

Annexure “E” to Directors’ Report
REPORT ON CORPORATE GOVERNANCE

a) Company’s Philosophy

Your Company believes that for its sustained success, it must maintain global standards of corporate conduct towards its shareholders, customers, employees, all other stakeholders and society in general. 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.

The Company believes that corporate governance is not just limited to creating checks and balances. It is more about creating organization excellence leading to increasing employee and customer satisfaction and shareholders’ value. The primary objective of corporate governance is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness, to develop capabilities and identify opportunities that best serve the goal of value creation. The Company believes, it must leverage its human and capital resources to translate opportunities into reality, create awareness of corporate vision and spark 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 and transparency are key drivers to improve decision-making and the rationale behind such decisions, which in turn creates stakeholder confidence.

b) Board of Directors

The Board of Directors consists of ten directors including a Managing Director and nine Non-Executive Directors. M/s. S. K. Poddar and S. S. Bhartia, Directors of the Company are retiring by rotation at the forthcoming Annual General Meeting. M/s. S. K. Poddar and S. S. Bhartia are eligible for re-appointment.

The Board of Directors had appointed Mr. K. N. Memani and Ms. Radha Singh as Directors w.e.f July 21, 2009 and October 21, 2009, respectively, to fill the casual vacancies caused by resignation of M/s. M. D. Locke and A. J. A. Tauro. Mr. K. N. Memani will hold office until the forthcoming Annual General Meeting of the Company.

The Company has received a notice in writing together with requisite deposit from a member proposing Mr. Memani’s appointment as a director of the Company, liable to retire by rotation.

The brief particulars of all the Directors are given below:

(i) Mr. Saroj Kumar Poddar

Mr. S. K. Poddar, Chairman, a gold medalist in B. Com (Hons.) from Calcutta University, is the Chairman of Poddar Heritage Enterprises. Under Mr. Poddar, the group has promoted various projects including joint ventures with leading international corporations. The most notable of these ventures are Gillette India Ltd. – a joint venture with The Gillette Company of U.S.A. and Hettich India Private Ltd. – a joint venture with the Hettich Group of Germany.

Besides being the Chairman of these joint ventures, Mr. Poddar is the Chairman of Zuari Industries Ltd., Texmaco Ltd., Chambal Infrastructure Ventures Ltd., Simon India Ltd. and Zuari Cement Ltd. Internationally, Mr. Poddar is on the Board of Gillette Management Inc., Boston. He is also on the Advisory Board of M/s. N M Rothschild & Sons (India) Private Ltd.

Mr. Poddar is the Chairman of India-Saudi Arabia Joint Business Council, member of the Indo-French CEO Forum and Board of Trade, Ministry of Commerce and a member of the Court, Indian Institute of Science, Bangalore.

Mr. Poddar is the Past President of Federation of Indian Chambers of Commerce and Industry (FICCI), International Chamber of Commerce-India, Indian Council of Arbitration, All India Organization of Employers and Council of Indian Employers.

Names of other Indian Public Ltd. Companies in which Mr. S. K. Poddar is Director or the member of Committee(s):

S. No.	Name of the Company	S. No.	Name of the Company
1.	Chambal Infrastructure Ventures Limited	6.	Simon India Limited
2.	Gillette India Limited*	7.	Texmaco Limited [§]
3.	Indian Furniture Products Limited	8.	Zuari Cement Limited*
4.	Lionel India Limited	9.	Zuari Industries Limited
5.	Poddar Heritage Investments Limited		

*Also Chairman/Member of Audit Committee

§Also Chairman of Shareholders Grievance Committee

(ii) Mr. Shyam Sunder Bhartia

Mr. S. S. Bhartia is the Chairman and Managing Director of Jubilant Organosys Ltd. After graduating in Commerce, he did his ICWA from the Institute of Cost and Works Accountants of India (ICWAI) and is a fellow member of the ICWAI. A leading industrialist of India, he has rich industrial experience in the Pharmaceuticals, Speciality Chemicals, Food, Oil and Gas (Exploration & Production), Aerospace and Information Technology sectors. He is a director on the boards of numerous companies both in India and overseas. He is also a member of the Executive Committee of Federation of Indian Chambers of Commerce and Industry (FICCI).

His past association to institutional segment included – Member of Board of Governors of Indian Institute of Technology (IIT), Mumbai and Indian Institute of Management (IIM), Ahmedabad and Director on the Board of Air India.

