CHAMBAL FERTILISERS
AND CHEMICALS LIMITED

MAKING INCLUSIVE DEVELOPMENT A REALITY

ANNUAL REPORT 2017-18

CONTENTS

DIRECTORS

Saroj Kumar Poddar
Chairman

Shyam Sunder Bhartia
Co-Chairman

Anil Kapoor
Managing Director

Nimesh Nagindas Kampani

Aditya Narayan

Chandra Shekhar Nopany

Radha Singh

Marco Philippus Ardeshir Wadia

SENIOR EXECUTIVES

Abhay Baijal
Chief Financial Officer

Abhai Kumar Bhargava
Vice President - Works

Virendra Kumar Gupta
Vice President - Marketing

Rajveer Singh
Vice President-
Legal & Secretary

AUDITORS

Price Waterhouse
Chartered Accountants LLP

COST AUDITORS

K.G. Goyal & Associates

BOARD'S REPORT

Dear Members,

Your Board of Directors have pleasure in presenting the 33rd Annual Report on the business and operations of the Company together with audited financial statements for the financial year ended March 31, 2018.

1. **Standalone Financial Results** (Rs. in Lakhs)

Particulars	Financial Year	
	2017-18	2016-17
Revenue from Operations	**746616.60**	743083.18
Other Income	**15207.67**	17822.69
Total Income	**761824.27**	760905.87
Total Expenses	**689810.80**	699255.38
Profit before Tax from Continuing Operations	**72013.47**	61650.49
Tax Expenses	**24364.10**	18211.22
Profit for the Year from Continuing Operations	**47649.37**	43439.27
Profit / (Loss) for the Year from Discontinued Operations	**367.72**	(929.18)
Profit for the Year	**48017.09**	42510.09
Other Comprehensive Income for the Year (Net of Tax)	**(2126.47)**	(169.43)
Total Comprehensive Income for the Year	**45890.62**	42340.66
Retained Earnings-Opening Balance	**164699.30**	136711.88
Add:		
Profit for the Year	**48017.09**	42510.09
Any Other Change	**(24.70)**	84.05
Less:		
Cash Dividend (including Dividend Distribution Tax)	**9517.82**	9517.90
Transfer to General Reserve	**5000.00**	5000.00
Re-measurement Loss on Defined Benefit Plans	**16.79**	88.82
Retained Earnings- Closing Balance	**198157.08**	164699.30

2. **Operations**

The Company is engaged in manufacture of Urea and Single Super Phosphate (SSP) and marketing of other Agri-inputs such as Di-Ammonium Phosphate (DAP), Muriate of Potash (MOP), NPK Fertilisers, agrochemicals, seeds, micronutrients, etc.

The production and sales of Urea and sales of MOP were higher in comparison to the previous year but there was some decrease in the DAP sales volumes. The performance of NPK fertilisers, agrochemicals and other products remained subdued.

There was marginal increase in the revenue of the Company over the previous year though the Company achieved highest ever Profit after Tax during the year under review. The Company achieved better profitability in comparison to the previous year mainly due to higher sales of Urea and MOP with efficient Urea manufacturing operations, lower finance cost and healthy margins in some of the products marketed by the Company.

The Company had executed agreements in May 2017 for sale of all the 4 ships owned by the Company. With the delivery and sale of the last ship of the Company on September 7, 2017, the Company had completed the sale / disposal of all the ships forming part of the shipping business and ceased to have shipping business operations. The shipping business operations have been shown as discontinued operations in the financial statements of the Company for the financial year 2016-17 and 2017-18.

The detailed information on the business operations of the Company and the Industry in which the Company operates is given in the Management Discussion and Analysis Report attached as **Annexure "A"** to this Report.

3. **New Urea Project**

The implementation of new Urea plant at Gadepan for production of 1.34 Million MT of Urea per annum at a cost of approximately USD 900 Million ("Gadepan - III Plant") is progressing satisfactorily. The Company's project team is continuously monitoring the progress and adequate measures are being taken to achieve quality and safety during the construction phase. Engineering and procurement activities have been completed as almost all itemized equipment has been received at site. The construction activities in Offsite and Utility facilities of Gadepan- III Plant are complete and commissioning of various packages is in progress. The construction activities in Ammonia-Urea plants are moving towards completion. The commercial production of Urea from Gadepan- III Plant is expected to start as per schedule in January 2019.

The Company had entered into agreements with GAIL (India) Limited and Indian Oil Corporation Limited for purchase of natural gas mainly for Gadepan-III Plant. The Company has incurred total expenditure of Rs. 393861.58 Lakhs till March 31, 2018 on Gadepan – III Plant. This project will give a major thrust to the operations of the Company by adding about 63% to the present Urea production capacity of the Company.

4. 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, 2018. The total outgo on this account will be Rs. 9517.82 lakhs including dividend distribution tax.

The Dividend Distribution Policy of the Company is attached as **Annexure "B"** to this Report. There has been no change in this policy during the year under review. This policy is also available on the website of the Company and can be accessed at the weblink - http://www.chambalfertilisers.com/pdf/Final-Dividend-Distribution-Policy.pdf.

5. Consolidated Financial Statements

In pursuance of the provisions of the Companies Act, 2013, Rules thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the applicable Accounting Standards, the Company has prepared Consolidated Financial Statements. The Audited Consolidated Financial Statements alongwith Auditor's Report and the Statement containing salient features of the financial statements of Subsidiaries/Joint Venture (Form AOC – 1) forms part of the Annual Report.

6. Corporate Governance Report and Code of Conduct

Your Directors strive to maintain highest standards of Corporate Governance. The Corporate Governance Report for the Financial Year 2017-18 is attached as **Annexure "C"** to this Report. The declaration of the Managing Director confirming compliance with the 'Code of Conduct and Ethics' of the Company is enclosed as **Annexure "D"** to this Report and Auditor's Certificate confirming compliance with the conditions of Corporate Governance is enclosed as **Annexure "E"** to this Report**.**

7. Subsidiaries and Joint Venture

The Company had eight subsidiaries and a joint venture as on March 31, 2018, the details of which are given below:

(a) Subsidiaries

(i) CFCL Ventures Limited, Cayman Islands and its subsidiaries

CFCL Ventures Limited, Cayman Islands is a subsidiary of your Company and it operates business through its subsidiaries, namely, ISGN Corporation, USA and ISG Novasoft Technologies Limited, India. Inuva Info Management Private Limited, India is a subsidiary of ISG Novasoft Technologies Limited.

ISGN Corporation, USA is engaged in designing, developing, marketing and distribution of software products for mortgage lending industry in USA. The business includes licensing of the technology products as well as providing software as a service. This business is supported by ISG Novasoft Technologies Limited, India, which is having its software development centre in India. ISGN Corporation, USA continued its focus on cost reduction including reduction in sales, general and administrative expenses. The performance of software business remained subdued during the Financial Year 2017-18. There was no business activity in Inuva Info Management Private Limited.

(ii) Other Subsidiaries

India Steamship Pte. Limited, Singapore, India Steamship International FZE, UAE, India Steamship Limited, India and Chambal Infrastructure Ventures Limited, India are wholly owned subsidiaries of your Company. There was no business activity in these subsidiaries during the year under review.

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

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

During the calendar year 2017, IMACID produced 409,160 MT of phosphoric acid against 336,984 MT produced during the calendar year 2016. Sales of phosphoric acid during the calendar year 2017 were 408,013 MT against the previous year sales of 336,341 MT.

During the calendar year 2017, IMACID achieved revenue of Moroccan Dirham (MAD) 2279.87 million (Rs. 150851.90 Lakhs) against revenue of MAD 2068.30 million (Rs.140419.38 Lakhs) achieved during the calendar year 2016. The profit after tax of IMACID was MAD 177.98 million (Rs. 11776.21 Lakhs) during the year 2017 as against MAD 12 million (Rs. 814.78 Lakhs) in the calendar year 2016. The settlement of earlier insurance claims, receipt of demurrage claims pertaining to previous years and improved margins due to lower input prices were the main factors behind better performance of IMACID.

During the quarter ended March 31, 2018, IMACID achieved operating income of MAD 559.33 million (Rs. 39308.31 Lakhs).

The performance 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 contribution of subsidiaries and joint venture to the overall performance of the Company is also provided in Note no. 51 to the Consolidated Financial Statements.

The Company shall place the audited financial statements of 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, Distt. Kota, Rajasthan, PIN-325208.

No subsidiary, associate or joint venture has been acquired or ceased / sold / liquidated during the year under review.

8. Health, Safety, Quality and Environmental Protection

Your Company believes that a safe and healthy work environment is essential for ensuring employee well-being and enhancing Company's overall performance. To maintain high standards of safe and productive workplace, your Company has formulated a Health, Safety, Security, Environment & Quality ("HSSEQ") policy. The Company has developed systems in accordance with internationally recognized standards of OHSAS-18001:2007, ISO-14001:2015 and ISO-9001:2015. Adherence to the HSSEQ policy is continuously monitored by senior management through regular reviews. The Company strives for continuous improvement through benchmarking studies and other appropriate methodology.

The details of various activities and achievements of the Company in this regard are as under:

(a) Health & Hygiene

Your Company accords highest priority to the health & hygiene of its employees and contract workers. Their health is assessed and monitored through periodic medical examinations. A well-equipped health centre at Gadepan operates round-the-clock to provide health services to employees & their families, contractor workforce and people residing in the vicinity of the plants. New medical equipment and services are continuously added to upgrade the facilities at the health centre. Specialist doctors regularly visit the health centre and three well equipped ambulances are available on round the clock basis. A well-defined hygiene monitoring system ensures that all facilities are clean and sanitized properly.

To create awareness about health and hygiene related matters, regular training programs are organized for employees & their families and contractor work-force. Various health camps and campaigns like pulse polio & swine flu vaccination, blood donation, immunization programme, etc. are also organized periodically.

(b) Safety Management

A robust safety management system is in place in your Company to ensure highest level of safety of all the employees, contractor workforce as well as equipment and machinery. Effective implementation of the safety management system is ensured through hazard identification, risk assessment and mitigation procedures, safety work permit system, etc. A strong Process Safety Management system is also in place. Before executing any maintenance job in the plants, a cross functional team reviews the jobs on a daily basis from a safety perspective and ensures that all preventive measures are taken to prevent hazards.

To maintain and improve upon the well-established safety systems, extensive trainings and drills are 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. As part of safety awareness, schemes of "Near-Miss" & "Make-to Good" reporting are in place. The employees are encouraged to report unsafe acts / conditions so that corrective action can be taken immediately.

Your Company has a well-defined "Onsite Disaster Management Plan" and MARG (Mutual Aid and Response Group) arrangement with neighboring industry. Regular mock drills, fire drills and table top drills are conducted to ensure its effectiveness. The Company also provides services to all neighboring villages surrounding Gadepan plants through district administration in case of any fire emergency.

(c) Environment Management

Your Company is sensitive towards the impact of its operations on the environment and gives utmost priority to environment protection. Extensive environmental monitoring is carried out to assess pollution risk to all personnel working directly or indirectly with it or residing in surrounding areas of its plants. Resource consumption (including raw materials, fuels and water), waste generation and emissions to the atmosphere are focus areas to assess impact of operations on environment.

Your Company has appropriate mechanism in place to ensure that all the environmental parameters are maintained within the permissible limits. A dedicated Environment Management Cell is in place to monitor the compliances related to environment. The Company has installed five air quality monitoring stations for continuous monitoring of pollution levels in surrounding atmosphere.

The Company has developed a vast green belt at its Gadepan complex with variety of trees and shrubs which has played a vital role in maintaining the ecological balance and provided soothing and healthy environment to the people working / residing in and around the complex. Only treated waste water is used in maintaining the green belt through irrigation network spread all over the complex.

(d) Quality Management

Your Company gives highest priority to control and maintain the quality of raw materials and end products. The Company has installed Vibro-priller in Urea plant to improve the product quality by maintaining uniformity in prill size of Urea and reducing prill temperature. The Company has high quality equipment and instruments for monitoring of critical quality parameters. The Company look for opportunities to improve quality and efficiency and feedback from farmers, dealers and retailers is given high importance.

(e) Achievements

Your Company regularly participates in national and international surveys and awards for independent assessment and opportunity for improvement. Your Company has received FAI Environmental Protection Award in the nitrogenous fertilizer plants category for the year 2016-17 from the Fertiliser Association of India during the year under review.

9. Corporate Social Responsibility ("CSR")

Your Company has formulated a long term strategy to contribute to the well-being and development of the society especially the rural population around its plants at Gadepan. As part of its CSR initiatives, the Company is working mainly in the areas of Pre-primary & School Education, Technical & Vocational Education, Rural Development, Women Empowerment, Community Healthcare and Soil Health. This multi-pronged CSR approach is showing notable improvement in the quality of life of rural population.

The brief outline of the CSR initiatives of the Company is as under:

a) Pre-primary & School Education

Education is the flagship CSR program of your Company which covers the wide spectrum from pre-primary to secondary school education and technical education. The education program strives to provide access to quality education to more than 6600 children in

36 Aanganwadis and 37 government schools of District Kota and Baran in Rajasthan. These Aanganwadis/ schools are playing a catalytic role in changing the perception of the rural community towards education. The intervention of the Company through its CSR programs / projects is in the form of improvement in the standard of education through organizing coaching / additional classes in the schools, improvement and development of infrastructure facilities, teachers' training, computer education, digital literacy, etc. Your Company is providing free of charge advanced pre-engineering and pre-medical coaching to meritorious students. To promote digital learning and introduce technological advancements in adopted government schools, 15 smart interactive classes have been established. In addition to this, 14 Information and Communication Technology Labs have also been established in selected Government Schools under Public Private Partnership ("PPP") mode. The Computer Learning Program is providing computer education to students from 1st to 12th standard. To promote digital literacy amongst rural community, Community Information and Training Centers are being run in three villages in the vicinity of Company's plants at Gadepan. These centers are also working as community facilitation hubs for various online activities. CFDAV School is being run in collaboration with DAV College Trust and Management Society and a large number of students from villages adjoining Gadepan are getting quality education therein. During the year under review, a scheme to provide safe drinking water to the students of 14 adopted schools was taken up by installing Reverse Osmosis with water cooler systems.

b) Technical and Vocational Education

Your Company had adopted Industrial Training Institute (ITI) of Sangod, Sultanpur, Baran and Jhalawar. In addition to this, the Company has also adopted ITI, Khanpur (District Jhalawar, Rajasthan) under PPP mode. The Company has got CSR Excellence Award - 2018 for Skill Development from the Government of Rajasthan. ASSOCHAM has awarded Gold Trophy to ITI Jhalawar in recognition of outstanding contribution and Certificate of Merit in Best ITI- Skill Development through PPP Model (2016-2017). The employees of the Company take active participation in management of these ITIs. During academic year 2017-18, various companies had conducted 'On-campus Placement Drives' for ITI students and large number of students got placement offers. In order to improve the employability of the trainees, various short term courses like Occupational Health and First Aid, Fire and Safety, Spoken English and Personality Development were also organized in these ITIs. In addition to this, a new short term course "Nursery Development & Management" has been started under "KISMAT- Knowledge Integrated Skills Modules for Agriculture, Horticulture and Animal Husbandry Training" project in PPP mode at ITI Baran. The Company has developed Sports complex and upgraded other infrastructure facilities in ITI Sultanpur, Sangod, Baran & Jhalawar to develop these ITIs as model institutes.

To develop skill sets amongst youth, especially girls, four vocational training centers are being run in Gadepan, Simliya, Palaitha and Kundanpur villages. During the financial year 2017-18, 177 youths were trained in various skills and linked to various livelihood activities.

c) Rural Development

The Company believes that development and maintenance of rural infrastructure is critical for overall development of the society. A significant investment has been made by the Company for development of rural infrastructure. Three adjoining Gram Panchayats - Gadepan, Bhonra and Sarola have received provisional "Open Defecation Free" status from Government of Rajasthan during the Financial Year 2017-18. An advanced solid waste management system is being developed in Gadepan gram panchayat. In order to develop 'Gadepan' as a model village, various facilities like community hall, village pond, approach roads, street lights and haat bazaar are under planning/ progress in convergence with various agencies. The Company has also implemented various other rural development projects in PPP mode with Government / Government agencies in the villages near its plants at Gadepan.

d) Health Care

Your Company is facilitating community by providing free of charge preventive healthcare facilities in villages near its plants at Gadepan. The awareness camps were organised in 33 schools, 26 villages and 4 ITIs. During the Financial Year 2017-18, nearly 28,000 community members were contacted in various health campaigns and general & specialized health camps. The healthcare facilities were also being provided in remote villages of Tehri and Dehradun Districts in Uttarakhand.

e) Employability and Empowerment

In order to promote livelihood opportunities in rural areas, especially for women and youth, your Company has taken several initiatives. A garment production house has been started with the women of the nearby villages adjoining Gadepan which is providing livelihoods to women of the marginalized community.

Your Company has also supported in formation of 36 Self Help Groups wherein around 350 women of nearby villages are facilitated for inter-loaning, saving and entrepreneurial activities. A Self Help Group shop is also being established where women can sell their handmade / homemade products under one brand name.

f) Soil Health

The Company is running two agriculture development laboratories in Agra and Gadepan (shifted from Kota) and three mobile soil testing vans in Rajasthan and Uttar Pradesh. The objective behind this initiative is to help the farmers in optimum utilisation of nutrients.

The composition and terms of reference of Corporate Social Responsibility Committee are given in the Corporate Governance Report. The Annual Report on CSR activities (including the details of the development and implementation of the Corporate Social Responsibility Policy) as prescribed under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure "F"** to this Report.

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.1113.06 Lakhs. As against this, the Company had spent Rs. 1118.50 Lakhs on CSR projects / programs during the Financial Year 2017-18.

10. Directors and Key Managerial Personnel

The Board of Directors of the Company consists of eight directors. There are seven non-executive directors including four independent directors and a Managing Director. During the year, the Managing Director has not received any commission or remuneration from any subsidiary of the Company.

Mr. Kashi Nath Memani (DIN: 00020696), ceased to be a Director of the Company upon completion of his tenure at the Annual General Meeting ("AGM") of the Company held on September 15, 2017. Further, the shareholders of the Company at the AGM held on September 15, 2017 had re-appointed Mr. Marco Philippus Ardeshir Wadia (DIN: 00244357) and Ms. Radha Singh (DIN: 02227854) as Independent Directors of the Company for a further term of 5 (five) consecutive years, that is, upto September 14, 2022.

Mr. Nimesh Nagindas Kampani (DIN: 00009071) was appointed as an Independent Director of the Company at the AGM held on September 15, 2017 to hold office for a term of 3 (three) consecutive years from September 15, 2017 to September 14, 2020.

