code number of Bank<br>and Branch appearing on the<br>Cheque | : | <div style="display: flex; border: 1px solid black; height: 25px; width: 100%;"></div> |                          |              |                          |                 |                          |       |                          |  |  |  |  |  |  |  |  |

I/we hereby declare that the particulars given above are correct and complete. If credit is not effected for reasons of incomplete or incorrect information, I/we would not hold the Company responsible.

Date: \_\_\_\_\_ 1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

Signature of Shareholder(s)  
(as appearing in the Company's records)

Note: In case, shares are held in electronic form, kindly submit ECS particulars to your Depository Participant.



BOOK-POST



If undelivered, please return to:  
**Chambal Fertilisers and Chemicals Limited**  
“Corporate One”, First Floor  
5, Commercial Centre, Jasola,  
New Delhi - 110 025

**AUDITORS' CERTIFICATE**

To

**The Members of Chambal Fertilisers and Chemicals Limited**

We have examined the compliance of conditions of corporate governance by Chambal Fertilisers and Chemicals Limited, for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**For S.R. BATLIBOI & CO. LLP**  
Chartered Accountants  
ICAI Firm registration number: 301003E



*Anil Gupta*  
per Anil Gupta  
Partner  
Membership No.: 87921  
Place *Gurgaon*  
Date *30/4/2015*

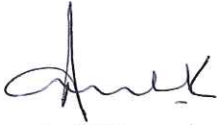
*Certified True copy*  
**For Chambal Fertilisers and Chemicals Ltd.**

*Rajveer Singh*  
**Rajveer Singh**  
Assistant Vice President-Legal & Secretary

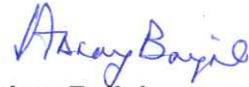
**FORM A**

**Annual Audit Report for the Financial Year 2014-15**

|    |                                                       |                                           |
|----|-------------------------------------------------------|-------------------------------------------|
| 1. | <b>Name of the Company</b>                            | Chambal Fertilisers and Chemicals Limited |
| 2. | <b>Annual financial statements for the year ended</b> | 31 <sup>st</sup> March 2015               |
| 3. | <b>Type of Audit observation</b>                      | Un-qualified                              |
| 4. | <b>Frequency of observation</b>                       | Not Applicable                            |



**Anil Kapoor**  
Managing Director  
(DIN-00032299)



**Abhay Bajaj**  
Chief Financial officer



**Anil Gupta**  
M/s. S.R. Batliboi & Co. LLP  
Statutory Auditors  
(ICAI Firm Registration No. 301003E)



**Marco Philippus Ardeshir Wadia**  
Audit Committee Chairman  
(DIN-00244357)