Names of other Indian Public Ltd. Companies in which Mr. S. S. Bhartia is Director or the member of Committee(s):

S. No.	Name of the Company	S. No.	Name of the Company
1.	ACME Tele Power Limited*	8.	Jubilant Infrastructure Limited
2.	Clinsys Clinical Research Limited*	9.	Jubilant Innovation (India) Limited
3.	Draximge India Limited	10.	Jubilant Organosys Limited
4.	Geo-Enpro Petroleum Limited	11.	Lionel India Limited
5.	Jubilant Chemsys Limited	12.	VAM Holdings Limited
6.	Jubilant First Trust Healthcare Limited	13.	Zuari Industries Limited
7.	Jubilant Foodworks Limited		

*Also Chairman of Audit Committee

(iii) Mr. Harbachan Singh Bawa

Mr. H. S. Bawa is Managing Director of Zuari Industries Ltd. After getting his Masters Degree in Petroleum Engineering from University of Tulsa, USA, Mr. Bawa had a long stint of 24 years with ESSO India where he held some key assignments both in India and ESSO affiliates abroad. Before joining Zuari Industries Ltd. in 1979, Mr. Bawa was General Manager of the two Refineries of Hindustan Petroleum Corporation Ltd. (formerly ESSO).

Names of other Indian Public Ltd. Companies in which Mr. H. S. Bawa is Director or the member of Committee(s):

S. No.	Name of the Company	S. No.	Name of the Company
1.	Chambal Infrastructure Ventures Limited	7.	Style Spa Furniture Limited
2.	Gulbarga Cement Limited	8.	Zuari Industries Limited
3.	Indian Potash Limited	9.	Zuari Investments Limited
4.	Lionel India Limited	10.	Zuari Maroc Phosphates Limited*
5.	Paradeep Phosphates Limited	11.	Zuari Seeds Limited
6.	Simon India Limited*		

*Also Member of Audit Committee

(iv) Mr. Anil Kapoor

Mr. Anil Kapoor is a B. Tech from Indian Institute of Technology, New Delhi, one of world's premier technological institutes and holds M. S. in Chemical Engineering from State University of New York, USA. He has over 31 years of experience in areas of production, logistics, purchase, administration, customer service and in general management with reputed Indian and Multinational groups.

Names of other Indian Public Ltd. Companies in which Mr. Anil Kapoor is Director or the member of Committee(s):

S. No.	Name of the Company	S. No.	Name of the Company
1.	Chambal Energy (Chhattisgarh) Limited	4.	Indian Furniture Products Limited
2.	Chambal Energy (Orissa) Limited	5.	Zuari Investments Limited
3.	Chambal Infrastructure Ventures Limited		

(v) Mr. Ram Nath Bansal

Mr. R. N. Bansal is M. A. (Economics) and a Fellow member of the Institute of Chartered Accountants of India since 1954 and an Associate member of the Institute of Company Secretaries of India. He is an eminent professional and is on the Boards of many renowned companies. He has also served the Department of Company Affairs in various capacities viz., Registrar of Companies, Regional Director and retired as Member, Company Law Board. He was Director (Investment) and Additional Controller of Capital Issues in the Ministry of Finance. He was also a nominee of the Central Government on the Central Council of Institute of Chartered Accountants of India, Institute of Company Secretaries of India and the Governing Boards of various Stock Exchanges.

Names of other Indian Public Ltd. Companies in which Mr. R. N. Bansal is Director or the member of Committee(s):

S. No.	Name of the Company	S. No.	Name of the Company
1.	Essar Shipping Ports & Logistics Limited*	5.	Pushpsons Industries Limited*
2.	Essar Logistics Limited	6.	Spice Mobile Limited*
3.	Gobind Sugar Mills Limited*	7.	The Hindoostan Spinning & Weaving Mills Limited*
4.	Orient Ceramics & Industries Limited*	8.	Vadinar Oil Terminal Limited*

*Also Chairman/Member of Audit Committee

(vi) Mr. Dipankar Basu

Mr. Dipankar Basu is an M.A. (Economics). He is the Non-Executive Chairman of Securities Trading Corporation of India Ltd., STCI Primary Dealer Ltd., Peerless General Finance & Investment Co. Ltd., Peerless Securities Ltd. and Rain CII Carbon (India) Ltd. Mr. Basu is a former Chairman of State Bank of India. Between 1996 and 1999, Mr. Basu served as a member of the Disinvestment Commission set up by the Government of India. During 1997-98, Mr. Basu was a member of the Narasimham

Committee on Banking Sector Reforms.