Mr. Saroj Kumar Poddar, Director (DIN: 00008654) is due for retirement at the forthcoming AGM and has offered himself for re-appointment

The tenure of appointment of Mr. Aditya Narayan, Independent Director shall expire on the conclusion of the ensuing AGM scheduled to be held on September 18, 2018. Mr. Aditya Narayan has requested the Board of Directors not to consider him for re-appointment. The Board of Directors expresses its sincere gratitude and appreciation of the contribution of Mr. Aditya Narayan as an Independent Director 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 the Listing Regulations.

In pursuance of the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Anil Kapoor, Managing Director, Mr. Abhay Baijal, Chief Financial Officer and Mr. Rajveer Singh, Vice President – Legal & Company Secretary are Key Managerial Personnel of the Company. During the year, there was no change in the Key Managerial Personnel.

The Board met five times during the financial year 2017-18.

Other information on the Directors and the Board Meetings is provided in the Corporate Governance Report attached as **Annexure "C"** to this Report.

11. Internal Financial Controls

The Company has policies and procedures in place for ensuring orderly and efficient conduct of its business including adherence to the 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 as **Annexure "A"** to this Report.

12. Remuneration Policy

In pursuance of the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations, the Company has formulated a Remuneration Policy which is attached as **Annexure "G"** to this Report and available at the website of the Company at the weblink-http://www.chambalfertilisers.com/pdf/Remuneration-Policy.pdf.

The Remuneration Policy, *inter-alia*, includes the appointment criterion & qualification requirements, process for appointment & removal, retirement policy and remuneration structure & components, etc. of the Directors, Key Managerial Personnel (KMP) and other senior management personnel of the Company. As per the Remuneration Policy, a person proposed to be appointed as Director, KMP or other senior management personnel should be a person of integrity with high level of ethical standards. In case of appointment as an independent director, the person should fulfill the criteria of independence prescribed under the Companies Act, 2013, rules framed thereunder and the Listing Regulations. The Remuneration Policy also contains provisions about the payment of fixed & variable components of remuneration to the Managing Director and payment of sitting fee & commission to the non-executive directors and describes fundamental principles for determination of remuneration of senior management personnel and other employees which are as follows:

a) demand-supply relationship of the concerned job expertise;

b) need of organization to retain and attract talent and its ability to pay;

c) employees' social aspiration for enhancing standard of living; and

d) compensation trends in the industries in which the Company operates.

In view of sale and disposal of all the ships of the Company during the year and discontinuation of the shipping business, the necessary updations were made in the Remuneration Policy of the Company by deleting the provisions / references related to shipping business.

13. Disclosures under the Companies Act, 2013, Rules thereunder and Secretarial Standards

a) Your Company has not issued any shares during the Financial Year 2017-18.

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 on arm's length basis and in the ordinary course of business. No material Related Party Transactions (transaction(s) exceeding ten percent of the annual consolidated turnover of the Company as per last audited financial statements), were entered during the year by the Company. Accordingly, disclosure of contracts or arrangements with Related Parties 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 as **Annexure "H"** to this Report.

e) The following information is given in the Corporate Governance Report attached as **Annexure "C"** to this Report:

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.

g) During the year, the auditors, the secretarial auditors and cost auditors have not reported any fraud under Section 143(12) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

h) The Company has complied with the applicable Secretarial Standards prescribed under Section 118(10) of the Companies Act, 2013.

14. Directors Responsibility Statement

Your Directors hereby state that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;

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, 2018 and of the profit and loss of the Company for the year ended March 31, 2018;

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.

15. Auditors and Cost Auditors

The Notes to the Financial Statements read with the Auditor's Reports are self-explanatory and therefore, do not call for further comments or explanations. There has been no qualification, reservation, adverse remark or disclaimer in the Auditor's Reports.

The shareholders of the Company, at the AGM held on September 15, 2017, has appointed M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/ N500016) as Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of Thirty-second AGM of the Company held on September 15, 2017 till the conclusion of Thirty-seventh AGM of the Company (subject to ratification of such appointment at every AGM, if so required under the Companies Act, 2013). In pursuance of the relevant provisions of the Companies (Amendment) Act, 2017 made effective vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, Government of India, the provision under Section 139 of the Companies Act, 2013 related to ratification of appointment of auditors at every AGM has been omitted. Accordingly, the ratification of appointment of auditors of the Company at the forthcoming AGM of the Company is not required.

The Board of Directors of the Company has appointed M/s. K.G. Goyal & Associates, Cost Accountants for conducting audit of cost accounts of the Company, as applicable, for the financial year 2018-19. As required under the Companies Act, 2013 and Rules framed thereunder, your Directors are seeking ratification from the members of the Company for the remuneration payable to M/s. K.G. Goyal & Associates, Cost Accountants.

16. Secretarial Audit

In pursuance of the provisions of Section 204 of the Companies Act, 2013, the Board of Directors of the Company had appointed M/s. RMG & Associates, Company Secretaries for conducting secretarial audit of the Company for the financial year 2017-18. The Secretarial Audit Report issued by the aforesaid Secretarial Auditors is attached as **Annexure "I"** to this Report.

There has been no qualification, reservation, observation, disclaimer or adverse remark in the Secretarial Audit Report.

17. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The energy efficient operation of plants results into manifold benefits in the form of saving of natural and financial resources and reduction of carbon footprint. The Company takes continuous initiatives to make its manufacturing facilities energy efficient. 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 "J"** attached to this Report.

18. Risk Management

Your Company has developed and implemented a Risk Management Policy. The Company has voluntarily 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 reviewed by the Audit Committee and the Board of Directors periodically.

19. Deposits

During the year, the Company has not accepted any deposits from the public under Chapter V of the Companies Act, 2013. There was no public deposit outstanding as at the beginning and end of the financial year 2017-18.

20. Particulars of employees

The human resource is an important asset which has played pivotal role in the performance and growth of the Company over the years. Your Company maintains very healthy work environment and the employees are motivated to contribute their best in the working of the Company. The 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, is attached as **Annexure "K"** to this Report**.**

21. Employees Stock Option Scheme

The members of the Company had approved CFCL Employees Stock Option Scheme 2010, as amended and revised from time to time ("ESOS 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 Company has not granted any stock options during the year under review.

There has been no change in ESOS 2010 during the financial year 2017-18. ESOS 2010 is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("ESOP Regulations") and implemented through CFCL Employees Welfare Trust ("Trust"). For the purpose of ESOS 2010, the Trustee of the Trust was holding 16,96,900 equity shares of the Company as on March 31, 2018 (22,47,902 equity shares as on March 31, 2017), being 0.41% of the paid up share capital of the Company. The ownership of these shares cannot be attributed to any particular employee till he / she exercises the stock options granted to him / her. Hence, the concerned employees to whom the stock options were granted under ESOS 2010 cannot exercise voting rights in respect of aforesaid shares held by the Trustee of the Trust as such employees are not holders of such shares. The Trustee has not exercised the voting rights in respect of the aforesaid shares during the financial year 2017-18.

The disclosures required to be made under ESOP Regulations read with SEBI circular no. CIR/CFD/Policy Cell/2/2015 dated June 16, 2015 are given on the website of the Company at the weblink http://www.chambalfertilisers.com/pdf/esop-2018.pdf**.** The disclosures in respect of ESOS 2010 are also given in the notes to the Financial Statements.

22. Business Responsibility Report

In pursuance of the provisions of the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from environmental, social and governance perspective forms part of the Annual Report**.**

23. Investor Service Centre

The in-house Investor Service Centre of your Company is located in the Corporate Office of the Company at New Delhi which provides prompt and efficient service to the investors. The Company takes various initiatives for investor satisfaction such as reminders to investors about undelivered shares, unclaimed dividend, 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 2018-19.

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

24. Acknowledgements

The Board of Directors wish to place on record its appreciation of the co-operation extended by all the stakeholders including the Department of Fertilisers, Government of India, Government of Rajasthan and other State Governments, Financial Institutions & Banks, investors and customers. The Board of Directors also convey its sincere appreciation of the commitment and dedication of the employees at all levels.

For and on behalf of Board of Directors

Place : New Delhi
Date : May 10, 2018

Saroj Kumar Poddar
Chairman

Annexure "A" to Board's Report
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company is engaged in manufacture of Urea and Single Super Phosphate (SSP) and markets other Agri-inputs. The Management Discussion and Analysis Report covering the business of the Company is as under:

1. Industry Structure and Developments

A) Urea

The Company has two Urea manufacturing plants at Gadepan, District Kota, Rajasthan. Urea is a major plant nutrient which plays a vital role in food grain production in the country. The Urea industry in the country has manufacturers from public, co-operative and private sectors. The production of Urea in the country is insufficient to meet the demand and there is a wide demand-supply gap which is met through imports. No new urea production capacity came on stream in the country during last 18 years except revamp of few existing plants. Urea production in the country during the Financial Year 2017-18 was 24.02 million MT against 24.20 million MT during the previous year. The stagnant production has led to increase in imports. India imported 5.97 million MT of Urea during the Financial Year 2017-18 as against 5.48 million MT of Urea imported during the previous year. The Urea sales in the country during the Financial Year 2017-18 were 30.31 million MT against the Urea sales of 29.61 million MT during the previous year – an annual growth of 2.4%. The imported Urea was 19.70% of the total Urea sales in the country and its prices ranged between USD 203 to USD 292 per MT during the financial year 2017-18.

B) Other Products

The Company also supplies other agri-inputs like Di-ammonium Phosphate (DAP), Muriate of Potash (MOP), Single Super Phosphate (SSP), NPK Fertilisers, Agrochemicals, seeds, sulphur, micro-nutrients, complex fertilisers and city compost. The Company sources the products from reputed domestic and international suppliers. SSP supplies comprised of own production and procurement from domestic suppliers.

DAP, MOP, SSP and NPK fertilisers are covered under the Nutrient Based Subsidy (NBS) policy of the Government of India. NBS policy prescribes payment of subsidy based on the nutrient component in these fertilisers. The demand of DAP in the country is met through imports and domestic production whereas the country is fully dependent upon imports for MOP. There are large players in the Indian market who manufacture DAP as well as import DAP and MOP.

The Agrochemicals market is dominated by some large companies and these products are either manufactured by them or they supply the basic technical ingredients for formulation of finished products. SSP, seeds, sulphur, complex fertilisers and micro-nutrients markets are fragmented with many small manufacturers and suppliers.

The total sales of DAP in the country during the Financial Year 2017-18 were 8.98 million MT as against 8.82 million MT during the previous year registering a growth of around 1.81%. The total production of DAP during the year was around 4.65 million whereas 4.22 million MT of DAP was imported in the country. MOP imports in the country during the Financial Year 2017-18 were 4.74 million MT as against 3.74 million MT during the previous year.

There was an upward trend in the prices of DAP in international market. The price of DAP was around USD 370 per MT CFR India in April 2017 which came down to USD 348 per MT in July 2017. The prices of DAP started moving up thereafter and went up to USD 418 per MT CFR India in March 2018.

The Government of India has implemented Direct Benefit Transfer (DBT) for payment of subsidy on fertilisers during the Financial Year 2017-18. DBT for fertilisers is slightly different from the DBT implemented for cooking gas. Under the DBT scheme, the farmers will continue to purchase the fertilisers at subsidised rates and the transactions will be recorded in Point of Sale machines (POS). The Government of India will release the subsidy to fertiliser companies against weekly subsidy bills which will be generated digitally and submitted online. The subsidy bills will be raised based on the sale of fertilisers to the farmers as recorded online through POS, thereby linking the subsidy payment to actual sale of fertilisers.

2. Opportunities and Threats

The construction and implementation of new Urea project of the Company is in progress at Gadepan, Distt. Kota, Rajasthan, PIN-325208 at an approximate cost of USD 900 million and it is expected to commence commercial production as per schedule in January 2019. The new Urea plant will increase the present Urea production capacity of the Company by about 1.34 million MT per annum. Considering the substantial gap in the domestic supply of Urea and its demand, the new Urea plant will offer an opportunity to the Company to expand its footprints in new territories and also increase its market share in the existing marketing territories. However, this opportunity also has a challenge in terms of increased competition due to additional Urea capacities to be coming on stream in the country.

The Company has utilised its brand strength and marketing network to expand its DAP and MOP business over the last few years. The Company has established reliable supply channels in international market to support its DAP and MOP business on sustainable basis. The large supply volumes have strengthened the logistic capabilities and brand image of the Company in the market place. The Company has an opportunity to use its brand image and marketing capabilities to increase business volumes of its other agri-inputs portfolio such as Agrochemicals, micro-nutrients, seeds, etc. The demand fluctuations due to monsoon variations, volatility in the global prices of fertilisers and variation in the foreign exchange rates are few challenges and your Company takes these factors into consideration while making its marketing strategy for DAP and MOP fertilisers.

3. **Risks and Concerns**

The Fertiliser Industry is highly regulated and dependent on the Government policies. The changes in such policies may sometimes adversely affect the Company. The low prices of Urea in the International market coupled with increase in gas prices due to increase in prices of crude oil in international market may affect the Urea production beyond re-assessed capacity of Urea manufacturers in the country.

Subsidy is a major component of revenue of the Company. The delay in payment of subsidy by the Government of India creates stress on the working capital and increases the finance cost of the Company. The implementation of DBT for fertiliser subsidy envisages linking of subsidy payment to the actual sales through POS. This has made the subsidy payment process cumbersome and it requires more resources and efforts on the part of fertiliser manufacturers / suppliers. However, it is expected that the DBT process will stabilise after teething troubles and it is not likely to have a material financial impact on the Company.

The variations in demand of DAP and MOP due to change in monsoon patterns, volatility in foreign exchange rates and prices of the products in international markets and interest burden due to delay in payment of subsidy may impact the profitability of the Company.

4. **Outlook**

The demand of Urea is expected to increase further with encouragement to farmers by way of minimum support prices for crops and other farmer friendly policies. The new capacity additions would narrow the demand-supply gap by replacing imported Urea. Considering its long experience and vast marketing network, the Company is confident that it will be able to enhance its sales volumes of Urea and smoothly absorb the production from the new plant. The Company has established itself as a significant player in the non-urea fertilisers, mainly DAP and MOP with reliable supply channels. The products of the Company are known in the market place for their good and consistent quality. Considering the brand image of the Company, strong marketing network and logistic strength, the outlook remains positive.

5. **Operational and Financial Performance**

The operational and financial performance is summarized below:

Particulars	Financial Year	
	2017-18	**2016-17**
Urea Production (MT in Lakhs)	**20.94**	20.02
Urea Sales (MT in Lakhs)	**20.74**	19.52
SSP Production (MT in Lakhs)	**0.44**	1.43
SSP Sales (MT in Lakhs)	**0.65**	1.22
Sales including other Agri-inputs (Rs. in Lakhs)	**746601.65**	743048.44
Profit before Interest, Depreciation and Tax from Continuing Operations (Rs. in Lakhs)	**93311.72**	92387.75

The production of Urea was higher on account of better performance of Gadepan-I plant of the Company. Gadepan – I plant has achieved highest ever production of 11.38 Lakhs MT of Urea (against the previous best of 11.07 Lakhs MT of Urea achieved in the Financial Year 2011-12) and best ever energy consumption, due to better plant production rate per day and higher number of stream days. SSP plant was under shutdown since September 2017 due to adverse market conditions and it will be re-started at an appropriate time.

The revenue from marketed products was Rs. 346539.53 Lakhs during the financial year 2017-18 in comparison to Rs. 392168.34 Lakhs in the previous year. The sales of various products were as under:

Product	Financial Year	
	2017-18	**2016-17**
DAP (MT in Lakhs)	**8.69**	9.85
MOP (MT in Lakhs)	**2.56**	2.09
Other Fertilisers (MT in Lakhs)	**0.71**	0.81
Agrochemicals (Net) – (Rs. in Lakhs)	**17413.06**	21325.54
Seeds (Net) – (Rs. in Lakhs)	**4250.26**	7331.83

The Company achieved highest ever sales volumes in MOP though the volumes of DAP were on the lower side. There was also decline in the sales of agrochemical products, seeds and other fertilisers due to adverse market conditions.

There was marginal increase in the revenue of the Company in comparison to the previous year mainly due to higher volumes of Urea and MOP which was partly off-set by lower volumes of DAP and other fertilisers and reduction in sales of crop protection chemicals and seeds. The Profit before Interest, Depreciation and Tax during the Financial Year 2017-18 was marginally higher in comparison to the previous year, mainly due to higher sales of Urea and MOP, efficient Urea manufacturing operations and healthy margins in some of the products marketed by the Company.

The Company has sold all the ships during the Financial Year 2017-18 and ceased to have shipping business operations with the delivery and sale of the last ship in September 2017. During the Financial Year 2017-18, the shipping business achieved sales of Rs. 6133.79 Lakhs (Previous Year - Rs. 29085.92 Lakhs) and Profit before Interest, Depreciation, Tax and Exceptional Items of Rs. 1289.09 Lakhs (Previous Year Rs. 7853.45 Lakhs). The performance of shipping business is not comparable with the previous year due to part year operations during the Financial Year 2017-18. The shipping business operations have been shown as discontinued operations in the financial statements of the Company for the financial year 2016-17 and 2017-18.

6. Material Developments in Human Resources/ Industrial Relations

The Company has a team of experienced and qualified personnel to support its Urea plants and other allied operations. The project team also comprises of professionals having technical expertise and experience which is critical for successful and timely implementation of the new Urea project. The personnel in the project team would become part of operations team post commissioning of the new Urea plant.

The recruitment of well qualified personnel and retention of experienced workforce is critical for maintaining the talent pool in the Company. The Company continuously works towards ensuring that appropriate recruitment and retention plans are in place to avoid any gaps in talent pool. The Company continuously reviews its human resource policies to align them with the changing trends in the employment market and an appropriate performance appraisal system is in place to identify and reward the talent.

In order to maintain the talent pool, the Company selects technical personnel from premier institutes. They undergo detailed training after joining the Company which includes classroom lectures, on-the job training, mentor-mentee programs, etc. The major part of recruitments for the upcoming Urea plant of the Company has been completed. The Company has recruited around 150 technical and marketing personnel during the year for existing operations and the new Urea plant of the Company. These recruitments have been scheduled in such a manner that they get adequate experience and training before the new Urea plant goes on stream.

The training and development of the employees is a continuous process. The training and development needs of the employees are identified as part of the appraisal process and appropriate training programmes are designed.

The permanent employee strength of Company was 1010 as on March 31, 2018. The Company continues to maintain open and cordial employee relations.

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 regular basis to improve their efficacy and meet the business needs.

The Internal audit team 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 discussed by the Management Committee and subsequently placed before the Audit Committee of the Board of Directors along with the directions/ 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 developments, 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 Board of Directors

Place : New Delhi **Saroj Kumar Poddar**
Date : May 10, 2018 **Chairman**

Annexure "B" to Board's Report

DIVIDEND DISTRIBUTION POLICY

In pursuance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board of Directors of Chambal Fertilisers and Chemicals Limited ("Company") has approved and adopted this "Dividend Distribution Policy" ("Policy").

Subject to the provisions of the Companies Act, 2013, rules framed thereunder and any other laws and regulations as may be applicable, the Board of Directors may declare interim dividend or recommend declaration of final dividend by the shareholders. This Policy shall be effective and applicable for dividend(s), if any, declared for the Financial Year 2016-17 onwards.

The parameters for declaration of dividend are as under:

I) The circumstances under which the shareholders of the Company may or may not expect dividend

The decision regarding dividend pay-out would seek to balance the dual objective of appropriately rewarding the shareholders through dividend and retaining profits for business needs of the Company.

The shareholder may expect dividend out of the profits of a financial year if there are adequate available profits of the Company for such financial year and such profits are not required to be retained for business needs of the Company.

The shareholders may not expect dividend for a financial year if the profits of the Company for such financial year are not adequate for payment of dividend or otherwise required to be retained for business needs of the Company.

Without prejudice to the above, subject to the provisions of the Companies Act, 2013, the rules framed thereunder and any other laws and regulations, as may be applicable:

a) In case there are no profits or the profits are not adequate during a financial year for declaration of dividend, the Board of Directors may recommend payment of dividend, partly or fully, out of the profits of the Company for any previous financial year(s), provided such profits are not required to be retained for business needs of the Company.

b) The Board of Directors of the Company may consider recommending payment of dividend out of free reserves of the Company in case of inadequacy of profits during a financial year, if the Board of Directors is of the opinion that:

   i) Inadequacy of profits is of temporary nature and the Company is expected to earn profits in the next 2 to 3 financial years; and

   ii) The amount of dividend to be declared out of the reserves is not required to be conserved for business needs of the Company.

II) The Financial parameters and internal and external factors to be considered for payment of Dividend

The financial parameters and internal and external factors to be considered by the Board of Directors while taking decision for recommendation of dividend are as under:

a) Profitability of the Company
b) The requirement of funds for business needs of the Company such as replacement of capital assets, expansion and / or modernisation, capital expenditure, investment in subsidiaries and joint venture(s), etc.
c) Mergers and acquisitions
d) Operating cash flow of the Company
e) Debt repayment obligations of the Company
f) Financial and other covenants agreed with the lenders / debenture trustee(s) of the Company
g) Cost of servicing outstanding debt
h) Cost of raising funds for the business needs of the Company
i) Policies of the Government of India relevant for the business and operations of the Company
j) Overall economic and business scenario
k) Regulatory or statutory restrictions in respect of declaration or payment of dividend
l) Taxes and levies applicable in respect of declaration / payment of dividend
m) Requirement of funds for meeting contingent liabilities
n) Other factors beyond control of the Management like natural calamities, fire, etc. effecting operations of the Company.

III) Policy in respect of utilization of retained earnings

The retained earnings of the Company can be utilized by the Company for the following:

a) Declaration of dividend in the manner specified above in the Policy
b) Issue of Bonus shares
c) Augmenting the internal resources including working capital
d) Funding of capital expenditure and / or expansion / modernization plans of the Company
e) Repayment of Debt
f) Investments in subsidiaries / joint venture(s)
g) Any other purpose as may be determined by the Board of Directors subject to the provisions of the applicable laws

IV) Parameters to be adopted for various classes of shares

The Company is presently having only one class of shares i.e. equity shares without any preference or priority in respect of payment of dividend.

This Policy can be amended, modified or revised by the Board of Directors of the Company from time to time. In case any provisions of this Policy are contrary to or inconsistent with the provisions of the Companies Act, 2013, rules framed thereunder and Listing Regulations ("Statutory Provisions"), the provisions of Statutory Provisions shall prevail.

For and on behalf of Board of Directors

Place : New Delhi **Saroj Kumar Poddar**
Date : May 10, 2018 **Chairman**

Annexure "C" to Board's Report

CORPORATE GOVERNANCE REPORT

1. **Company's Philosophy**

The Company aims to achieve excellence in everything it does including standards of business conduct. The Company believes in conducting its business with responsibility, integrity, fairness and transparency. The Company has always focused on good corporate governance practices, which are key drivers of sustainable growth and long-term value creation for its shareholders. The corporate governance aligns the interests of individuals, corporations and society and integrates all the participants involved in the 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.

The Company believes that corporate governance is not limited to merely creating checks and balances. It is more about creating organizational excellence leading to increase in employee and customer satisfaction and long term shareholders' value without compromising on ethical standards. The Company believes in leveraging its resources to translate opportunities into reality and inculcate dynamism and entrepreneurship at all levels in the organisation.

Above all, corporate governance practices must balance individual interest with corporate goals and operate within accepted norms of propriety, equity, fairness and a sense of justice.

2. **Board of Directors**

As on March 31, 2018, the Board of Directors of the Company comprised of eight directors including a Managing Director. Out of the seven non-executive directors, four are independent directors including one woman director. The composition of Board of Directors is optimum and balanced in terms of specialisation in one or more areas. The Board of Directors takes into account the interest of all stakeholders while discharging its responsibilities and provides leadership and guidance to the Company's management while discharging its fiduciary responsibilities thereby ensuring that the management adheres to the high standards of ethics, transparency and disclosures.

The non-executive directors bring objective and independent perspective in Board deliberations and decisions as they have a wider view of external factors affecting the Company and its business. These directors make a constructive contribution to the Company by ensuring fairness and transparency while considering the business plans devised by the management team.

All the Independent Directors have requisite knowledge of business, in addition to the expertise in their area of specialization. The Company has received declaration from each of the Independent Directors of the Company confirming that he/ she meets the criteria of independence as defined under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Company has issued letters of appointment to the Independent Directors and the terms and conditions of their appointment have been uploaded on the website of the Company.

Mr. Kashi Nath Memani ceased to be Director of the Company upon completion of his tenure on September 15, 2017.

The shareholders of the Company, at the Annual General Meeting held on September 15, 2017, had re-appointed Mr. Marco Philippus Ardeshir Wadia (DIN: 00244357) and Ms. Radha Singh (DIN: 02227854) as Independent Directors of the Company for a further term of 5 (five) consecutive years, that is, upto September 14, 2022. Further, the shareholders of the Company had appointed Mr. Nimesh Nagindas Kampani (DIN:00009071) as an independent Director of the Company, at the Annual General Meeting held on September 15, 2017, to hold office for a term of 3 (three) consecutive years from September 15, 2017 to September 14, 2020.

Mr. Saroj Kumar Poddar (DIN: 00008654), Director is retiring by rotation at the forthcoming Annual General Meeting ("AGM") scheduled to be held on September 18, 2018 and is eligible and has offered himself for re-appointment.

The tenure of appointment of Mr. Aditya Narayan, Independent Director shall expire on the conclusion of the ensuing AGM and he has requested the Board of Directors not to consider him for re-appointment.

The brief resume and other requisite details of the Director proposed to be re-appointed shall be given in the notice of ensuing AGM.

3. **Meetings and Attendance**

The Meetings of the Board are generally held at the Corporate Office of the Company at "Corporate One", First Floor, 5, Commercial Centre, Jasola, New Delhi - 110025. The Board meetings are scheduled in a manner that it coincides with the announcement of quarterly/annual financial results. In case of urgency, additional Board meetings are convened. As and when required, the resolutions are also passed by circulation as permitted by law. During the year under review, five Board meetings were held on May 02, 2017, May 20, 2017, August 08, 2017, October 24, 2017 and February 13, 2018. The gap between two consecutive Board meetings did not exceed one hundred twenty days.

The composition of the Board of Directors, their attendance at the Board Meetings held during the financial year 2017-18 and AGM, number of other directorships and membership of the Committees of the Boards of other Indian public limited companies as on March 31, 2018, 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	
					Chairperson	Member
Mr. Saroj Kumar Poddar	NED/PG	No	4	12	0	0
Mr. Shyam Sunder Bhartia	NED/PG	No	3	15	0	2
Mr. Anil Kapoor	MD	Yes	5	3	0	0
Mr. Nimesh Nagindas Kampani (Appointed with effect from 15.09.2017)	NED/ID	No	2	10	1	5
Mr. Kashi Nath Memani (Ceased to be director on 15.09.2017)	NED/ID	No	1	Not Applicable	Not Applicable	Not Applicable
Mr. Aditya Narayan	NED/ID	No	5	3	2	1
Mr. Chandra Shekhar Nopany	NED/PG	No	4	9	2	0
Ms. Radha Singh	NED/ID	Yes	5	2	0	3
Mr. Marco Philippus Ardeshir Wadia	NED/ID	Yes	5	12	4	4

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

Notes:

(i) Other Directorships given above excludes directorships in foreign companies.

(ii) In accordance with Regulation 26 of the Listing Regulations, memberships / chairmanships of only Audit Committee and Stakeholders' Relationship Committee of other Indian Public Limited Companies have been considered.

(iii) The aforesaid Directors are not relatives of each other (as defined under the Companies Act, 2013 and Rules thereunder).

During the year under review, the Independent Directors held a separate meeting in pursuance of applicable statutory and regulatory provisions.

4. Board Agenda

The calendar of Board meetings is shared with Board members in the beginning of the year. Further, the notices of Board meetings are given well in advance to all the Directors. The Board members are provided agenda setting out the business to be transacted at the meeting, with well-structured and comprehensive notes on agenda, to enable them to take informed decisions. Agenda papers are circulated atleast seven days prior to the date of the meeting. Additional/ supplementary items are taken up with the permission of Chairperson and requisite consent of the Directors. Where it is not practicable to attach any document to the agenda, the same is circulated in the meeting / placed before the meeting.

5. Committees of the Board

The Board of Directors has constituted various Board committees with specific terms of reference to ensure timely and effective working of the Board and the Company in addition to comply with the provisions of the Listing Regulations, other regulations / guidelines of Securities and Exchange Board of India (SEBI) and 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 & responsibilities and urgent business of the Company. These Committees are - (i) Audit Committee; (ii) Corporate Social Responsibility Committee; (iii) Nomination and Remuneration Committee; (iv) Stakeholders' Relationship Committee; (v) Banking and Finance Committee; (vi) Project Monitoring Committee; (vii) Risk Management Committee; and (viii) Strategy Committee. The Committees meet as often as required. The minutes of meetings of the committees are circulated to the Board of Directors. The brief description of 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 Regulations. It also discharges such other functions as may be delegated by the Board of Directors from time to time. The role of the Audit Committee, *inter-alia*, includes oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible, recommending the appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by the statutory auditors, reviewing with the management and examination of the annual financial statements and auditor's report thereon before submission to the Board of Directors for approval, reviewing with the management, the quarterly financial statements before submission to the Board of Directors for approval, review and monitor the auditor's independence and performance and effectiveness of audit process, approval or any subsequent modification of transactions with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the Company, wherever necessary, evaluation of internal financial controls and risk management systems, reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems, reviewing the adequacy of internal audit function and review of the functioning of whistle blower mechanism.

The Audit Committee also reviews the management discussion and analysis of financial condition and results of operations, statement of significant related party transactions, internal audit reports and such other matters / information as prescribed.

In addition to the above, the Audit Committee reviews the contracts entered into by the Company related to traded products, valuing more than Rs. 25 crore, the contracts entered in the register maintained under section 189 of the Companies Act, 2013 and status of material claims filed against the Company.

During the year, all the recommendations made by the Audit Committee were accepted by the Board of Directors.

(ii) Composition:

The Committee comprises of four Independent Directors. Mr. Nimesh Nagindas Kampani, being a Chartered Accountant is a financial expert. The Company Secretary is the secretary of the Committee. The permanent invitees include Managing Director, Chief Financial Officer, Internal Auditor and representatives of 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 five times during the year on May 02, 2017, May 20, 2017, August 08, 2017, October 23, 2017 and February 13, 2018 and the attendance of members at the meetings was as follows:

Name of the Member	Status	Category	Number of Meetings attended
Mr. Marco Philippus Ardeshir Wadia	Chairman	Independent Director	5
Mr. Nimesh Nagindas Kampani*	Member	Independent Director	1
Mr. Kashi Nath Memani$	Member	Independent Director	1
Mr. Aditya Narayan	Member	Independent Director	5
Ms. Radha Singh	Member	Independent Director	5

*Appointed as Member of the Committee w.e.f. October 24, 2017

$ Ceased to be Member of the Committee on September 15, 2017

5.2 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. The role of the Committee includes formulating and recommending to the Board a Corporate Social Responsibility ("CSR") Policy indicating the activities to be undertaken by the Company as specified in the Companies Act, 2013, recommending the amount of expenditure to be incurred on such activities and monitoring the CSR Policy of the Company from time to time. The Corporate Social Responsibility Committee also reviews periodically the progress of CSR projects / programs / activities undertaken by the Company.

(ii) Composition:

The Committee comprises of three Directors. The Committee met once during the year on October 24, 2017 and the attendance of members at the meeting was as follows:

Name of the Member	Status	Category	Meeting attended
Mr. Shyam Sunder Bhartia	Chairman	Non-executive Director	Yes
Mr. Chandra Shekhar Nopany	Member	Non-executive Director	Yes
Ms. Radha Singh	Member	Independent Director	Yes

5.3 Nomination and Remuneration Committee

(i) Terms of reference:

The terms of reference of the Committee are in accordance with the provisions of the Companies Act, 2013, Listing Regulations and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. It discharges such other functions as may be delegated by the Board of Directors from time to time.

The role of the Nomination and Remuneration Committee includes formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, the remuneration of the Directors, key managerial personnel and other employees, identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal, devising a policy on Board diversity, formulating the criteria for evaluation of performance of Independent Directors and the Board, evaluation of every Director's performance and 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.

The Nomination and Remuneration Committee is also authorized and empowered to superintend and administer the Employees Stock Option Scheme(s) of the Company including CFCL Employees Stock Option Scheme 2010.

.(ii) Composition:

The Committee comprises of three Directors. The Committee met twice during the year on May 20, 2017 and August 08, 2017 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 Director	2
Mr. Chandra Shekhar Nopany	Member	Non-executive Director	2
Mr. Marco Philippus Ardeshir Wadia	Member	Independent Director	2

The Remuneration Policy of the Company is attached as **Annexure "G"** to the Board's Report.

5.4 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 Regulations. It discharges such other functions as may be delegated by the Board of Directors from time to time. The role of the Stakeholders Relationship Committee, *inter-alia,* includes allotment of securities, issue of duplicate certificates, review and redressal of grievances of security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of dividends, etc. and deciding the book closure/ record dates in respect of the securities issued by the Company.

In order to provide quick service to investors and expedite the process of transfers, the Board has delegated sufficient powers to the Company's 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 Committee met five times during the year on May 02, 2017, August 08, 2017, October 23, 2017, November 20, 2017 and February 13, 2018 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 Director	5
Mr. Anil Kapoor	Member	Managing Director	5
Mr. Marco Philippus Ardeshir Wadia	Member	Independent Director	5

(iii) Name, designation and address of Compliance Officer:

Mr. Rajveer Singh
Vice President- Legal & Secretary
Chambal Fertilisers and Chemicals Limited
"Corporate One", 1st Floor, 5, Commercial Centre,
Jasola, New Delhi-110 025

Telephone : 91 11 41697900
Fax : 91 11 40638679
E-mail : complianceofficer@chambal.in

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

The Company had 1,29,149 investors as on March 31, 2018. During the year under review, the status of requests and complaints received, was as follows:

Particulars	Opening Balance	Received	Total Resolved	Closing Balance
Requests	38	13964	13965	37*
Complaints	0	396	396	0

*since redressed

5.5 Banking and Finance Committee

(i) Terms of reference:

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

(ii) Composition:

The Committee comprises of four Directors. The Committee met once during the year on January 12, 2018 and the attendance of members at the meeting was as follows:

Name of the Member	Status	Category	Meeting attended
Mr. Shyam Sunder Bhartia	Chairman	Non-executive Director	No
Mr. Anil Kapoor	Member	Managing Director	Yes
Mr. Aditya Narayan	Member	Non-executive Director	Yes
Mr. Chandra Shekhar Nopany	Member	Non-executive Director	No

5.6 Project Monitoring Committee

(i) Terms of reference:

The Committee was formed to review progress of various projects of the Company. It has also been delegated necessary powers to review and monitor the progress of new Urea project of the Company and to make necessary amendment(s)/ changes in the contracts executed by the Company for new Urea project.

(ii) Composition:

The Committee comprises of four Directors. The Committee met once during the year on October 23, 2017 and the attendance of members at the meeting was as follows:

Name of the Member	Status	Category	Meeting attended
Mr. Chandra Shekhar Nopany	Chairman	Non-executive Director	Yes
Mr. Anil Kapoor	Member	Managing Director	Yes
Mr. Aditya Narayan	Member	Independent Director	Yes
Ms. Radha Singh	Member	Independent Director	Yes

5.7 Risk Management Committee

(i) Terms of reference:

The composition of the Committee meets the requirement of Listing Regulations although the requirement regarding constitution of Risk Management Committee is 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.

(ii) Composition:

The Committee comprises of three Directors, Chief Financial Officer and Company Secretary of the Company. The Committee met twice during the year on May 02, 2017 and October 23, 2017 and the attendance of members at the meetings was as follows:

Name of the Member	Status	Category	Number of Meetings attended
Mr. Shyam Sunder Bhartia	Chairman	Non-executive Director	NIL
Mr. Aditya Narayan	Member	Independent Director	2
Mr. Anil Kapoor	Member	Managing Director	2
Mr. Abhay Baijal	Member	Chief Financial Officer	1
Mr. Rajveer Singh	Member	Company Secretary	2

5.8 Strategy Committee

(i) Terms of reference:

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 four Directors. No Committee meeting was held during the Financial Year 2017-18. The composition of the Committee is as follows:

Name of the Member	Status	Category
Mr. Marco Philippus Ardeshir Wadia	Chairman	Independent Director
Mr. Shyam Sunder Bhartia	Member	Non-executive Director
Mr. Anil Kapoor	Member	Managing Director
Mr. Aditya Narayan	Member	Independent Director

6. Details of remuneration paid to Directors during the Financial Year 2017-18

6.1 Executive Director (Amount in Rs.)

Managing Director	Salary	Performance Bonus	Value of Perquisites as per Income Tax Act, 1961	Others - Retirement Benefits & other perquisites
Mr. Anil Kapoor	2,77,74,166	1,36,00,000	38,55,784	21,61,225

(i) The shareholders of the Company at the Annual General Meeting held on September 22, 2016 had approved the re-appointment of Mr. Anil Kapoor as Managing Director of the Company for a period of three years with effect from February 16, 2017. The term of appointment of Mr. Anil Kapoor is upto February 15, 2020, 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 of Directors considering the recommendations of the Nomination and Remuneration Committee, on annual basis, based on the performance of the Company, industry trends and other relevant factors.