Names of other Indian Public Ltd. Companies in which Mr. Dipankar Basu is Director or the member of Committee(s):

S. No.	Name of the Company	S. No.	Name of the Company
1.	Asian Paints Limited*	5.	Saregama (India) Limited
2.	Deepak Fertilisers & Petrochemicals Corp. Limited ⁵	6.	Securities Trading Corporation of India Limited*
3.	Peerless General Finance & Investment Co. Limited	7.	STCI Primary Dealer Limited
4.	Peerless Securities Limited*	8.	RAIN CII Carbon (India) Limited*

*Member/Chairman of Audit Committee as well.

⁵Chairman of Shareholders Grievance Committee as well.

(vii) Mr. Kashi Nath Memani

Mr. Memani is a Chartered Accountant. He was Chairman and Country Managing Partner, Ernst & Young, India until 31st March 2004. He was also member of Ernst & Young Global Council for 10 years. Mr. Memani specializes 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 joined boards of various companies. 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. Mr. Memani is the past Chairman of American Chamber of Commerce in India and former President of Indo American Chamber of Commerce & PHD Chamber of Commerce. He is also member of managing committees of various Industry bodies. Mr. Memani was Chairman of New Company Law Drafting Committee and first Chairman of Quality Review Board, both set up by Govt. of India.

Names of other Indian Public Ltd. Companies in which Mr. K. N. Memani is Director or the member of Committee(s):

S. No.	Name of the Company	S. No.	Name of the Company
1.	Aegon Religare Life Insurance Company Limited	6.	HT Media Limited*
2.	DLF Limited*	7.	ICICI Venture Funds Management Co. Limited*
3.	Emami Limited	8.	J. K. Lakshmi Cement Limited
4.	Great Eastern Energy Corporation Limited*	9.	National Engineering Industries Limited*
5.	HEG Limited		

*Also Chairman/Member of Audit Committee

(viii) Mr. Chandra Shekhar Nopany

An industrialist with vision and sharp business acumen, Mr. Chandra Shekhar Nopany is heading successful businesses in India. A Chartered Accountant and Master of Science in Industrial Administration from Carnegie Mellon University, Pittsburgh, U.S.A., he is an eminent industrialist having vast experience in diverse fields like sugar, shipping, textiles and fertilisers. Apart from being the Chairman & Managing Director of The Oudh Sugar Mills Ltd., the Chairman of Sutlej Textiles & Industries Ltd. and SIL Investments Ltd., he is also on the Board of Directors of several other companies of K. K. Birla group. Having contributed significantly to organic and inorganic growth of the Group, he continues to lead as a new generation entrepreneur with dedication and concerted focus on the target to be achieved.

Names of other Indian Public Ltd. Companies in which Mr. C. S. Nopany is Director or the member of Committee(s):

S. No.	Name of the Company	S. No.	Name of the Company
1.	Chambal Infrastructure Ventures Limited	7.	SIL Investments Limited ⁵
2.	Gobind Sugar Mills Limited ⁵	8.	The Oudh Sugar Mills Limited
3.	Hargaon Investment & Trading Co. Limited	9.	Upper Ganges Sugar & Industries Limited ⁵
4.	Modern DiaGen Services Limited	10.	Uttar Pradesh Trading Co. Limited
5.	New India Retailing & Investment Limited	11.	Yashvardhan Investment & Trading Co. Limited
6.	Sutlej Textiles and Industries Limited ⁵		

⁵ Chairman/Member of Investors' Grievance Committee as well.

(ix) Ms. Radha Singh

Ms. Radha Singh has retired from Indian Administrative Service. Before retirement, she was holding the position of Agriculture and Cooperation Secretary, Government of India. She has a long experience of 39 years in public service in areas of rural and agriculture development, water resources, public finance and institution building. In her capacity as Agriculture and Cooperation Secretary, she also headed various organizations as Board Member/Chairperson.

She also held high level policy and managerial positions in the Government of India. These included Secretary, Department of Animal Husbandry, Dairying and Fisheries; Additional Secretary in the Ministry of Water Resources, etc. She was working with the World Bank in Washington, U.S.A. as an Institutional Specialist and in other capacities for six years (1993-1998). Presently, Ms. Singh is Agriculture Advisor to FICCI, Chairperson of Madhavpura Mercantile Bank, Ahmedabad and Trustee and Secretary of Rajendra Bhawan Trust, New Delhi. She is on the Board of YES Bank Ltd. and LT Foods Ltd.

(x) **Mr. Marco Philipus Ardeshir Wadia**

Mr. Marco Wadia is B.A. (Hons.), LL.B. and is a practicing Advocate since 1986, specializing in corporate matters. Mr. Wadia is a partner in the firm of Crawford Bayley & Co., Mumbai since January 2001. He is on the Boards of various Companies.

Names of other Indian Public Ltd. Companies in which Mr. Wadia is Director or the member of Committee(s):

S. No.	Name of the Company	S. No.	Name of the Company
1.	GMAC Financial Services India Limited*	6.	Simon India Limited*
2.	Johnson & Johnson Limited*	7.	Stovec Industries Limited*
3.	Jost's Engineering Company Limited	8.	Zuari Industries Limited* ⁵
4.	Paradeep Phosphates Limited	9.	Zuari Maroc Phosphates Limited
5.	Zuari Developers Limited		

*Also Chairman/Member of Audit Committee

⁵Also Member of Shareholders' Grievance Committee

c) **Meeting and Attendance**

During the year under review, five Board Meetings were held on April 16, 2009, May 15, 2009, July 21, 2009, October 21, 2009 and January 23, 2010.

The composition of the Board of Directors, their attendance at the Board Meetings and Annual General Meeting as also number of other directorships in Indian public Ltd. companies and membership of the Committees of the Boards of such companies are as follows:

Name of Director	Whether Attended Last AGM	No. of Board Meetings attended	Category of Director	Other Directorships	Membership of Committee of other Boards	
					Chairman	Member
Mr. S. K. Poddar	NO	5	NED/PG	9	2	1
Mr. R. N. Bansal	NO	4	ID	8	4	3
Mr. D. Basu	NO	4	ID	8	3	2
Mr. H. S. Bawa	NO	5	NED	11	NIL	2
Mr. S. S. Bhartia	NO	5	NED/PG	13	2	NIL
Mr. Anil Kapoor	YES	5	MD	5	NIL	NIL
Mr. K. N. Memani ¹	NO	1	ID	9	4	1
Mr. C. S. Nopany	NO	4	NED/PG	11	2	2
Ms. Radha Singh ²	NO	1	ID	2	NIL	NIL
Mr. Marco Ph. A. Wadia	YES	5	ID	9	2	4

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

¹appointed on July 21, 2009, to fill the casual vacancy caused by resignation of Mr. M. D. Locke.

²appointed on October 21, 2009, to fill the casual vacancy caused by resignation of Mr. A. J. A. Tauro.

Notes:

- Directorship excludes Indian Private Ltd. Companies and Foreign Companies.
- Committees mean Audit Committee and Shareholders Grievance Committee.
- Mr. A. J. A Tauro, an independent director resigned w.e.f. October 1, 2009 and because of his ill health, did not attend any meeting during the year.

d) **BOARD AGENDA**

The Board meetings are scheduled well in time and Board members are usually given a notice of two months before the meeting date. The Board members are provided with well structured and comprehensive agenda papers. All major agenda items are backed by in-depth background information and analysis, wherever possible, to enable the Board members to take informed decisions. Agenda papers are generally circulated a week prior to the meeting of the Board.

e) **COMMITTEES OF THE BOARD**

There are 7 Committees of the Board of Directors, which have been delegated adequate powers to discharge urgent business of the Company. These Committees are - (a) Audit Committee; (b) Investors Grievance Committee; (c) Remuneration Committee; (d) Banking and Finance Committee; (e) Project Monitoring Committee; (f) Quarterly Results Review Committee and (g) Compensation Committee. The Committees meet as often as required.

The details of these Committees are as follows:

(i) **Audit Committee**

• **Terms of reference:**

Apart from all the matters provided in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the terms of reference of the Audit Committee include:

- approve internal audit programme,
- review with statutory auditors their findings, observations, suggestions, internal control systems, scope of audit, other related matters and major accounting policies followed by the Company,

- review the contracts entered into by the Company, valuing more than Rs. 75 million and the contracts entered into with the parties included in the register maintained under Section 301 of the Companies Act, 1956, if any,
- review Internal Audit Reports related to internal control weaknesses.

The minutes of the Audit Committee meetings are circulated to the Board of Directors.