The Company had 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 committee in which the options were granted. The details of vesting of stock options are as under:

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
16.09.2015	37, 500
Total	**150,000**

The stock options can be exercised within 8 years from the respective dates of vesting. Mr. Anil Kapoor had exercised 11,000 stock options till March 31, 2018 and 1,39,000 stock options are outstanding.

6.2 Non - Executive Directors

The Company pays sitting fee for attending the Board and Committee meetings to its Non-Executive Directors @ Rs.50,000 per Board meeting, Rs. 25,000 per Audit Committee meeting and Rs. 15,000 per meeting of other Committees of the Board.

The shareholders of the Company, at the Annual General Meeting held on September 15, 2015, had approved payment of commission to non-executive directors for a period of 5 years with effect from the financial year 2015-16 subject to the aggregate annual limit of one percent of the net profits of the Company and the commission payable to a non-executive director not to exceed Rs. 5,00,000 in any financial year. In pursuance of the approval of the shareholders and considering the recommendations of Nomination and Remuneration Committee, the Board of Directors determined the commission payable to individual Directors for the Financial Year 2017-18 based on the time devoted and the contribution made by individual directors in the affairs of the Company. In case of directors who have served for part of the year, the commission is payable on pro-rata basis.

The details of sitting fee paid and the commission payable to the Directors are as follows:

S. No.	Name of the Director	Sitting Fee Paid (Rs.)	Commission payable for the Financial Year 2017-18 (Rs.)
1.	Mr. Saroj Kumar Poddar	200,000	500,000
2.	Mr. Nimesh Nagindas Kampani $	125,000	271,233
3.	Mr. Kashi Nath Memani*	75,000	228,767
4.	Mr. Aditya Narayan	435,000	500,000
5.	Mr. Chandra Shekhar Nopany	260,000	500,000
6.	Ms. Radha Singh	510,000	500,000
7.	Mr. Marco Philippus Ardeshir Wadia	480,000	500,000

* Ceased to be Director on September 15, 2017, $ Appointed as Director with effect from September 15, 2017

Mr. Shyam Sunder Bhartia opted out from receiving any sitting fee and commission.

There was no other pecuniary relationship or transaction with the non-executive directors.

7. Board Diversity Policy

Board diversity is imperative in view of globalization of business, rapid deployment of technology, greater social responsibility, ever increasing emphasis on corporate governance and increasing need for risk management. Having members of the Board from different fields enables the Company to keep pace with changing business dynamics and provide financial, reputational and qualitative benefits. The Board of Directors had adopted "Board Diversity Policy" which sets 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 Listing Regulations, the Company has laid down a Performance Evaluation Policy. The said policy prescribed in detail the process for effective evaluation of performance of the Board of Directors, the Committees thereof and individual Directors including the Chairperson of the Board. The Nomination and Remuneration Committee ("NRC") had finalized the proformas / questionnaires containing different parameters to evaluate the performance of Board and its committee(s), individual Directors and Chairperson of the Company. The performance evaluation parameters for Independent Directors include level of participation in decision making process, understanding of Company's business and industry, ensuring adequacy and functionality of vigil mechanism, communicating *inter-se* with Board members and senior management, etc.

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 2017-18. The performance of each Director has been evaluated by NRC. 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 reported their respective evaluations to the Chairperson of the Company.

Based on the responses to the questionnaires received from the Directors and considering the evaluations carried out by 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 behavior, actual or suspected fraud or violation of the Company's "Code of Conduct and Ethics". The Directors and employees are not only encouraged but required to report their genuine concerns and grievances under the said policy. The vigil mechanism under the Whistle Blower Policy provides adequate safeguard against victimization of the Directors and the employees who avail of the mechanism and also provides for direct access to Chairman of the Audit Committee in appropriate or exceptional cases. No personnel was denied access to the Audit Committee. The Whistle Blower Policy is available on the website of the Company at www.chambalfertilisers.com and intranet site - www.chambal.in

10. Related Party Transactions

During the financial year 2017-18, all transactions entered into with related parties, as defined under the Companies Act, 2013 and Listing Regulations, 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/Policy-on-Related-Party-Transactions.pdf*

11. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The commodity price risk of the Company may arise mainly out of imported fertilisers due to fluctuation of prices in the international market. The Company controls such risk through dynamic sourcing strategy and supply plan including constant review of market conditions and costing of competitors. In addition to the above, the prices of natural gas are subject to fluctuation on account of change in prices of crude oil and demand-supply factors. The Company is not affected by price volatility of natural gas as the cost of natural gas is pass through under the Urea pricing policy if the consumption is within the permissible norms. The Company did not enter into any transaction for hedging the commodity price risk.

The foreign exchange risk of the Company arises mainly out of import of fertilisers and foreign currency borrowings. The Company continuously monitors its foreign exchange exposure and hedges its foreign exchange risk exposure to the extent considered necessary through forward contracts and option structures.

12. Shareholding of Directors as on March 31, 2018

Name	Number of Shares held	Name	Number of Shares held
Mr. Saroj Kumar Poddar	7,06,128	Mr. Aditya Narayan	NIL
Mr. Shyam Sunder Bhartia	110	Mr. Chandra Shekhar Nopany	3,23,775
Mr. Anil Kapoor	NIL	Mr. Marco Philippus Ardeshir Wadia	6,000
Mr. Nimesh Nagindas Kampani	NIL	Ms. Radha Singh	NIL

13. General Body Meetings

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

Financial year	Date	Time	Location
2016-17	15.09.2017	1030 hours	Registered Office of the Company at Gadepan, District Kota, Rajasthan-325 208
2015-16	22.09.2016	1030 hours	
2014-15	15.09.2015	1030 hours	

13.2 The Company had taken shareholders' approval by way of special resolutions in the previous three annual general meetings, as per the details given below:

Date of Annual General Meeting	Nature of approval
September 15, 2017	1. Re-appointment of Mr. Marco Philippus Ardeshir Wadia as an Independent Director of the Company. 2. Re-appointment of Ms. Radha Singh as an Independent Director of the Company. 3. Approval to make offer or invitation for subscription of non-convertible debentures, on private placement basis.
September 22, 2016	1. Approval to make offer or invitation for subscription of non-convertible debentures, on private placement basis. 2. Approval for conversion of loans into equity shares of the Company as per strategic debt restructuring scheme of Reserve Bank of India.
September 15, 2015	1. Approval for payment of commission to Non-executive Directors. 2. Approval for adoption of new Articles of Association of the Company. 3. Approval of revised CFCL Employees Stock Option Scheme 2010 ("ESOS 2010") and implementation of ESOS 2010 through CFCL Employees Welfare Trust. 4. Approval of acquisition of equity shares of the Company by CFCL Employees Welfare Trust ("Trust") from secondary market and grant of loan to the Trust. 5. Approval to make offer or invitation for subscription of non-convertible debentures, on private placement basis.

13.3 Shareholders' approval through postal ballot was not sought for any matter during the financial year 2017-18.

There is no immediate proposal for passing a resolution through postal ballot. In case a resolution is proposed to be passed through postal ballot, the procedure of postal ballot and other requisite details shall be provided in the postal ballot notice.

14. Disclosures

14.1 No penalties or strictures have been imposed on the Company by stock exchanges or Securities and Exchange Board of India or any other statutory authority in any matter related to capital markets during the last three years, for non-compliance by the Company.

14.2 Your Company is fully compliant with the corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations, as applicable and compliance reports on Corporate Governance in the requisite formats signed by the Compliance Officer, have been submitted to the concerned stock exchanges.

14.3 The Company has formulated a "Policy for determining Material Subsidiaries" which has been uploaded on the website of the Company (www.chambalfertilisers.com) and can be accessed at the weblink – http://www.chambalfertilisers.com/pdf/Policy-on-Material-Subsidiary-December-1-2015.pdf

14.4 The Company has formulated a "Dividend Distribution Policy" which is attached as **Annexure "B"** to the Board's Report. This policy has been uploaded on the website of the Company (www.chambalfertilisers.com) and can be accessed at the weblink - http://www.chambalfertilisers.com/pdf/Final-Dividend-Distribution-Policy.pdf

14.5 The details of familiarization programmes imparted to Independent Directors are available on the website of the Company and can be accessed at the weblink - http://www.chambalfertilisers.com/pdf/Familiarization-Programme-2018-final.pdf

14.6 The Company has complied with the mandatory requirements relating to Corporate Governance as prescribed in the Listing Regulations.

14.7 The Company has adopted the following discretionary requirements under Regulation 27(1) of the Listing Regulations relating to:
a) Maintenance of the office of Non-Executive Chairman at the Company's expense.
b) Separate posts of Chairman and Managing Director.
c) Unmodified audit opinion on financial statements of the Company.

14.8 During the year, no case was filed with the Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

15. Means of Communication

15.1 The Company regularly interacts with the shareholders through multiple channels of communication such as publication of results on quarterly, half-yearly and annual basis 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.

15.2 The quarterly results, shareholding pattern, corporate governance reports, intimation of Board meetings, etc. are filed with the stock exchanges through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.

15.3 The results are simultaneously posted on the website of the Company at www.chambalfertilisers.com. The investors can also find on this website the Annual Reports, Quarterly Results, various policies of the Company, details of unpaid dividend, composition of various committees of the Board, 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, details of shares to be transferred to Investor Education and Protection Fund ("IEPF"), etc.

15.4 The transcripts of earning calls with the investors / analysts, record of meetings with analysts / institutional investors, presentation to analysts/ institutional investors and official news releases, if any, are uploaded on the website of the Company.

15.5 Management Discussion and Analysis Report forms part of the Board's Report.

16. Code of Conduct and Ethics

The Company had adopted Code of Conduct and Ethics which is available on the website of the Company (www.chambalfertilisers.com). The object of the Code is to conduct the Company's business ethically and with responsibility, integrity, fairness, transparency and honesty.

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 of Conduct and Ethics by the Board Members and Senior Management Personnel of the Company during the Financial Year 2017-18 is enclosed as **Annexure "D"** to Board's Report

17. General Shareholders' Information

17.1 **33rd Annual General Meeting**

Venue : Registered Office at Gadepan, Distt. Kota, Rajasthan - 325208
Time : 1030 hours
Day & Date : Tuesday, September 18, 2018

17.2 **Financial Year** : April to March

17.3 **Tentative Financial Calendar**

Event	Date
Audited Annual Results (Financial Year 2017-18)	May 10, 2018
Mailing of Annual Report	August, 2018
First Quarter Results	Late July, 2018
Half Yearly Results	Late October, 2018
Third Quarter Results	Late January, 2019
Audited Annual Results (Financial Year 2018-19)	May, 2019

17.4 **Book Closure**

The register of members and share transfer books of the Company shall remain closed from August 28, 2018 to August 30, 2018 (both days inclusive).

17.5 **Dividend Payment Date:** September 24, 2018

17.6 **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)** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	500085
2.	**National Stock Exchange of India Limited (NSE)** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	CHAMBLFERT

The Company has paid annual listing fees for the Financial Year 2018-19 to BSE and NSE.

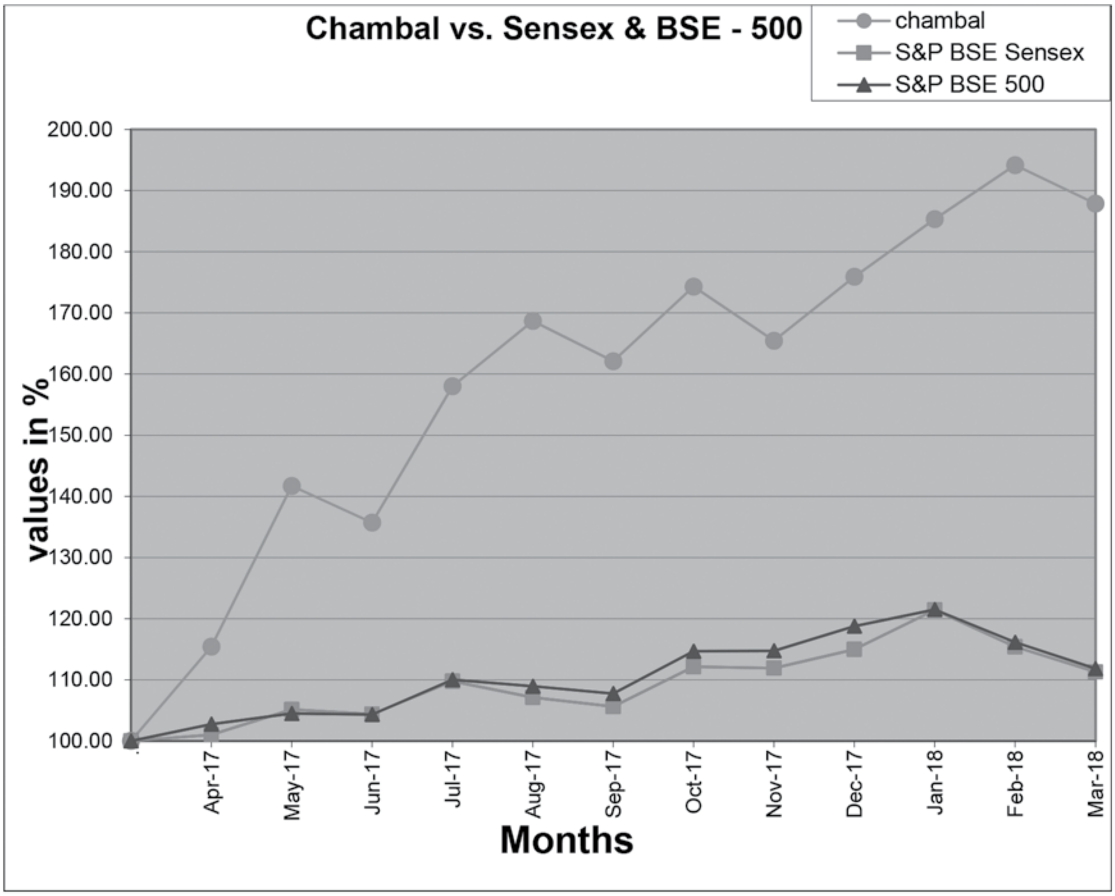
17.7 **Market Price Data**

High and low of market prices of the Company's equity shares traded on BSE and NSE during the financial year 2017-18 were as follows:

(Amount in Rs.)

Months	BSE		NSE	
	High	Low	High	Low
April, 2017	101.00	83.30	101.00	83.20
May, 2017	138.00	99.80	138.30	99.50
June, 2017	130.55	110.20	130.70	110.25
July, 2017	140.80	119.70	140.80	115.30
August, 2017	150.90	117.15	151.00	117.05
September, 2017	156.90	135.00	156.40	135.10
October, 2017	157.10	140.00	157.50	139.70
November, 2017	153.65	133.05	154.40	133.50
December, 2017	156.45	141.35	156.40	141.00
January, 2018	164.50	149.95	164.50	150.00
February, 2018	173.60	129.20	173.20	126.00
March, 2018	171.00	151.00	171.00	150.65

17.8 **Performance of equity share of the Company (chambal) in comparison to S&P 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 at BSE and values of indices as on March 31, 2017.

17.9 **Registrar & Transfer Agents and Share Transfer System**

M/s. Zuari Finserv Private Limited 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 Finserv Private Limited
"Corporate One", First Floor, 5, Commercial Centre, Jasola, New Delhi - 110 025
Tel : 011 - 41697900, 46581300
Fax : 011 - 40638679
E-mail : rta@adventz.zuarimoney.com

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 Agent 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.

17.10 **Address for Correspondence**

The Investors can personally contact or send their correspondence either to Share Transfer Agent 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 : isc@chambal.in
Website : www.chambalfertilisers.com

17.11 **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, 2018, about 94.69% of the share capital of the Company was held in dematerialised form.

17.12 **Details of Unpaid Dividend**

The details of amount lying in the unpaid dividend accounts of the Company in respect of last seven years are as under:

Dividend Year	Amount lying in Unpaid Dividend Account as on March 31, 2018 (in Rs.)	Due date for transfer to IEPF
2010-11	13,994,581.56	18.10.2018
2011-12	14,757,630.87	15.10.2019
2012-13	16,904,374.82	14.10.2020
2013-14	18,258,774.94	19.10.2021
2014-15	19,591,751.84	18.10.2022
2015-16	19,808,856.31	25.10.2023
2016-17	20,763,625.60	15.10.2024

Pursuant to Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the dividend, which remains unpaid or unclaimed for a period of 7 years from the date of transfer to the unpaid dividend account of the Company, is required to be transferred to IEPF. Further, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more are required to be transferred by the Company to the demat account of IEPF Authority.

During the financial year ended March 31, 2018, the Company has transferred unpaid dividend of Rs. 1,43,88,238 for the Financial Year 2009-10 to IEPF. The Company has also transferred 35,02,612 equity shares to the demat account of IEPF Authority in respect of which the dividend has been unpaid/ unclaimed for the last seven years.

17.13 **Transfer of shares in Unclaimed Suspense Account**

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 outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2017	2,602	4,37,650
Number of shareholders who approached Company for transfer of shares from Unclaimed Suspense Account during the Financial Year 2017-18	10	4,355
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the Financial Year 2017-18	10	4355
Shares transferred to IEPF during the Financial Year 2017-18	2,240	2,83,215
Aggregate Number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2018	352	1,50,080

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.

17.14 **Distribution of Shareholding**

The distribution of shareholding as on March 31, 2018 was as follows:

S. No	No. of Equity Shares held	No. of Share Holders	Percentage of total	No. of Shares held	Percentage of total shares
1.	1 to 500	1,12,009	86.73	1,92,55,961	4.63
2.	501 to 1000	9,931	7.69	87,55,825	2.10
3.	1001 to 5000	5,887	4.56	1,30,90,776	3.15
4.	5001 to 10000	686	0.53	51,30,532	1.23
5.	10001 to 100000	511	0.40	1,38,63,281	3.33
6.	100001 to 500000	59	0.04	1,48,14,486	3.56
7.	500001 & above	66	0.05	34,12,96,991	82.00
	Total	1,29,149	100.00	41,62,07,852	100.00

The shareholding pattern of the Company alongwith top ten shareholders and other details are given in **Annexure "H"** to the Board's Report.

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

17.16 **Location of the Plants:**

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

For and on behalf of Board of Directors

Place : New Delhi
Date : May 10, 2018

Saroj Kumar Poddar
Chairman

Annexure "D" to Board's Report

DECLARATION OF MANAGING DIRECTOR

In pursuance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Anil Kapoor, Managing Director of Chambal Fertilisers and Chemicals Limited, declare that the members of Board of Directors and senior management personnel of the Company have affirmed their compliance with the Code of Conduct and Ethics during the year 2017-18.

Place : New Delhi
Date : May 10, 2018

Anil Kapoor
Managing Director

Annexure "E" to Board's Report

Auditor's Certificate regarding compliance of conditions of Corporate Governance

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 ("the Company"), for the year ended March 31, 2018, as stipulated in the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (hereinafter referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 SEBI Listing Regulations, 2015.