• **Composition:**

The Committee comprises of four Directors. The permanent invitees include Managing Director, Chief Financial Officer, statutory auditors and internal auditors. The Company Secretary is the Secretary of the Committee. The Committee met 5 times during the year and the attendance of members at the meetings was as follows:

Name	Status	Category	No. of Meetings attended
Mr. Marco Wadia	Chairman w.e.f. 21.07.2009	Independent	5
Mr. R. N. Bansal	Member	Independent	4
Mr. H. S. Bawa	Member	Non-executive	5
Mr. K. N. Memani	Member w.e.f. 21.07.2009	Independent	3

Mr. A. J. A. Tauro ceased to be Chairman and member w.e.f. October 1, 2009 and did not attend any meeting during the year.

(ii) **Investors Grievance Committee**

• **Terms of reference:**

The Committee was formed to approve the matters relating to allotment of securities, issue of duplicate certificates, review and redressal of investor grievances, decide the dates of book closure/record dates in respect of the securities presently issued by the Company, etc. In order to provide quick service to investors, the Board has delegated enough powers to few executives to deal with various matters including transfer of shares across the counter, transmission of securities, etc.

• **Composition:**

The Committee comprises of three Directors. The Committee met 4 times during the year and the attendance of members at the meetings was as follows:

Name	Status	Category	No. of Meetings attended
Mr. R. N. Bansal	Chairman	Independent	3
Mr. H. S. Bawa	Member	Non-executive	4
Mr. Anil Kapoor	Member	Managing Director	4

Mr. M. S. Rathore, Vice President – Legal, Corporate Communication & Secretary is the Compliance Officer of the Company.

• **Investors' Grievances received and resolved during the year:**

The Company has 2,07,308 investors as on March 31, 2010. During the year under review, the status of requests and complaints was as follows:

Particulars	Opening Balance	Received	Total Resolved	Closing Balance
Requests	1	18,458	18,436	23*
Complaints	NIL	124	124	NIL

*Since attended

(iii) **Remuneration Committee**

• **Terms of reference:**

The Committee was formed to recommend appointment of Managing Director(s)/Whole Time Director(s)/Manager and to review and approve the remuneration including the compensation package, annual increments, incentives, additional perquisites, etc. of the Managing Director(s)/Whole Time Director(s) and Senior Executives of the Company.

• **Composition:**

The Committee comprises of three Directors. The Committee met once during the year and the attendance of members at the meetings was as follows:

Name	Status	Category	No. of Meetings attended
Mr. R. N. Bansal	Chairman	Independent	1
Mr. C. S. Nopany	Member w.e.f. 23.01.2010	Non-executive	NIL
Mr. Marco Wadia	Member	Independent	1

Mr. A. J. A. Tauro ceased to be member of this committee w.e.f. October 1, 2009 and did not attend the meeting.

(iv) **Banking and Finance Committee**

• **Terms of reference:**

The Committee was formed to approve avilment of various types of finances including working capital facilities, loan facilities, etc. and any other specific matter delegated by the Board from time to time.

- **Composition:**

The Committee comprises of four Directors. The Committee met thrice during the year and the attendance of members at the meetings was as follows:

Name	Status	Category	No. of Meetings attended
Mr. S. S. Bhartia	Chairman	Non-executive	3
Mr. D. Basu	Member	Independent	NIL
Mr. C. S. Nopany	Member	Non-executive	NIL
Mr. Anil Kapoor	Member	Managing Director	3

(v) **Project Monitoring Committee**

- **Terms of reference:**

The Committee was formed to review progress of the Gadepan I & II Revamp projects and approve contracts of certain value.

- **Composition:**

The Committee comprises of four Directors. No meeting of the committee was held during the year.

Name	Status	Category
Mr. C. S. Nopany	Chairman	Non-executive
Mr. H. S. Bawa	Member	Non-executive
Mr. R. N. Bansal	Member	Independent
Mr. Anil Kapoor	Member	Managing Director

(vi) **Quarterly Results Review Committee**

- **Terms of reference:**

The Committee was formed to deal with all the matters pertaining to approval of the unaudited quarterly results of the Company.

- **Composition:**

The Committee comprises of four Directors. No meeting of the committee was held during the year. The composition of the Committee is as follows:

Name	Status	Category
Mr. S. S. Bhartia	Chairman	Non-executive
Mr. H. S. Bawa	Member	Non-executive
Mr. R. N. Bansal	Member	Independent
Mr. Anil Kapoor	Member	Managing Director

(vii) **Compensation Committee**

- **Terms of reference:**

The Committee was formed to formulate Employee Stock Option Scheme and its administration.

- **Composition:**

The Committee comprises of four Directors. No meeting of the committee was held during the year. The composition of the Committee is as follows:

Name	Status	Category
Mr. C. S. Nopany	Chairman	Non-executive
Mr. H. S. Bawa	Member	Non-executive
Mr. R. N. Bansal	Member	Independent
Mr. A. J. A. Tauro*	Member	Independent
Mr. Marco Wadia	Member	Independent

*ceased to be member w.e.f. October 1, 2009.

f) **Details of remuneration paid to directors for the year 2009-10**

(i) **Executive Directors**

Amount (in Rs.)

Managing Director	Salary	Performance Bonus	Perquisites	Retirement Benefits
Mr. Anil Kapoor	73,68,000	11,50,000	10,17,646	10,20,600

- The term of appointment of Mr. Anil Kapoor is upto February 15, 2012, which can be terminated by either party by giving three months' written notice to other party.
- The Company has not issued any stock options. No sitting fee is payable to Managing Director.

(ii) **Non - Executive Directors**

The Company doesn't pay any remuneration to its Non-Executive Directors except sitting fee for attending the meetings of the Board and the Committees thereof. The Company pays sitting fee to its Non-Executive Directors @ Rs. 20,000 and Rs. 7,500

for attending each meeting of the Board of Directors and Committees of Directors, respectively. The details of sitting fee paid during the year 2009-10 are as follows:

Name of the Director	Amount (in Rs.)	Name of the Director	Amount (in Rs.)
Mr. S. K. Poddar	1,00,000	Mr. K. N. Memani	42,500
Mr. R. N. Bansal	1,40,000	Mr. C. S. Nopany	80,000
Mr. D. Basu	80,000	Ms. Radha Singh	20,000
Mr. H. S. Bawa	1,67,500	Mr. Marco Wadia	1,45,000
Mr. S. S. Bhartia	1,22,500		

g) Remuneration Policy

The Company's remuneration policy aims at attracting and retaining high talent by taking into account the talent market, national and international remuneration trends and the competitive requirements of each of its businesses.

Remuneration of employees largely consists of base remuneration, perquisites and performance incentives. The components of the total remuneration vary for different cadres and are governed by industry pattern, qualifications and experience of the employee, responsibilities handled by him, individual performance, etc.

h) Shareholding of Directors as on March 31, 2010

Name	No. of Shares held	Name	No. of Shares held
Mr. R. N. Bansal	NIL	Mr. C. S. Nopany	3,25,775
Mr. D. Basu	NIL	Mr. Anil Kapoor	NIL
Mr. H. S. Bawa	1,25,000	Mr. S. K. Poddar	1,55,352
Mr. S. S. Bhartia	110	Ms. Radha Singh	NIL
Mr. K. N. Memani	NIL	Mr. Marco Wadia	6,000

i) General Body Meetings

(i) The last three Annual General Meetings of the Company were held as under:

Financial year	Date	Time	Location
2008-2009	20.08.2009	1030 hours	Registered Office - Gadepan, Distt. Kota, Rajasthan
2007-2008	10.09.2008	1030 hours	Registered Office - Gadepan, Distt. Kota, Rajasthan
2006-2007	24.08.2007	1030 hours	Registered Office - Gadepan, Distt. Kota, Rajasthan

(ii) The Company had taken shareholders' approval in 23rd Annual General Meeting held on September 10, 2008 by way of special resolution for approval of issue of equity shares under Employee Stock Option Scheme(s). Shareholders' approval through postal ballot was not sought for any matter last year.

j) Disclosures

There are no materially significant transactions with the related parties viz. promoters, directors, relatives, the management, subsidiaries, etc. that may have a potential conflict with the interest of the Company at large.

No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority in any matter related to capital markets, for non-compliance by the Company.

Your Company is fully compliant with the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges and quarterly compliance report in the requisite format duly signed by the Compliance Officer, has been submitted to the stock exchanges where the Company's equity shares are listed.

The Company has adopted the following non-mandatory requirements relating to:

- providing half-yearly un-audited financial results of the Company to each household of the shareholders;
- Remuneration Committee; and
- Maintenance of the office of Non-Executive Chairman at the Company's expense.