We 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 and on behalf of
Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Anupam Dhawan
Partner
Membership No: 084451

Place : New Delhi
Date : May 10, 2018

Annexure "F" to Board's 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 programs.	The Company is committed to building a sustainable enterprise for the benefit of its present and future generations of stakeholders. The Company seeks to integrate and follow responsible practices into its business strategies and operations, to manage the three challenges-economic prosperity, social development and environmental integrity. The Company, *inter-alia,* aims to: (a) build a sustainable enterprise that effectively balances financial strengths with social and environmental responsibilities; (b) promote sustainable farming practices to boost crop productivity in rural India through its soil testing facilities and other advisory services; (c) work towards improving the quality of life by making the communities self-reliant in areas within which it operates; and (d) build lasting social capital through interventions in the rural development, healthcare, education, vocational training and other social initiatives for the community residing in the vicinity of its plants and other places in India. The Company is engaged in various social initiatives in the areas of Education (including technical education), Rural Development, Healthcare, Employability & Empowerment and Soil Health. Under the education initiatives, the Company mainly works towards improvement of education standard, infrastructure and other facilities in government schools and Industrial Training Institutes and provides opportunity of quality education to the students from rural areas. The Company facilitates vocational training and skill development of rural youth to enhance their employability. The Rural development projects are mainly for infrastructure development in the villages in the vicinity of its plants. Under the healthcare initiatives, the Company facilitates medical check-ups, medical aid, ambulance facilities, health camps, etc. and organises awareness sessions on the topics related to health and hygiene. The Company works for women empowerment by supporting woman self-help groups and through livelihood training. The soil testing laboratories and mobile testing vans test soil and water samples received from the farmers and provide reports which helps the farmers in maintaining soil health by appropriate use of nutrients. The Company has framed a Corporate Social Responsibility Policy ("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: *http://www.chambalfertilisers.com/pdf/Chambal-CSR-Policy-2018.pdf*
2.	The Composition of the CSR Committee	Mr. Shyam Sunder Bhartia - Chairman Mr. Chandra Shekhar Nopany - Member Ms. Radha Singh - Member
3.	Average net profit of the company for last three financial years	Rs. 55652.91 Lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 1113.06 Lakhs
5.	Details of CSR spent during the financial year:	
	a) Total amount to be spent for the financial year	Rs. 1113.06 Lakhs
	b) Total amount spent for the Financial Year	Rs. 1118.50 Lakhs
	c) Amount unspent, if any	NIL
	d) Manner in which the amount spent during the financial year	As per details given below:

Manner in which the amount spent on CSR Projects and Programs during the Financial Year 2017-18

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or programs 1) Local Area or other 2) State and district where projects or programs was undertaken**	**Amount outlay – (budget) Project/ program wise (Rs. in Lakhs)**	**Amount Spent on the projects or programs: 1) Direct expenditure on projects or programs 2) Overheads (Rs. in Lakhs)**	**Cumulative expenditure upto the reporting period (Rs. in Lakhs)**	**Amount Spent : direct or through implementing agency***
(i)	**Education initiatives**						
(a)	Pre-primary & School Education	Education	(1) Local Area (2) Distt. Kota and Baran, Rajasthan	369.52	(1) 352.19 (2) 16.48	368.67	Direct and KK Birla Memorial Society ("KKBMS"), Pratham Education Foundation and Motion Educational & Development Society
(b)	CFDAV School, Gadepan	Education	(1) Local Area (2) Distt. Kota, Rajasthan	106.25	(1) 101.55 (2) 4.75	106.30	Direct in collaboration with DAV College Trust and Management Society
(c)	Technical Education (Industrial Training Institutes)	Education	(1) Local Area (2) District Kota, Baran and Jhalawar, Rajasthan	117.66	(1) 119.08 (2) 5.57	124.65	Direct and KKBMS
(d)	Vocational Education Initiatives	Employment Enhancing Vocational Skills	(1) Local Area (2) Distt. Kota and Baran, Rajasthan	9.00	(1) 3.76 (2) 0.18	3.94	KKBMS
(ii)	**Rural Development Initiatives**	Rural Development Projects	(1) Local Area (2) Distt. Kota and Baran, Rajasthan	192.09	(1) 178.59 (2) 8.36	186.95	Direct and KKBMS
(iii)	**Health care Initiatives**						
(a)	At Gadepan and Adjoining Areas	Promoting Health care including preventive health care	(1) Local Area (2) District Kota & Baran, Rajasthan	37.16	(1) 35.87 (2) 1.68	37.55	Direct and KKBMS & School Health Annual Report Program ("SHARP")
(b)	In Uttarakhand	Promoting Health care including preventive health care	(1) Other (2) Distt. Tehri and Dehradun, Uttarakhand	31.40	(1) 30.00 (2) 1.40	31.40	KKBMS in collaboration with Manorama Devi Birla Charitable Trust
(iv)	**Employability and Empowerment**	Empowerment of Women, reducing inequality faced by socially and economically backward groups	(1) Local Area (2) District Kota, Baran, Rajasthan	42.40	(1) 40.18 (2) 1.88	42.06	Direct and KKBMS, Centre for Community Economics and Development Consultants Society ("CECOEDECON") and Eklavya Development Society
(v)	**Soil Health Initiatives**	Maintaining quality of soil	1) Local Area & Other 2) District Kota, Jhalawar, Bundi, Baran, Tonk, Sawai Madhopur, Jodhpur & Jaisalmer, Rajasthan and District Agra, Barabanki, Sitapur, Amethi, Hardoi, Unnao, Bahraich & Fatehpur (Uttar Pradesh)	213.02	(1) 207.28 (2) 9.70	216.98	Direct and KKBMS
Total (i to v)				**1118.50**	**1118.50**	**1118.50**	

***Details of Implementing Agencies**

a) KK Birla Memorial Society had been set up by the Company for implementation of CSR Projects and Programs.

b) Pratham Education Foundation is a pioneer in the field of education having nationwide presence.

c) Motion Educational & Development Society is engaged in the field of improvement of education standard.

d) DAV College Trust and Management Society is a pioneer in the field of education and running a school in Gadepan under a Memorandum of Understanding with the Company.

e) SHARP is a non-governmental organization with scientifically planned health program for school children.

f) Manorama Devi Birla Charitable Trust, is, *inter-alia*, engaged in providing healthcare in the villages surrounding Mussoorie, Uttarakhand.

g) CECOEDECON is a non-governmental organization working in the areas of livelihood security, women empowerment, etc.

h) Eklavya Development Society is working in semi-arid zone of Rajasthan. It has been set up for creating an environment of self-employment and responsive village community.

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	Not Applicable

The Corporate Social Responsibility 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

Shyam Sunder Bhartia
Chairman- Corporate Social Responsibility Committee

Place : New Delhi
Date : May 10, 2018

Annexure "G" to Board's 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. **"Listing Regulations"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended or replaced from time to time.

iii. **"Board"** means the Board of Directors of the Company.

iv. **"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 Regulations.

v. **"Employees' Stock Options"** means the options given or to be given by the Company to the Managing Director and employees of the Company 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.

vi. **"Independent Director"** means the Independent Director of the Company appointed in pursuance of the Act and Listing Regulations.

vii. **"Key Managerial Personnel"** or **"KMP"** means the person(s) appointed as such in pursuance of Section 203 of the Act.

viii. **"Management Committee"** means a committee of the Company comprising of members of Senior Management and KMPs.

ix. **"Rules"** means the rules framed under the Act.

x. **"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.

xi. **"Senior Management"** means the employees of the Company holding the position of Vice President or above , Company Secretary and Chief Financial Officer 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 Regulations.

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 Regulations.

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 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 Regulations. The variable component of Remuneration shall have a co-relationship with the performance of such a Director against a prescribed benchmark alongwith 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:

The payment structure, salary levels and policies pertaining to perquisites and benefits including retirement benefits are designed as per the industry practice, business needs or other factors related to the business of the Company.

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:

a) Demand-supply relationship of the concerned job expertise.

b) Need of organization to retain and attract talent and its ability to pay.

c) Employees' social aspiration for enhancing standard of living.

d) 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.

For and on behalf of Board of Directors

Place : New Delhi
Date : May 10, 2018

Saroj Kumar Poddar
Chairman

Annexure "H" to Board's Report
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on March 31, 2018
[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
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Zuari Finserv Private Limited, "Corporate One", First Floor, 5, Commercial Centre, Jasola, New Delhi – 110025 Phone : 011-41697900, 46581300 Fax : 011-40638679, Email : rta@adventz.zuarimoney.com

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	51.87%
2.	Di-ammonium Phosphate	46692	35.08%

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)
2.	India Steamship Limited, Gadepan, District Kota, Rajasthan, PIN -325 208	U61100RJ2011PLC034702	Subsidiary	100	2(87)
3.	India Steamship Pte. Limited, 24, Raffles Place, #24-03 Clifford Centre, Singapore 48621	Foreign Company	Subsidiary	100	2(87)
4.	India Steamship International FZE, PO Box 42596, Hamriyah Free Zone, Sharjah, UAE	Foreign Company	Subsidiary	100	2(87)
5.	ISGN Corporation, 2330, Commerce Park Drive, NE, Suite 2, Palm Bay, FL 32905, USA	Foreign Company	Subsidiary	72.27	2(87)
6.	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)
7.	ISG Novasoft Technologies Limited, 128/9, Maruthi Sapphire, 2nd Floor, Madivala Machideva Road, Murgeshpalya, Bengaluru – 560017	U72900KA2003PLC050528	Subsidiary	72.27	2(87)
8.	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)
9.	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 (including Promoter Group)									
(1) Indian									
a) Individual/HUF	24554122	0	24554122	5.90	23124122	0	23124122	5.56	(0.34)
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	215479131	0	215479131	51.77	217153705	0	217153705	52.17	0.40
e) Banks / FIs	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)	**240033253**	**0**	**240033253**	**57.67**	**240277827**	**0**	**240277827**	**57.73**	**0.06**
(2) Foreign									
a) NRIs – Individuals	520110	0	520110	0.12	2670135	0	2670135	0.64	0.52
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FIs	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub – Total (A) (2)	**520110**	**0**	**520110**	**0.12**	**2670135**	**0**	**2670135**	**0.64**	**0.52**
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	**240553363**	**0**	**240553363**	**57.80**	**242947962**	**0**	**242947962**	**58.37**	**0.58**

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	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	22486418	29400	22515818	5.41	37335972	29300	37365272	8.98	3.57
b) Banks / FIs	1118038	147195	1265233	0.30	578938	111034	689972	0.17	(0.13)
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	24536870	100	24536970	5.90	22079589	0	22079589	5.30	(0.60)
g) FIIs	1347034	13900	1360934	0.33	0	3200	3200	0	(0.33)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)									
i) Alternate Investment Funds	0	0	0	0	1201475	0	1201475	0.29	0.29
ii) Foreign Portfolio Investors	26721688	0	26721688	6.42	28454236	0	28454236	6.84	0.42
Sub-total (B)(1):	**76210048**	**190595**	**76400643**	**18.36**	**89650210**	**143534**	**89793744**	**21.58**	**3.22**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	13680122	272683	13952805	3.35	13253621	142836	13396457	3.22	(0.13)
ii) Overseas	1210120	2000000	3210120	0.77	300000	2000000	2300000	0.55	(0.22)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	35243496	19970130	55213626	13.26	27784822	16409699	44194521	10.62	(2.64)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	17718400	4869100	22587500	5.43	13682590	3404900	17087490	4.10	(1.33)
c) Others (specify)									
i. HUF	1391969	14100	1406069	0.34	933327	13400	946727	0.23	(0.11)
ii. Trust	197174	1000	198174	0.05	190359	1000	191359	0.05	0
iii. Investor Education and Protection Fund (IEPF)	0	0	0	0	3502612	0	3502612	0.84	0.84
iv. Unclaimed Suspense Account	437650	0	437650	0.11	150080	0	150080	0.03	(0.08)
v. Employee Benefit Trust	2247902	0	2247902	0.54	1696900	0	1696900	0.41	(0.13)
Sub-total (B)(2):	**72126833**	**27127013**	**99253846**	**23.85**	**61494311**	**21971835**	**83466146**	**20.05**	**(3.80)**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**148336881**	**27317608**	**175654489**	**42.20**	**151144521**	**22115369**	**173259890**	**41.63**	**(0.58)**
C. Shares held by Custodian for GDRs & ADRs	Not Applicable								
Grand Total (A+B+C)	**388890244**	**27317608**	**416207852**	**100**	**394092483**	**22115369**	**416207852**	**100**	**0**

ii) Shareholding of Promoters (including Promoter Group)								
Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding 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	2260025	0.54	0	0.52
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.	Chandra Shekhar Nopany (Trustee of Shruti Family Trust)	NIL	NIL	0	1000	0.00	0	0
5.	Chandra Shekhar Nopany (Trustee of Shekher Family Trust)	NIL	NIL	0	1000	0.00	0	0
6.	Jyotsna Poddar	3871866	0.93	0	3971866	0.95	0	0.02
7.	Jyotsna Poddar (Trustee of Jyotsna Poddar Family Trust)	125000	0.03	0	125000	0.03	0	0
8.	Nandini Nopany	16234667	3.90	0	14702667	3.53	0	(0.37)
9.	Saroj Kumar Poddar	706128	0.17	0	706128	0.17	0	0
10.	Shobhana Bhartia	2726686	0.66	0	2726686	0.66	0	0
11.	Shradha Agarwala	325900	0.08	0	325900	0.08	0	0
12.	Shruti Vora	410000	0.10	0	410000	0.10	0	0
13.	Shyam Sunder Bhartia	110	0.00	0	110	0.00	0	0
14.	Adventz Finance Private Limited	265407	0.06	0	265407	0.06	0	0
15.	Adventz Securities Enterprises Limited	20022	0.00	0	20022	0.00	0	0
16.	Deepshikha Trading Co. Private Ltd.	200	0.00	0	200	0.00	0	0
17.	Duke Commerce Limited	550200	0.13	0	550200	0.13	0	0
18.	Earthstone Holding (Two) Private Limited	13656476	3.28	0	13656476	3.28	0	0
19.	Earthstone Investment & Finance Limited	8424515	2.02	0	8424515	2.02	0	0
20.	Ganges Securities Limited	NIL	NIL	0	704160	0.17	0	0.17
21.	Gobind Sugar Mills Limited	1947	0.00	0	1947	0.00	0	0
22.	La Monde Trading & Investments Private Ltd.	15000	0.00	0	15000	0.00	0	0
23.	Manavta Holdings Ltd.	3425000	0.82	0	3425000	0.82	0	0
24.	Manbhawani Investment Ltd.	4800000	1.15	0	4800000	1.15	0	0
25.	Master Exchange & Finance Limited	1601600	0.38	0	1601600	0.38	0	0
26.	New India Retailing and Investment Ltd.	581163	0.14	0	581163	0.14	0	0
27.	Nilgiri Plantations Limited	4056740	0.97	0	4056740	0.97	0	0

ii) Shareholding of Promoters (including Promoter Group)								
Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding 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	
28.	Pavapuri Trading and Investment Company Ltd.	100000	0.02	0	100000	0.02	0	0
29.	Premium Exchange and Finance Limited	3086500	0.74	0	3086500	0.74	0	0
30.	Ricon Commerce Ltd.	150200	0.04	0	150200	0.04	0	0
31.	Ronson Traders Ltd.	6829000	1.64	0	6829000	1.64	0	0
32.	RTM Investment and Trading Co. Ltd.	1946200	0.47	0	1946200	0.47	0	0
33.	RTM Properties Ltd.	125000	0.03	0	125000	0.03	0	0
34.	SCM Investment & Trading Co. Ltd.	561200	0.13	0	561200	0.13	0	0
35.	Shital Commercial Limited	138318	0.03	0	138318	0.03	0	0
36.	Shree Vihar Properties Ltd.	700000	0.17	0	700000	0.17	0	0
37.	Sidh Enterprises Limited	153500	0.04	0	153500	0.04	0	0
38.	SIL Investments Limited	31813455	7.64	3.41	33220918	7.98	0	0.34
39.	SIL Properties Ltd.	100000	0.02	0	100000	0.02	0	0
40.	Simon India Limited	2200000	0.53	0	2200000	0.53	0	0
41.	Sonali Commercial Ltd.	379350	0.09	0	379350	0.09	0	0
42.	Texmaco Infrastructure & Holdings Limited	106864	0.03	0	106864	0.03	0	0
43.	Texmaco Rail & Engineering Ltd.	1000000	0.24	0	1000000	0.24	0	0
44.	The Hindustan Times Limited	52924679	12.72	0	53191790	12.78	0	0.06
45.	Upper Ganges Sugar and Industries Limited	704160	0.17	0.15	NIL	NIL	0	(0.17)
46.	Uttam Commercial Ltd.	6857100	1.65	0	6857100	1.65	0	0
47.	Uttar Pradesh Trading Co. Ltd.	1262635	0.30	0.30	1262635	0.30	0.30	0
48.	Yashovardhan Investment & Trading Co. Ltd.	7524500	1.81	0	7524500	1.81	0	0
49.	Zuari Global Limited	59015360	14.18	0	59015360	14.18	0	0
50.	Zuari Investments Limited	402840	0.10	0	402840	0.10	0	0
	Total	**240553363**	**57.80**	**3.87**	**242947962**	**58.37**	**0.30**	**0.57**