The Ministry of Corporate Affairs had issued Corporate Governance Voluntary Guidelines in December 2009. The Company is already following some of these guidelines. The Company is in the process of evaluating these guidelines and appropriate action will be taken in due course.

k) Means of Communication

- (i) The Company has been disclosing corporate financial performance on quarterly, half-yearly and annual basis well within the stipulated period to the Stock Exchanges and general public after being approved by the Board. The results are normally published in the main editions of two or more national and vernacular dailies such as *Economic Times*, *Mint*, *Navbharat Times*, *Rajasthan Patrika* and *Dainik Bhaskar*. The Company has been mailing half yearly unaudited financial results to all the shareholders. All these results, including the entire Annual Report and Accounts, were posted on SEBI's Electronic Data Information Filing and Retrieval (EDIFAR) system website.
- (ii) Information relating to shareholding pattern, compliance with corporate governance norms, etc. was also posted on SEBI's EDIFAR website.
- (iii) The results are simultaneously posted on the website of the Company at www.chambalfertilisers.in. On this website, the investors can also find Annual Reports, 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, dematerialization, rematerialisation of shares, etc.
- (iv) The Company did not make any presentation to the institutional investors or the analysts.
- (v) Management Discussion and Analysis Report forms part of this Annual Report.

l) Code of Conduct & Ethics

The Company has adopted "Code of Conduct and Ethics" for the Directors and Senior Executives of the Company. 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 Code is available on the Company's corporate website www.chambalfertilisers.in.

The declaration given by Managing Director of the Company with respect to affirmation of compliance of the Code by the Board Members and Senior Executives of the Company is enclosed as Annexure - "F".

m) Code of Internal Procedures and Conduct for Trading in Securities of the Company

The Company has a Code of Internal Procedures and Conduct for Trading in Securities of the Company. The Code, inter-alia, prohibits purchase/sale of shares of the Company by Directors, Officers, designated employees and their dependents while in possession of unpublished price sensitive information in relation to the Company.

n) General Shareholders' Information
(i) 25th Annual General Meeting

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

Time: 1030 hours

Day & Date: Friday, August 27, 2010

(ii) Tentative Financial Calendar

Event	Date
Audited Annual Results (2009-2010)	May 8, 2010
Mailing of Annual Report	Mid July 2010
First Quarter Results	End July 2010
Half Yearly Results	End October 2010
Mailing of half yearly results to shareholders	End November 2010
Third Quarter Results	End January 2011
Audited Annual Results (2010-2011)	May 2011

(iii) Book Closure

The register of members and share transfer books of the Company shall remain closed from Tuesday, August 3, 2010 to Thursday, August 5, 2010 (both days inclusive).

(iv) Dividend Payment Date: September 1, 2010
(v) 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.	Bombay Stock Exchange Ltd. (BSE) Phiroze Jeejeebhoy Towers, 25 th Floor, Dalal Street, Mumbai - 400 001	500085
2.	The National Stock Exchange of India Ltd. (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	CHAMBLFERT

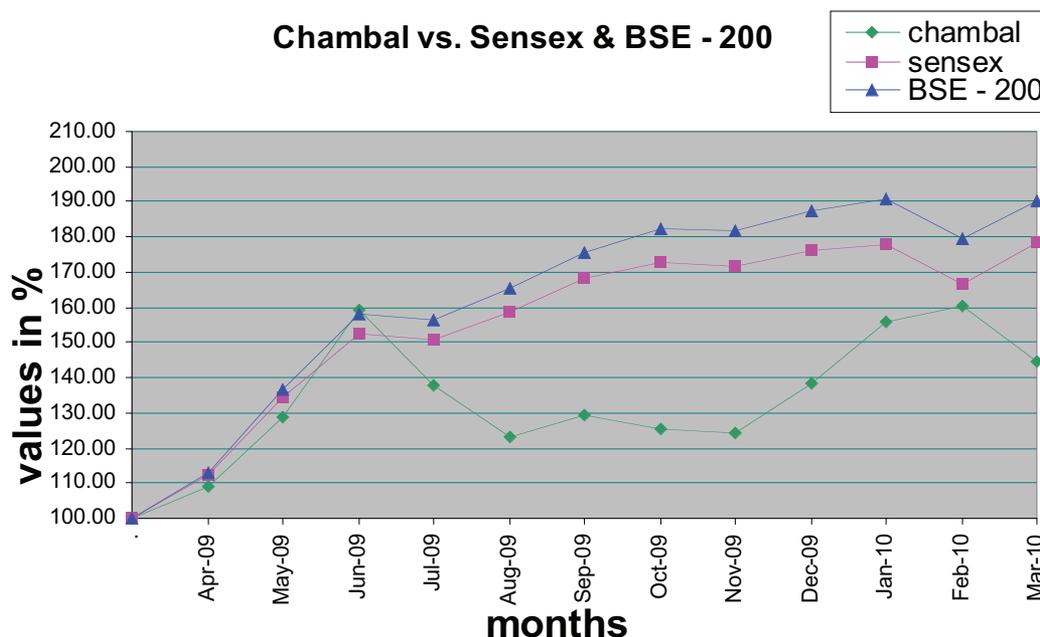
The Company has paid annual listing fees for the year 2010-11 to BSE and NSE.

(vi) Market price data

High and low of market prices of the Company's equity shares traded on BSE and NSE during the last financial year were as follows:
(Amount in Rs.)

Month	BSE		NSE	
	High	Low	High	Low
April 2009	50.80	41.25	50.75	41.00
May 2009	65.80	45.00	66.00	44.90
June 2009	75.60	59.60	75.40	55.70
July 2009	72.80	47.20	72.70	47.10
August 2009	57.90	46.20	57.95	46.20
September 2009	59.00	50.60	58.40	50.00
October 2009	57.75	47.00	57.50	46.85
November 2009	57.20	46.10	57.15	46.05
December 2009	62.20	54.60	62.20	54.30
January 2010	72.20	57.85	72.30	57.85
February 2010	74.25	60.20	74.40	60.40
March 2010	63.40	57.10	63.40	57.25

(vii) Performance of Chambal's equity share in comparison to BSE Sensex and BSE 200 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, 2009.

(viii) 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 Ltd., Share Transfer Agents
Corporate One, 1st Floor, 5, Commercial Centre, Jasola
New Delhi – 110 025
Tel: 011 - 41697900, 46581300
Fax: 011 - 40638679
E-mail: isc@chambal.in

The dematerialized 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. No request was received during the year for transfer of shares across the counter. Average time taken in transfer of shares across the counter is 5 minutes per share certificate and in other cases is around 5 days from the date of receipt of the request.

(ix) **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 Ltd.

Investor Service Centre

Corporate One, 1st Floor, 5, Commercial Centre, Jasola

New Delhi – 110 025

Telephone: 011 - 41697900, 46581300

Fax : 011 - 40638679

E-mail: rajeshkumar.jain@chambal.in or rajveer.singh@chambal.in or ms.rathore@chambal.in

Website: www.chambalfertilisers.in

(x) **Dematerialization of Shares and Liquidity**

The Equity Shares of the Company are compulsorily traded in dematerialized form and the Company has signed agreements with both the Depositories i.e. National Securities Depositories Ltd. and Central Depository Services (India) Ltd. As on March 31, 2010, about 90.82% of the share capital of the Company was held in dematerialized form.

The equity shares of the Company are also being traded in the futures and options segment of the National Stock Exchange of India Ltd. The shares of the Company are part of BSE-200 (Group A) and S&P CNX 500.

(xi) **Distribution of Shareholding**

The distribution of shareholding as on March 31, 2010 was as follows:

S. No	No. of Equity Shares held	No. of Shareholders	Percentage of total Shareholders	No. of Shares held	Percentage of total shares
1.	1 to 500	1,79,699	86.68	3,22,48,739	7.75
2.	501 to 1000	16,537	7.98	1,45,76,482	3.50
3.	1001 to 5000	9,339	4.50	2,05,74,562	4.94
4.	5001 to 10000	911	0.44	68,92,892	1.66
5.	10001 to 100000	660	0.32	1,88,04,370	4.52
6.	100001 to 500000	81	0.04	1,99,95,122	4.80
7.	500001 & above	81	0.04	30,31,15,685	72.83
	Total	2,07,308	100.00	41,62,07,852	100.00

Details of Shareholding as on March 31, 2010 was as under:

S. No	Category	No. of shares held	Shareholding (%)
1.	Promoters	22,15,70,219	53.23
2.	Financial Institutions, Banks & Mutual fund	4,65,23,240	11.18
3.	NRIs, Foreign Nationals, OCBs and FIIIs	5,12,72,761	12.32
4.	Indian Public	9,68,41,632	23.27
	Total	41,62,07,852	100.00

(xii) **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity**
NIL

(xiii) 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 : 44, Park Street, Kolkata, West Bengal, India, PIN – 700 017

Annexure "F" 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 Ltd., 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 2009-10.

Place: New Delhi
Date: May 8, 2010

Anil Kapoor
Managing Director