(iii) Change in Promoters' (including Promoter Group) Shareholding

Sl. 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
	At the beginning of the year – April 1, 2017	**240553363**	**57.80**		
	Date wise Increase / (Decrease)				
1.	**Upper Ganges Sugar and Industries Limited**				
	April 11, 2017 (Shares vested with Ganges Securities Limited pursuant to the Scheme of Arrangement)	(704160)	(0.17)	239849203	57.63
2.	**Ganges Securities Limited**				
	April 11, 2017 (Shares, which were held by Upper Ganges Sugar and Industries Limited, vested with Ganges Securities Limited pursuant to the Scheme of Arrangement)	704160	0.17	240553363	57.80
3.	**The Hindustan Times Limited**				
	May 23, 2017 - Market Purchase	5000	0.00	240558363	57.80
	May 24, 2017 - Market Purchase	20000	0.00	240578363	57.80
4.	**Akshay Poddar**				
	May 26, 2017 - Market Purchase	505000	0.12	241083363	57.92
	June 29, 2017 - Market Purchase	900000	0.22	241983363	58.14
	June 30, 2017 - Market Purchase	745025	0.18	242728388	58.32
5.	**Jyotsna Poddar**				
	July 3, 2017 - Market Purchase	100000	0.02	242828388	58.34
6.	**The Hindustan Times Limited**				
	August 11, 2017 - Market Purchase	33111	0.01	242861499	58.35
	September 7, 2017- Market Purchase	2000	0.00	242863499	58.35
	September 25, 2017- Market Purchase	8000	0.00	242871499	58.35
	September 27, 2017- Market Purchase	2000	0.00	242873499	58.35
	October 27, 2017 - Market Purchase	2000	0.00	242875499	58.35
	November 6, 2017- Market Purchase	2000	0.00	242877499	58.35
	November 7, 2017- Market Purchase	2000	0.00	242879499	58.36
	November 8, 2017- Market Purchase	5000	0.00	242884499	58.36
	November 9, 2017- Market Purchase	2000	0.00	242886499	58.36
	November 10, 2017- Market Purchase	5000	0.00	242891499	58.36
	November 13, 2017- Market Purchase	8000	0.00	242899499	58.36
	November 15, 2017- Market Purchase	10000	0.00	242909499	58.36
	November 29, 2017 - Market Purchase	5000	0.00	242914499	58.36
	November 30, 2017 - Market Purchase	5000	0.00	242919499	58.36
	January 10, 2018 - Market Purchase	5000	0.00	242924499	58.37
	February 16, 2018 - Market Purchase	20000	0.00	242944499	58.37
	February 19, 2018 - Market Purchase	15000	0.00	242959499	58.37
7.	**Nandini Nopany**				
	February 19, 2018 - Market Sale	(250000)	(0.06)	242709499	58.31
8.	**SIL Investments Limited**				
	February 20, 2018 - Market Purchase	127405	0.03	242836904	58.35
	February 21, 2018 - Market Purchase	170104	0.04	243007008	58.39

Sl. 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
9.	**Nandini Nopany**				
	February 22, 2018 - Market Sale	(255000)	(0.06)	242752008	58.32
10.	**SIL Investments Limited**				
	February 23, 2018 - Market Purchase	55759	0.01	242807767	58.34
	February 26, 2018 - Market Purchase	233478	0.06	243041245	58.39
11.	**Nandini Nopany**				
	February 27, 2018 - Market Sale	(250000)	(0.06)	242791245	58.33
12.	**SIL Investments Limited**				
	February 28, 2018 - Market Purchase	54749	0.01	242845994	58.35
13.	**Nandini Nopany**				
	March 1, 2018 - Market Sale	(125000)	(0.03)	242720994	58.32
14.	**SIL Investments Limited**				
	March 5, 2018 - Market Purchase	457711	0.11	243178705	58.43
15.	**Nandini Nopany**				
	March 6, 2018 - Market Sale	(35000)	(0.01)	243143705	58.42
	March 7, 2018 - Market Sale	(50000)	(0.01)	243093705	58.41
16.	**The Hindustan Times Limited**				
	March 7, 2018 - Market Purchase	5000	0.00	243098705	58.41
	March 8, 2018 - Market Purchase	75000	0.02	243173705	58.43
	March 9, 2018 - Market Purchase	25000	0.00	243198705	58.43
17.	**Nandini Nopany**				
	March 9, 2018 - Market Sale	(290000)	(0.07)	242908705	58.36
18.	**SIL Investments Limited**				
	March 12, 2018 - Market Purchase	50306	0.01	242959011	58.37
19.	**The Hindustan Times Limited**				
	March 12, 2018 - Market Purchase	6000	0.00	242965011	58.38
20.	**SIL Investments Limited**				
	March 16, 2018 - Market Purchase	199164	0.05	243164175	58.42
	March 19, 2018 - Market Purchase	58787	0.01	243222962	58.44
21.	**Nandini Nopany**				
	March 23, 2018 - Market Sale	(275000)	(0.07)	242947962	58.37
	March 29, 2018 – Off Market Transfer	(2000)	(0.00)	242945962	58.37
22.	**Chandra Shekhar Nopany (Trustee of Shekhar Family Trust)**				
	March 29, 2018 – Off Market Transfer	1000	0.00	242946962	58.37
23.	**Chandra Shekhar Nopany (Trustee of Shruti Family Trust)**				
	March 29, 2018 – Off Market Transfer	1000	0.00	242947962	58.37
	At the end of the year – March 31, 2018			**242947962**	**58.37**
Note: SIL Investments Limited purchased 1,22,537 equity shares on March 27, 2018 which were not transferred in its name as on March 31, 2018.					

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters (including Promoter Group) and Holders of GDRs and ADRs) as on March 31, 2018:

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 and its Associate Funds**				
	At the beginning of the year	22439814	5.39	22439814	5.39
	April 28, 2017 – Sale	(25000)	(0.00)	22414814	5.39
	November 3, 2017 – Sale	(405000)	(0.10)	22009814	5.29
	November 10, 2017 – Sale	(319212)	(0.08)	21690602	5.21
	November 17, 2017 – Sale	(540596)	(0.13)	21150006	5.08
	November 24, 2017 – Sale	(708374)	(0.17)	20441632	4.91
	December 1, 2017 – Sale	(289176)	(0.07)	20152456	4.84
	At the end of the year			20152456	4.84
2.	**HDFC Trustee Company Limited - HDFC Prudence Fund and its Associate Funds**				
	At the beginning of the year	NIL	NIL	NIL	NIL
	April 28, 2017 - Purchase	740000	0.18	740000	0.18
	May 5, 2017 - Purchase	290000	0.07	1030000	0.25
	May 19, 2017 - Purchase	1056000	0.25	2086000	0.50
	May 26, 2017 - Purchase	700000	0.17	2786000	0.67
	June 2, 2017 - Purchase	130000	0.03	2916000	0.70
	June 9, 2017 - Purchase	35000	0.01	2951000	0.71
	June 16, 2017 - Purchase	974000	0.23	3925000	0.94
	June 30, 2017 - Purchase	76000	0.02	4001000	0.96
	July 7, 2017 - Purchase	155000	0.04	4156000	1.00
	July 21, 2017 - Purchase	178000	0.04	4334000	1.04
	October 6, 2017 - Purchase	40000	0.01	4374000	1.05
	October 13, 2017 - Purchase	2278000	0.55	6652000	1.60
	October 20, 2017 - Purchase	1290000	0.31	7942000	1.91
	November 10, 2017 - Purchase	210000	0.05	8152000	1.96
	November 17, 2017 – Purchase	142000	0.03	8294000	1.99
	November 24, 2017 - Purchase	827000	0.20	9121000	2.19
	December 8, 2017 - Purchase	244000	0.06	9365000	2.25
	December 15, 2017 - Purchase	294000	0.07	9659000	2.32
	February 9, 2018 - Purchase	2179000	0.52	11838000	2.84
	February 16, 2018 - Purchase	40000	0.01	11878000	2.85
	February 23, 2018 - Purchase	1102700	0.26	12980700	3.12
	March 2, 2018 - Purchase	903000	0.22	13883700	3.34
	March 9, 2018 - Purchase	717000	0.17	14600700	3.51
	March 16, 2018 – Purchase	736840	0.18	15337540	3.69
	March 23, 2018 – Purchase	524560	0.13	15862100	3.81
	March 31, 2018 - Purchase	3178000	0.76	19040100	4.57
	At the end of the year			19040100	4.57

(iv)	*Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters (including Promoter Group) and Holders of GDRs and ADRs) as on March 31, 2018:*				
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**
3.	**UTI-Mid Cap Fund and its Associate Funds**				
	At the beginning of the year	7023316	1.69	7023316	1.69
	April 7, 2017 - Sale	(989993)	(0.24)	6033323	1.45
	May 26, 2017 - Purchase	131881	0.03	6165204	1.48
	July 14, 2017 - Sale	(42759)	(0.01)	6122445	1.47
	October 20, 2017 - Sale	(21232)	(0.00)	6101213	1.47
	January 25, 2018 – Purchase	313374	0.08	6414587	1.54
	February 2, 2018 - Sale	(84312)	(0.02)	6330275	1.52
	February 9, 2018 – Purchase	293766	0.07	6624041	1.59
	February 23, 2018 – Sale	(10705)	(0.00)	6613336	1.59
	March 9, 2018 - Sale	(3438)	(0.00)	6609898	1.59
	At the end of the year			6609898	1.59
4	**DSP Blackrock Small Cap Fund***				
	At the beginning of the year	8897521	2.14	8897521	2.14
	May 12, 2017 - Sale	(1428520)	(0.34)	7469001	1.79
	May 19, 2017 - Sale	(171481)	(0.04)	7297520	1.75
	September 30, 2017 - Sale	(279100)	(0.07)	7018420	1.69
	February 9, 2018 - Purchase	193732	0.05	7212152	1.73
	March 31, 2018 - Sale	(2034122)	(0.49)	5178030	1.24
	At the end of the year			5178030	1.24
	*Formerly DSP Blackrock Micro Cap Fund				
5.	**FIL Investments (Mauritius) Ltd.**				
	At the beginning of the year	NIL	NIL	NIL	NIL
	August 28, 2017 - Purchase	713901	0.17	713901	0.17
	September 1, 2017 - Purchase	90396	0.02	804297	0.19
	September 8, 2017 - Purchase	1821037	0.44	2625334	0.63
	September 15, 2017 - Purchase	634885	0.15	3260219	0.78
	September 22, 2017 - Purchase	167745	0.04	3427964	0.82
	September 30, 2017 - Purchase	488976	0.12	3916940	0.94
	At the end of the year			3916940	0.94
6.	**Ocean Dial Gateway To India Mauritius Limited**				
	At the beginning of the year	NIL	NIL	NIL	NIL
	January 19, 2018 - Purchase	2564000	0.62	2564000	0.62
	January 25, 2018 - Purchase	1426	0.00	2565426	0.62
	February 2, 2018 - Purchase	303713	0.07	2869139	0.69
	February 9, 2018 - Purchase	548328	0.13	3417467	0.82
	February 23, 2018 - Purchase	82533	0.02	3500000	0.84
	At the end of the year			3500000	0.84

(iv)	*Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters (including Promoter Group) and Holders of GDRs and ADRs) as on March 31, 2018:*				
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
7.	**Reliance Strategic Investments Limited**				
	At the beginning of the year	2515429	0.60	2515429	0.60
	April 7, 2017 - Purchase	145315	0.03	2660744	0.64
	May 26, 2017 – Purchase	300000	0.07	2960744	0.71
	At the end of the year			2960744	0.71
8.	**Tata Mutual Fund – Tata Equity P/E Fund and its Associate Funds**				
	At the beginning of the year	NIL	NIL	NIL	NIL
	May 12, 2017 - Purchase	1556850	0.37	1556850	0.37
	May 19, 2017 - Purchase	603150	0.14	2160000	0.52
	May 26, 2017 - Purchase	50000	0.01	2210000	0.53
	June 2, 2017 – Purchase	58000	0.01	2268000	0.54
	June 9, 2017 – Purchase	174000	0.04	2442000	0.59
	June 16, 2017 – Purchase	265000	0.06	2707000	0.65
	June 30, 2017 – Purchase	10000	0.00	2717000	0.65
	November 10, 2017 – Purchase	155000	0.04	2872000	0.69
	At the end of the year			2872000	0.69
9.	**Dimensional Emerging Markets Value Fund**				
	At the beginning of the year	2614619	0.63	2614619	0.63
	November 17, 2017 - Sale	(5744)	(0.00)	2608875	0.63
	November 24, 2017 - Sale	(35003)	(0.01)	2573872	0.62
	December 1, 2017 - Sale	(40320)	(0.01)	2533552	0.61
	December 8, 2017 - Sale	(19679)	(0.00)	2513873	0.60
	December 31, 2017 - Sale	(22965)	(0.01)	2490908	0.60
	January 5, 2018 - Sale	(20347)	(0.00)	2470561	0.59
	February 9, 2018 - Sale	(52312)	(0.01)	2418249	0.58
	February 16, 2018 - Sale	(26211)	(0.01)	2392038	0.57
	March 2, 2018 - Sale	(44524)	(0.01)	2347514	0.56
	March 9, 2018 - Sale	(40985)	(0.01)	2306529	0.55
	March 16, 2018 - Sale	(12236)	(0.00)	2294293	0.55
	March 31, 2018 - Sale	(11215)	(0.00)	2283078	0.55
	At the end of the year			2283078	0.55
10.	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	2000000	0.48
	At the end of the year			2000000	0.48

Notes :

1) The details including sale 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) Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.
3) 35,02,612 equity shares were held in the name of 'Investor Education and Protection Fund Authority, Ministry of Corporate Affairs' as on March 31, 2018 (which were transferred to it during the year). The same has not been included in the list of top ten shareholders given above.

(v) Shareholding of Directors and Key Managerial Personnel (KMP)

Sl. No.	Name of the Directors and 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
1.	**Mr. Saroj Kumar Poddar, Chairman**				
	At the beginning of the year and at the end of the year – No change during the year ended March 31, 2018	706128	0.17	706128	0.17
2.	**Mr. Shyam Sunder Bhartia**				
	At the beginning of the year and at the end of the year – No change during the year ended March 31, 2018	110	0.00	110	0.00
3.	**Mr. Chandra Shekhar Nopany**				
	At the beginning of the year and at the end of the year – No change during the year ended March 31, 2018	323775	0.08	323775	0.08
4.	**Mr. Marco Philippus Ardeshir Wadia**				
	At the beginning of the year and at the end of the year – No change during the year ended March 31, 2018	6000	0.00	6000	0.00
5.	**Mr. Rajveer Singh, Vice President – Legal & Secretary**				
	At the beginning of the year and at the end of the year – No change during the year ended March 31, 2018	5000	0.00	5000	0.00

The remaining Directors and Key Managerial Personnel did not hold any shares during the Financial Year 2017-18.

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	296457.00	167361.50	NIL	463818.50
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	245.16	155.18	NIL	400.34
Total (i+ii+iii)	**296702.16**	**167516.68**	**NIL**	**464218.84**
Change in indebtedness during the financial year				
Addition	539628.37	952398.22	NIL	1492026.59
Reduction	404670.44	989999.99	NIL	1394670.43
Net Change	**134957.93**	**(37601.77)**	**NIL**	**97356.16**
Indebtedness at the end of the financial year				
i) Principal Amount	431319.74	129547.19	NIL	560866.93
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	340.35	367.72	NIL	708.07
Total (i+ii+iii)	**431660.09**	**129914.91**	**NIL**	**561575.00**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of the Managing Director	Total Amount
		Mr. Anil Kapoor	
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	4,13,74,166	4,13,74,166
	(b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	38,55,784	38,55,784
	(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	21,61,225	21,61,225
	Total (A)	4,73,91,175	4,73,91,175
	Ceiling as per the Act	**Rs. 3589.60 Lakhs**	

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, 2018. These options were granted at the prevailing market price of Rs. 73.50 per share at the time of grant of options.

B. Remuneration to other Directors: (Amount in Rs.)

1. Independent Directors

Particulars of Remuneration	Names of Directors					Total Amount
	Mr. Marco P.A. Wadia	Ms. Radha Singh	Mr. Kashi Nath Memani@	Mr. Aditya Narayan	Mr. Nimesh Nagindas Kampani#	
Fee for attending Board / Committee Meetings	4,80,000	5,10,000	75,000	4,35,000	1,25,000	16,25,000
Commission	5,00,000	5,00,000	2,28,767	5,00,000	2,71,233	20,00,000
Others	NIL	NIL	NIL	NIL		NIL
Total (1)	**9,80,000**	**10,10,000**	**3,03,767**	**9,35,000**	**3,96,233**	**36,25,000**

2. Other Non-Executive Directors (Amount in Rs.)

Particulars of Remuneration	Names of Directors			Total Amount
	Mr. Saroj Kumar Poddar	Mr. Shyam Sunder Bhartia$	Mr. Chandra Shekhar Nopany	
Fee for attending Board/ Committee Meetings	2,00,000	NIL	2,60,000	4,60,000
Commission	5,00,000	NIL	5,00,000	10,00,000
Others	NIL	NIL	NIL	NIL
Total (2)	**7,00,000**	**NIL**	**7,60,000**	**14,60,000**
Total (B) = (1+2)				**50,85,000**
Total Managerial remuneration				**5,03,91,175***
Overall ceiling as per the Act (6% of net profit)				**Rs. 4307.52 Lakhs**

@ Ceased to be Director on September 15, 2017 # Appointed as Director with effect from September 15, 2017

$ Opted for non-payment of sitting fee and commission ***** Excluding sitting fee

C. Remuneration to Key Managerial Personnel other than MD / Manager /WTD (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Rajveer Singh, Company Secretary	Mr. Abhay Baijal, Chief Financial Officer	Total Amount
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	46,97,364	94,96,404	1,41,93,768
	(b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	4,24,652	9,69,900	13,94,552
	(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	3,96,598	6,39,916	10,36,514
	Total	**55,18,614**	**1,11,06,220**	**1,66,24,834**

Note: 90,000 stock options granted to Mr. Abhay Baijal and 54,000 stock options granted to Mr. Rajveer Singh were outstanding as on March 31, 2018. The aforesaid stock options were granted in the Financial Year 2010-11 at the market price of Rs. 73.50 per share prevailing at the time of grant of stock options.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

During the financial year 2017-18, there were no penalties / punishment / compounding of offences under the Companies Act, 2013 against the Company, its directors or other officers in default.

For and on behalf of Board of Directors

Place : New Delhi
Date : May 10, 2018

Saroj Kumar Poddar
Chairman

Annexure "I" to Board's Report

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

[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
CIN : L24124RJ1985PLC003293
Gadepan, District Kota,
Rajasthan, PIN – 325208

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 **March 31, 2018,** 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 hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

I. The Companies Act, 2013 ('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 thereunder;

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. The following Regulations and Guidelines 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) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [**Not Applicable as the Company has not issued further share capital during the financial year under review**];

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [**Not Applicable as the Company has not issued and listed any debt securities during the financial year under review**];

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client [**Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent.**];

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [**Not Applicable as the Company has not delisted/propose to delist its equity shares from any Stock Exchange during the financial year under review**]; and

   (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 [**Not Applicable as the Company has not bought back/propose to buy-back any of its securities during the financial year under review**].

VI. Other Laws applicable specifically to the Company are as follows:-

   (a) The Essential Commodities Act, 1955

   (b) The Fertilisers (Control) Order, 1985

   (c) The Fertiliser (Movement Control) Order, 1973

   (d) Insecticides (Price, Stock Display and Submission of Reports) Order,1986

(e) The Insecticides Act, 1968 and The Insecticides Rules, 1971

(f) The Seeds Act, 1966 and Rules framed thereunder

(g) The Merchant Shipping Act, 1958

(h) The Major Port Trusts Act, 1963

(i) The Indian Ports Act, 1908

(j) Dock Workers (Safety, Health and Welfare) Act, 1986

(k) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

(l) The Air (Prevention and Control of Pollution) Act, 1981

(m) Water (Prevention and Control of Pollution) Act, 1974

(n) The Environment (Protection) Act, 1986

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
2. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

During the period under review, the Company has 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, Independent Directors and Woman Director. 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.
- Adequate notice(s) were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to all Directors 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.
- Majority decision is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- As per the records, the Company filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is in compliance with the Act.

We further report that there are 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 including labour laws and other General Laws.

We further report that during the audit period the Company has following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above:

The members in the Annual General Meeting held on September 15 , 2017 approved:

a. the appointment of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No.012754N/N500016), as Auditors of the Company to hold office for a term of 5 (five) consecutive years;

b. the appointment of Mr. Nimesh Nagindas Kampani (DIN:00009071) as an Independent Director of the Company to hold office for a term of 3 (three) consecutive years from September 15, 2017 to September 14, 2020;

c. the re-appointment of Mr. Marco Philippus Ardeshir Wadia (DIN: 00244357), as an Independent Director of the Company to hold office for a further term of 5 (five) consecutive years upto September 14, 2022;

d. the re-appointment of Ms. Radha Singh (DIN: 02227854), as an Independent Director of the Company to hold office for a further term of 5 (five) consecutive years upto September 14, 2022; and

e. the offer or invitation for secured or unsecured redeemable non-convertible debentures, in one or more series/ tranches, aggregating up to Rs. 500 crore, on private placement basis.

For RMG & Associates
Company Secretaries

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

Place: New Delhi
Date : May 10, 2018

Annexure "J" to Board's 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 :

(i) The steps taken or impact on Conservation of Energy

• De-bottlenecking of cooling water network in Ammonia-II plant by installation of additional cooling water pipeline along with additional pump.

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

• None

(iii) The capital investment on energy conservation equipments

The total capital investment on the above mentioned energy saving scheme was Rs. 446.72 Lakhs.

(B) Technology Absorption :

(i) The efforts made towards technology absorption

• Installation of cold-wall Ammonia converter in place of hot-wall Ammonia converter in Ammonia-II plant.

• Installation of Vibro-priller in Urea-II plant.

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

Improvement in plant reliability and quality of Urea.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

a)	The details of technology imported	: Replacement of Ammonia converter basket from two-bed basket to three bed basket in Ammonia-I plant.
b)	The year of import	: 2016-17
c)	Whether the technology been fully absorbed	: Yes
d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	: Not Applicable

(iv) The expenditure incurred on Research and Development

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 of the product and reliability and efficiency of plants.

(C) 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 earned	: Rs. 69914.17 Lakhs
Foreign Exchange outgo	: Rs. 302741.75 Lakhs

For and on behalf of Board of Directors

Place : New Delhi
Date : May 10, 2018

Saroj Kumar Poddar
Chairman

Annexure "K" to Board's 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 2017-18 and the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18:

Name	Designation	Increase/ (Decrease) in Remuneration (%)	Ratio of remuneration of each director to the median remuneration of the employees of the Company
Mr. Saroj Kumar Poddar	Non-Executive Chairman	7.69	0.80
Mr. Anil Kapoor	Managing Director	11.65	54.11
Mr. Shyam Sunder Bhartia*	Non-Executive Director	-	-
Mr. Kashi Nath Memani$	Independent Director	(55.00)	0.35
Mr. Chandra Shekhar Nopany	Non-Executive Director	(7.88)	0.87
Ms. Radha Singh	Independent Director	NIL	1.15
Mr. Marco Philippus Ardeshir Wadia	Independent Director	1.55	1.12
Mr. Aditya Narayan	Independent Director	1.63	1.07
Mr. Nimesh Nagindas Kampani**	Independent Director	Not Applicable	0.45
Mr. Abhay Baijal	Chief Financial Officer	9.40	Not Applicable
Mr. Rajveer Singh	Company Secretary	11.91	Not Applicable

*Mr. Shyam Sunder Bhartia has opted out from receiving any commission and sitting fee.

$ Ceased to be Director on September 15, 2017

** Appointed as a Director with effect from September 15, 2017

ii) The percentage increase in the median remuneration of employees in the financial year 2017-18 : **6.71%**

iii) The number of permanent employees on the rolls of the Company : **1010**

iv) 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 :

Average increase in the salaries of employees other than managerial personnel in the financial year 2017-18 is **15.97%**. Details of percentage increase in the remuneration of managerial personnel is given in the table above.

Average increase in the remuneration of employees other than managerial personnel during the Financial Year 2017-18 includes the effect of periodical revision in the remuneration of non-managerial employees and perquisite value of stock options exercised by some of the employees. Increase in the remuneration of managerial personnel is in line with the industry practice and within the normal range.

v) It is hereby affirmed that the remuneration 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. Details of the top ten employees in terms of remuneration drawn for the Financial Year 2017-18:									
1.	Anil Kapoor*	Managing Director	B.Tech., M.S.	64	38	11.12.2000	47,391,175	Cabot India Limited	Vice President-Technical
2.	Satishchandra, K.**	Executive President-India Steamship	BE (Mechanical), FICS (London), FICA (Delhi)	63	40	20.10.2011	12,753,108	Blue Lines Shipping	Head of Commercial
3.	Abhay Baijal*	Chief Financial Officer	B.E., P.G.D.M.	57	33	01.11.2003	11,106,220	Birla Home Finance Limited	Vice President-Operations
4.	Virendra Kumar Gupta	Vice President- Marketing	B.Tech (Agricultural Engineering) & PGDM	61	36	24.09.1991	8,584,186	J K B M Limited	Zonal Manager
5.	Abhai Kumar Bhargava	Vice President- Works	B.E. (Chemical Engineering)	62	39	21.09.2009	8,415,602	Indian Farmers Fertiliser Cooperative Limited	General Manager
6.	Chhote Lal Parmar	Deputy General Manager - Pesticides (Purchase)	MSC (AG), MBA	56	32	01.04.1991	6,220,922	Zuari Agro Chemicals Limited	Sales Officer
7.	Subimal Mahato	General Manager (Operations)	Master-F.G.	48	24	12.02.2007	5,847,186	First Employment	Not Applicable
8.	Surinder Kumar Thakur	Assistant Vice President-Sales	M.A. (Eco), P.G.D. (Marketing & Sales)	61	41	02.05.1991	5,925,954	The Punjab State Cooperative Milk Producers Federation Limited	Area Sales Manager
9.	Upendra Rajnarayan Singh	Assistant Vice President-Manufacturing	B.Tech (Chemical), Energy Auditor	51	29	14.08.1992	5,727,711	Indian Farmers Fertiliser Cooperative Limited	Assistant Engineer-Ammonia
10.	Rajveer Singh	Vice President-Legal & Secretary	M.A., LLB, FCS	49	25	10.02.2003	5,518,614	MCS Limited	Wholetime Director

*** These employees were employed throughout the financial year 2017-18 and were in receipt of remuneration not less than Rs. 1,02,00,000 for that financial year.**
**** The employee was employed for part of the financial year 2017-18 and was in receipt of remuneration not less than Rs. 8,50,000 per month.**

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
II. Employees (other than those mentioned above) who were employed for a part of the financial year 2017-18 and were in receipt of remuneration in aggregate of not less than Rs. 8,50,000 per month:									
1.	Anindam Mandal	Master	Master - F.G.	41	18	03.05.2017	3,681,028	VR Maritime	Master
2.	Anirban Chatterjee	Master	Master - F.G.	41	22	09.12.2016	1,069,038	The Great Eastern Shipping Co. Ltd.	Master
3.	Arif Abdul Rajak Khanchey	Master	Master - F.G.	46	25	16.04.2017	3,670,545	Mercator Lines Limited	Master
4.	Bhagat Singh Koli	Master	Master - F.G.	61	36	15.05.2017	1,760,320	N Deep Sea Shipping & Manning Ser. Pvt Ltd	Master
5.	Deepesh Kantilal Merchant	Chief Engineer	MEO-Class-I-(M)	36	15	29.12.2016	1,172,032	Mercator Lines Limited	Second Engineer
6.	Gautam Giri	Second Engineer	MEO-Class-II-(M)	54	29	29.05.2017	2,763,490	Five Star Shipping Co. Pvt. Ltd.	Second Engineer
7.	Gautam Mallick	General Manager-HR & Admin	B COM (H) PGDPM	59	33	07.12.1992	5,483,486	Gillanders Arbuthnot & Co Ltd	Asst. Manager (Works)
8.	Indranil Bhadury	Chief Engineer	MEO-Class-I-(M)	55	26	11.02.2017	2,428,901	The Great Eastern Shipping Co. Ltd.	Chief Engineer
9.	Jahur Ahmed	Chief Engineer	MEO-Class-I-(M)	43	19	09.05.2017	3,636,133	NOS Ship Management Pvt. Ltd.	Chief Engineer
10.	Kaushik Basu	Master	Master - F.G.	42	16	05.05.2017 & 17.06.2017	3,775,294	V. Ships	Chief Officer
11.	Mithilesh Kumar	Master	Master - F.G.	46	29	05.01.2017	1,177,163	The Great Eastern Shipping Co. Ltd.	Master
12.	Mrinmoy Gangopadhyay	Master	Master - F.G.	47	20	18.11.2016 & 07.06.2017	978,277	The Great Eastern Shipping Co. Ltd.	Master
13.	Prabir Naiya	Chief Engineer	MEO-Class-I-(M)	43	14	17.06.2017	2,817,397	Fleet Management Ltd.	Second Engineer
14.	Shankar Lal Bhattacharjee	Master	Master - F.G.	60	38	02.12.2016	1,478,624	V.Ships	Master
15.	Sachi Ranjan Choudhury	Chief Engineer	MEO-Class-I-(M)	46	21	09.06.2017	2,654,636	Iranian Shipping Lines	Chief Engineer
16.	Shekhar Kirtania	Chief Engineer	MEO-Class-I-(M)	46	26	28.03.2017	3,707,128	Vellas Maritime Canada	Chief Engineer
17.	Siddhartha Shankar Choudhury	Chief Engineer	MEO-Class-I-(M)	47	18	18.02.2017	2,208,502	Synergy Maritime Pvt. Ltd.	Chief Engineer

NOTES:

1. None of the above employees is a relative of any Director of the Company.
2. None of the employees was in receipt of remuneration in excess of remuneratuion drawn by Managing Director of the Company
3. None of the above employees himself or alongwith his spouse and dependent children holds 2% or more equity shares of the Company.
4. All appointments are/were on contractual basis.

For and on behalf of the Board of Directors

Place : New Delhi
Date : May 10, 2018

Saroj Kumar Poddar
Chairman

BUSINESS RESPONSIBILITY REPORT

Introduction

Chambal Fertilisers and Chemicals Limited ("Company") believes that economic, social and environmental aspects need to be given adequate importance for sustainability of an organisation. The Company has a history of conducting its business in socially, environmentally and financially responsible manner to build a sustainable enterprise for the benefit of its present and future generations of stakeholders. The Company makes continuous efforts to make its operations energy efficient and environment friendly.

Indian farmer being its key stakeholder, the Company promotes sustainable farming practices and help the farmers in crop selection, soil nutrition and optimum use of fertilizers and other agri-inputs. Apart from this, the people residing in the areas nearby its plants are also important stakeholders. The Company's Corporate Social Responsibility programs and projects are designed to build a lasting social capital through interventions in the areas of rural development, healthcare, education including technical education, woman empowerment, etc. for the community at large.

The details of the initiatives taken by the Company from an environmental, social and governance perspective are as under:

Section A: General Information about the Company

<table>
<tr><td>1.</td><td>Corporate Identity Number (CIN) of the Company</td><td>L24124RJ1985PLC003293</td></tr>
<tr><td>2.</td><td>Name of the Company</td><td>Chambal Fertilisers and Chemicals Limited</td></tr>
<tr><td>3.</td><td>Registered address</td><td>Gadepan, District Kota, Rajasthan, PIN-325 208, India</td></tr>
<tr><td>4.</td><td>Website</td><td>www.chambalfertilisers.com</td></tr>
<tr><td>5.</td><td>E-mail id</td><td>corporate@chambal.in</td></tr>
<tr><td>6.</td><td>Financial Year reported</td><td>April 1, 2017 to March 31, 2018</td></tr>
<tr><td>7.</td><td>Sector(s) that the Company is engaged in (industrial activity code-wise)</td><td><table>
<tr><th>Name of the Sector</th><th>Code</th></tr>
<tr><td>Manufacture of Urea</td><td>20121</td></tr>
<tr><td>Manufacture of Single Super Phosphate (SSP)</td><td>20122</td></tr>
<tr><td>Marketing of fertilizers and agrochemical products</td><td>46692</td></tr>
</table>
The Company ceased to have shipping business operations during the Financial Year 2017-18.</td></tr>
<tr><td>8.</td><td>List three key products/services that the Company manufactures/provides (as in balance sheet)</td><td>Manufacture of Urea & SSP and Marketing of Fertilisers & other Agri-inputs (including seeds and agrochemicals products).</td></tr>
<tr><td>9.</td><td>Total number of locations where business activity is undertaken by the Company
(a) Number of International Locations (Provide details of major 5)
(b) Number of National Locations</td><td>(a) On a standalone basis, the Company does not have any manufacturing facility outside India.
(b) 18 (Eighteen)</td></tr>
<tr><td>10.</td><td>Markets served by the Company – Local/State/National/ International</td><td>Fertilisers & other Agri-inputs business serves 14 states in the national market. Shipping business served mainly the international market for part of the year.</td></tr>
</table>

Section B: Financial Details of the Company as on March 31, 2018

1.	Paid up capital (INR in Lakhs)	41620.79
2.	Total turnover (INR in Lakhs)	746616.60
3.	Total profit after taxes (INR in Lakhs)	48017.09
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.01% of the average net profit of the Company for last three financial years

5.	List of activities in which expenditure in 4 above has been incurred:	The Company has been engaged in CSR activities in the areas of Education (including technical and vocational education), Rural Development, Healthcare, Employability & Empowerment and Soil Health. Further details are given in the Annual Report on Corporate Social Responsibility (CSR) Activities attached as **Annexure-F** to the Board's Report.

Section C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company had 8 subsidiaries as on March 31, 2018. The details of subsidiaries are given in Form AOC – 1 forming part of the Annual Report.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No. The Company does not mandate suppliers / service providers to participate in the BR initiatives of the Company. However, they are encouraged to adopt the Company's policies in this regard to the extent practicable.

Section D: BR Information

1. Details of Director/Directors responsible for BR		
(a)	Details of the Director responsible for implementation of the BR policies	
(i)	DIN Number	00032299
(ii)	Name	Mr. Anil Kapoor
(iii)	Designation	Managing Director
(b)	Details of the BR head	
(i)	DIN Number (if applicable)	Not Applicable
(ii)	Name	Mr. Vishal Mathur
(iii)	Designation	General Manager-Human Resources & Administration
(iv)	Telephone number	0744-2782900
(v)	E-mail ID	vishal.mathur@chambal.in
2. **Principle-wise (as per NVGs) BR Policy/policies**		

Principle Index

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3: Businesses should promote the wellbeing of all employees.

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5: Businesses should respect and promote human rights.

P6: Business should respect, protect, and make efforts to restore the environment.

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8: Businesses should support inclusive growth and equitable development.

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a)	Details of compliance (Reply in Y/N)									
No.	**Questions**	**P 1**	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
1.	Do you have a policy/ policies for.......	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y (Note 1)	Y (Note 2)	Y (Note 3)	Y (Note 4)	Y (Note 3)	Y (Note 2)	Not Applicable	Y (Note 4)	Y (Note 2)
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	The policies are available on the website of the Company i.e. www.chambalfertilisers.com. Refer note 5 below for the links of the policies.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N
(b)	If answer to the question at serial number 1 against any principle, is 'No', please explain why: **Not Applicable**									
3.	**Governance related to BR**									
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Within 3-6 months.								
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Business Responsibility Report is published annually. The Business Responsibility Report for the Financial Year 2016-17 was part of the Annual Report which is available at the website of the Company at the weblink - http://www.chambalfertilisers.com/pdf/Chambal-Fertilisers-Annual-Report-2016-17.pdf								

Note 1 : The Code of Conduct and Ethics and Whistle Blower Policy of the Company conforms to the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Companies Act, 2013, as applicable.

Note 2 : The concerned policies are in conformity to ISO-14001:2015, ISO-9001:2015 and OHSAS-18001:2007 standards.

Note 3 : The concerned policies conform to the applicable labour and employment laws.

Note 4 : Corporate Social Responsibility Policy of the Company conforms to the requirements of the Companies Act, 2013 and rules framed thereunder.

Note 5 : The policies are available on the website of the Company at the following Links:

http://www.chambalfertilisers.com/indexb6ab.html?option=com_content&view=article&id=125&Itemid=150

http://www.chambalfertilisers.com/index4f05.html?option=com_content&view=article&id=183&Itemid=299

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability		
1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	No. The Code of Conduct and Ethics of the Company is applicable to all the Directors and employees of the Company. The Whistle Blower Policy, *inter-alia*, provides a mechanism to the Directors and employees to report their genuine concerns and grievances including those related to unethical behaviour, actual or suspected fraud or violation of the Code of Conduct and Ethics of the Company. The Whistle Blower Policy also enables the other stakeholders to freely communicate their concerns about illegal or unethical practices. The Company has in place a Supplier's Code of Conduct which includes issues relating to ethics and bribery and the same is normally shared with the concerned suppliers / service providers.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	There was no complaint received during the year under the Whistle Blower Policy of the Company.
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle		
1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.	The Company manufactures Urea which is major plant nutrient and ensures food security in the country. The Urea manufactured by the Company is neem coated which results into slow release of nitrogen in the soil thereby reducing the overall carbon footprint. The Company makes continuous efforts to increase the energy efficiency of the manufacturing plants and processes involved in the manufacture of Urea and follows the 3R concept of the waste management i.e. Reduce, Re-use and Re-cycle.

2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): (a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	(a) The Company has been able to reduce specific energy consumption in its Urea plants at Gadepan by 2.48 % as compared to previous year. The overall specific energy consumption for the year 2017-18 was 5.380 Gcal/MT of Urea as against 5.517 Gcal/MT of Urea during the previous year. Besides conserving precious natural resources like natural gas, the reduction in energy has also resulted in reduced greenhouse gas emissions. The major scope of energy efficiency and reduction of resource consumption was achieved through stable operation throughout the year and sourcing of technologically upgraded equipment in the process of repair and maintenance of the fertilizer plants. The Company observed slight increase (0.61%) in its water consumption in its Urea plants at Gadepan. Water consumption is slightly higher owing to construction activities of new Urea plant of the Company. The overall water consumption during the Financial Year 2017-18 in Gadepan plants was 4.94 M3/ MT of Urea as against 4.91 M3/ MT of Urea during the previous year. The Company uses only harvested rain water for its operations, drawn through anicuts constructed on river Kalisindh and Parvan. Almost 70% of the waste water is re-cycled back into the system and the balance is used in the irrigation network within the complex. (b) The Company has not developed mechanisms to track resource usage at the consumer end. The Company's products are mainly consumed by farmers and the Company engages with them to create awareness on sustainable agriculture and optimum use of fertilisers.
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	Yes. Considerable emphasis is laid on procurement of all equipment and materials from approved/reputed vendors with best credentials only. Procedure has been laid out for vendor registration as well as continual annual assessment of contractors and vendors. Local vendors are given equal opportunity but they have to be competitive and also supply material as per desired quality standards and specifications. For items of regular consumption, the Company has long term contracts so that suppliers can plan their production capacities. The Supplier's Code of Conduct encourages the suppliers and service providers to provide safe and healthy working conditions to their employees and comply with the existing laws concerning the protection of the environment and, wherever possible, adopt environment friendly technologies. The natural gas is the main raw material for production of Urea. The Company has long term supply arrangements with large suppliers in the country to source major part of natural gas requirements of the Company. The fertiliser plants of the Company are connected to a dedicated natural gas pipeline to ensure uninterrupted supply.

4.	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Yes. Over the years, the Company has promoted local contractors and service providers and provided them work opportunities. The Company also encourages partners and suppliers to use services of local vendors wherever possible. Additionally, the Company has also promoted skills and livelihood development in the neighboring community through various training and community development programs. The Company has also established four Vocational Training Centres for skill development and improving the employability of youth. The Company engages the rural youth trained from these centres wherever possible in jobs like plumbing, electrician, driving, etc.
5.	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	Yes. The Company follows the concept of 3Rs (Reduce, Reuse and Recycle) for waste management. The Company has adopted best practices to manage waste disposal through a comprehensive waste management system under the Health, Safety, Security, Environment & Quality Policy. The Company is continually trying towards achieving higher levels of waste management efficiency. Hazardous waste generated out of the operations are disposed through authorized recyclers and non-hazardous waste are disposed through either composting or approved recyclers or processors. Almost 100% of condensate is recycled back to the system. Further, the effluents generated from Demineralization Plant regenerations, cooling tower blow downs, oil separator, etc are diverted to the Effluent Treatment Plant where they are mixed together and stored in large holding ponds for irrigation of green belt. The Company has also set up a sewage treatment plant which treats sanitary waste-water from the township and plants. Newly installed Reverse Osmosis – Zero Liquid Discharge plant is ready for operation and will significantly reduce fresh water consumption at Gadepan.
Principle 3: Businesses should promote the wellbeing of all employees		
1.	Please indicate the total number of employees.	As on March 31, 2018, there were 1010 permanent employees of the Company.
2.	Please indicate the total number of employees hired on temporary/contractual/casual basis.	As on March 31, 2018, there were 1442 employees hired on temporary / contractual / casual basis excluding the contractual / temporary personnel engaged in the new Urea Plant of the Company which is under construction.
3.	Please indicate the Number of permanent women employees.	19
4.	Please indicate the Number of permanent employees with disabilities	NIL
5.	Do you have an employee association that is recognized by management	There was no employee association in the Company as on March 31, 2018.
6.	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	NIL

8.	What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/Temporary/Contractual Employees (d) Employees with disabilities	<table><tr><th>Group</th><th>Percentage received training</th></tr><tr><td>Permanent Employees</td><td>78</td></tr><tr><td>Permanent Women Employees</td><td>42</td></tr><tr><td>Casual/Temporary/Contractual Employees</td><td>93</td></tr><tr><td>Employees with Disabilities</td><td>Not Applicable</td></tr></table>
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.		
1.	Has the Company mapped its internal and external stakeholders? Yes/No	Yes. The key stakeholders of the Company are Employees, Farmers, Dealers / Distributors, Investors/Shareholders, Banks / Financial Institution, Local Community, Contractors / Vendors, Industry Associations and Government.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes. The Company has identified the local community including women and children dwelling near the plant area as the disadvantaged, marginalised and vulnerable stakeholders. The Company proactively engages with its stakeholders through different modes and fora to understand their issues and concerns.
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Yes. The Corporate Social Responsibility ("CSR") program is designed based on the extensive research and outcomes of need assessment survey done in the region contiguous to the plant area. The Company is engaged in CSR activities in the areas of Education (including technical & vocational education), Rural Development, Healthcare, Employability & Empowerment (especially women empowerment) and the local community and villagers have immensely benefitted from these initiatives. The soil health program of the Company helps the farmers in maintaining soil health by appropriate use of nutrients.
Principle 5: Businesses should respect and promote human rights		
1.	Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/Others?	The policy covers only the Company. The Company has formulated "Suppliers' Code of Conduct" for its vendors and service providers. Through this code, the Company encourages its suppliers and service providers to share its commitment towards high standards of integrity and sustainability and expects them to ensure non-deployment of child labour, forced labour or any form of involuntary labour and promote and maintain a workplace free from discrimination and treat their employees with fairness, dignity and respect.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Company has not received any complaint involving issues related to human rights violation during the Financial Year 2017-18.
Principle 6: Business should respect, protect, and make efforts to restore the environment		
1.	Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/ Contractors/ NGOs/others.	"Health, Safety, Security, Environment & Quality Policy" covers the Company and the contractor workforce working in the plants. In addition to this, the Suppliers' Code of Conduct includes the environment and sustainability aspects which the Company expects its suppliers and service providers to adhere.

2.	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes. The Company has adopted "Sustainability Policy" and "Health, Safety, Security, Environment & Quality Policy" which are an integral part of the Company's strategy to boost the organisation's growth in environmentally responsible manner. The Company understands the impact of its operations on environment and therefore strives to minimize it through optimum consumption of resources, reducing the energy footprint, conserving water, curbing green house and other air emissions, responsibly managing effluents, spills and waste disposal and preserving the biodiversity profile of the area around its plants. These policies are available under the Sustainability section at the website of the Company - www.chambalfertilisers.com
3.	Does the Company identify and assess potential environmental risks? Y/N	Yes. The Company has formal process for identification and assessment of potential environmental risks at each level. The identified risks are assessed, relevant action plans are prepared for the mitigation of risks and periodical reviews are carried out to ensure mitigation of risk. The organisation has adopted ISO 14001:2015 and aspect-impact analysis pertaining to environmental risks is reviewed periodically.
4.	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The Company did not have any project related to Clean Development Mechanism during the Financial Year 2017-18.
5.	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes. During the year 2017-18, the Company has carried out de-bottlenecking of cooling water network in Ammonia-II plant by installation of additional cooling water pipeline along with additional pump.
6.	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes. Ambient air quality, stack emissions and water analysis have been carried out periodically by a laboratory approved by the Ministry of Environment and Forests, Government of India and reports have been submitted to State Pollution Control Board. No non-conformance was observed during the Financial Year 2017-18.
7.	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	As on March 31, 2018, there was no pending or unresolved show cause/legal notice of Central Pollution Control Board or State Pollution Control Board.
Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner		
1.	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes. The Company is member of Fertilizer Association of India ("FAI"), Federation of Indian Chambers of Commerce and Industry and International Fertilizer Association.
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes. The Company engages in policy advocacy in a responsible manner through its membership in various industry associations. The Company participates in debates and discussions related to public policies of fertilizer industry at the FAI forum.

Principle 8: Businesses should support inclusive growth and equitable development		
1.	Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. The Company considers social development as an important aspect of its activities. Corporate Social Responsibility Policy of the Company details out the projects and programs to be undertaken by the Company. The thrust areas of CSR initiative are Education (including technical & vocational education), Rural Development, Healthcare, Employability & Empowerment (especially women empowerment) and soil health. The Corporate Social Responsibility Policy of the Company is available on the website of the Company at- http://www.chambalfertilisers.com/pdf/Chambal-CSR-Policy-2018.pdf. Further details in this regard are given in the Board's Report which forms part of the Annual Report.
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?	The Company's CSR projects are implemented directly as well as through K K Birla Memorial Society (established by the Company) and other Non-Governmental Organisations. Further details are given in the Annual Report on Corporate Social Responsibility (CSR) Activities attached as **Annexure-F** to the Board's Report.
3.	Have you done any impact assessment of your initiative?	Yes. Impact assessment and periodical reviews of every CSR project / program is an on-going process which helps in timely course correction, wherever required. Base-line, mid-line and end-line assessments of the projects are also carried out to assess the progress of the projects.
4.	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	CSR expenditure of the Company for the Financial Year 2017-18 was Rs.1118.50 Lakhs. The details in this regard are given in the Annual Report on Corporate Social Responsibility (CSR) Activities attached as **Annexure-F** to the Board's Report.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so	Yes. The relevant CSR projects / programs are structured and designed in consultation with community and respective stakeholders to ensure their participation in successful implementation thereof. The endeavours are made at the planning and implementation stage of CSR projects / programs especially the Rural Development projects to make them self-sustainable (wherever applicable) with minimum involvement of the Company at the later stage. Under the Education initiatives, the Company has started a process to gradually reduce its involvement so that the concerned institutions gradually start running on self-sustainable basis and Company can expand its CSR footprint in other areas.
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner		
1.	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	21%
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A. /Remarks (additional information)	No
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	Five cases / complaints filed by dealers / sub-dealers and two cases filed by the suppliers in the courts during last five years, mainly related to commercial disputes, were pending as on March 31, 2018. The Company was contesting these cases / complaints at appropriate forums.
4.	Did your Company carry out any consumer survey/ consumer satisfaction trends?	No consumer / customer satisfaction survey was carried out during the financial year 2017-18. However, the Company regularly engages with its customers for their feedback through retailer / dealer meetings, Uttam helpline and farmers meets.

INDEPENDENT AUDITOR'S REPORT

To the Members of Chambal Fertilisers and Chemicals Limited

Report on the Standalone Financial Statements

1. 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, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

2. 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 Ind AS Financial Statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) made under Section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including 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.
5. We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 Standalone Ind AS Financial Statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The Standalone Ind AS Financial Statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 20, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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 purposes 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.
    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
    (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
    (e) On the basis of the written representations received from the Directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
    (f) With respect to the adequacy of the internal financial controls with reference to Standalone Ind AS Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.
    (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
        i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its Standalone Ind AS Financial Statements - Refer Note 25(i) of the Standalone Ind AS Financial Statements.
        ii. The Company has long-term contracts including derivative contracts as at March 31, 2018 for which there were no material foreseeable losses.
        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Anupam Dhawan
Partner
Membership Number: 084451

Place : New Delhi
Date : May 10, 2018

Annexure A to Independent Auditor's Report

Referred to in paragraph 10 of the Independent Auditor's Report of even date to the members of Chambal Fertilisers and Chemicals Limited on the Standalone Ind AS Financial Statements as of and for the year ended March 31, 2018

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The 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 assets. No material discrepancies have been noticed on such verification carried out during the year.

(c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company, except for one office premises having carrying value of Rs.384.50 Lakhs, freehold land having carrying value of Rs.0.89 lakh and leasehold land having carrying value of Rs.31.69 lakhs as at March 31, 2018 whose title deeds are not in the Company's name.

ii. The physical verification of inventory, excluding stocks with third parties, have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. No material discrepancies were noticed on such physical verification of inventory as compared to book records.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors including entities in which directors are interested to which provisions of Section 185 of the Companies Act, 2013 apply. In our opinion and according to the information and explanations given to us, provisions of Section 186 of the Companies Act, 2013 in the respect of loans and advances given, investments made, guarantees and securities given have been complied with by the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of these records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, works contract tax, professional tax and service tax and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax, which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs. Lakhs)*	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax demand (including penalty) raised in respect of service tax not paid on payments made in foreign currency to foreign parties	17414.80	FY 2007-08 to FY 2011-12	CESTAT, Kolkata
Finance Act, 1994	Service Tax Demand on Goods Transport Agency	29.66	FY 2008-09 to June 2012	CESTAT, Allahabad, Uttar Pradesh
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	9.90	FY 2008-09	Commissioner (Appeals), Jodhpur
Finance Act, 1994	Department appeal against the refund of Service tax on downward revision of Transmission charges	274.62	FY 2008-09 to FY 2010-11	High Court, Jabalpur (MP) & Commissioner (Appeals), Jodhpur

Name of the Statute	Nature of the Dues	Amount (Rs. Lakhs)*	Period to which the amount relates	Forum where dispute is pending
Uttar Pradesh Value Added Tax Act, 2008	Levy of Sales Tax on SSP. (UP)	11.99	FY 2012-13	Commercial Tax, Tribunal Bench -II, Agra, Uttar Pradesh
Uttar Pradesh Value Added Tax Act, 2008	Levy of Vat on DAP	96.36	FY 2014-15	Additional Commissioner, Grade – II (Appeals) – Ist Commercial Taxes, Agra, Uttar Pradesh
Central Excise Act, 1944	Wrong availment of proportionate cenvat credit on input services	102.72	August 2014 to March 2015	Commissioner (Appeals), Jodhpur
Central Excise Act, 1944	Wrong availment of proportionate cenvat credit on input services	0.91	August 2014 to June 2015	Commissioner (Appeals), Jaipur
Income Tax Act, 1961	Income Tax for non allowance of special survey and dry dock expenditure	2054.61	FY 1997-98	High Court, Kolkata
Income Tax Act, 1961	Disallowances for various expenses	601.87	FY 2008-09	High Court, Rajasthan (Jaipur)
Income Tax Act, 1961	Disallowances for various expenses	13366.96	FY 2009-10 to FY 2012-13	ITAT, Jaipur

*Amount under dispute is net of advance deposited, if any.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank as at the balance sheet date. Further, the Company did not have any outstanding debentures and loan from government during the year.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standards (IndAS) 24, Related party disclosures specified in the Companies (Indian Accounting Standards) Rule, 2015 (as amended) under Section 133 of Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Anupam Dhawan
Partner
Membership Number: 084451

Place : New Delhi
Date : May 10, 2018

Annexure B to Independent Auditor's Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Chambal Fertilisers and Chemicals Limited on the Standalone Ind AS Financial Statements for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Chambal Fertilisers and Chemicals Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively 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, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Anupam Dhawan
Partner
Membership Number: 084451

Place : New Delhi
Date : May 10, 2018

BALANCE SHEET AS AT MARCH 31, 2018

(Rs. in Lakhs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	116537.55	109508.25
Capital Work-in-Progress	27 & 49	412857.92	170587.91
Other Intangible Assets	4	399.45	376.10
Intangible Assets under Development		12.60	95.88
Financial Assets	5		
i. Investments	5A	29125.25	29125.25
ii. Loans	5B	93.78	123.61
iii Other Financial Assets	5C	305.53	350.71
Income Tax Assets (Net)		5598.68	5100.12
Other Non-Current Assets	6	4779.62	6987.92
Total Non-Current Assets		**569710.38**	**322255.75**
Current Assets			
Inventories	7	79510.48	84935.25
Financial Assets	8		
i. Trade Receivables	8A	251569.52	302314.64
ii. Cash and Cash Equivalents	8B	5481.64	8529.03
iii. Bank Balances other than (ii) above	8C	1440.44	1877.97
iv. Loans	8D	23.92	32.27
v. Other Financial Assets	8E	23023.82	12697.77
Income Tax Assets (Net)		1966.51	2247.25
Other Current Assets	9	12469.70	8492.29
Assets Classified as Held for Sale	45(B)	40.35	61366.51
Total Current Assets		**375526.38**	**482492.98**
Total Assets		**945236.76**	**804748.73**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	41620.79	41620.79
Other Equity	10A	248221.15	211903.40
Total Equity		**289841.94**	**253524.19**
Liabilities			
Non-Current Liabilities			
Financial Liabilities	11		
i. Borrowings	11A	315648.47	107422.36
ii. Other Financial Liabilities	11B	-	190.25
Provisions	12	365.34	523.56
Deferred Tax Liabilities (Net)	39	21314.25	18334.44
Other Non-Current Liabilities	13	282.17	249.76
Total Non-Current Liabilities		**337610.23**	**126720.37**
Current Liabilities			
Financial Liabilities	14		
i. Borrowings	14A	245218.47	307758.94
ii. Trade Payables	14B	31058.79	22735.56
iii. Other Financial Liabilities	14C	36331.13	36836.37
Other Current Liabilities	15	2190.94	2856.80
Provisions	16	2985.26	2682.32
Liabilities directly associated with Assets classified as Held for Sale	45(A)	-	51634.18
Total Current Liabilities		**317784.59**	**424504.17**
Total Liabilities		**655394.82**	**551224.54**
Total Equity and Liabilities		**945236.76**	**804748.73**

The accompanying notes form an integral part of the standalone financial statements.

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/ N500016

Anupam Dhawan
Partner
Membership No - 084451

Place : New Delhi
Date : May 10, 2018

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

Anil Kapoor
Managing Director

Saroj Kumar Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Vice President - Legal & Secretary

Place : New Delhi
Date : May 10, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Continuing Operations			
Revenue from Operations	17	746616.60	743083.18
Other Income	18	15207.67	17822.69
Total Income		**761824.27**	**760905.87**
Expenses			
Cost of Materials Consumed	19	178681.48	152944.71
Purchases of Stock-in-Trade		279908.05	322770.98
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	4656.55	260.94
Excise Duty on Sale of Goods		505.18	2016.85
Employee Benefits Expense	21	11428.11	10702.91
Finance Costs	22	15009.40	24580.20
Depreciation and Amortization Expense	3 & 4	6288.85	6157.06
Other Expenses	23	193333.18	179821.73
Total Expenses		**689810.80**	**699255.38**
Profit Before Tax from Continuing Operations		**72013.47**	**61650.49**
Tax Expenses:			
(1) Current Tax	37, 38 & 39	21097.83	16388.05
(2) Tax Related to Earlier Years	39	109.41	(62.04)
(3) Deferred Tax	39	3156.86	1885.21
Income Tax Expense		**24364.10**	**18211.22**
Profit for the Year from Continuing Operations		**47649.37**	**43439.27**
Discontinued Operations			
Profit / (Loss) Before Tax for the Year from Discontinued Operations	45(A)	886.43	(8453.97)
Tax Expense/ (Credit) of Discontinued Operations	39	518.71	(7524.79)
Profit / (Loss) for the Year from Discontinued Operations		**367.72**	**(929.18)**
Profit for the Year		**48017.09**	**42510.09**
Other Comprehensive Income (OCI)			
A. Items that will not be re-classified to Profit or Loss:			
-Re-measurement (Loss) on Defined Benefit Plans		(25.81)	(135.82)
-Income Tax Credit relating to above item		9.02	47.00
Net OCI that will not be re-classified to Profit or Loss		**(16.79)**	**(88.82)**
B. Items that will be re-classified to Profit or Loss:			
-Exchange Differences on Translation of Foreign Operation		-	(123.27)
-Effective Portion of Exchange Differences on Hedging Instruments		(3233.30)	-
-Income Tax Credit relating to above item		1123.62	42.66
Net OCI that will be re-classified to Profit or Loss		**(2109.68)**	**(80.61)**
OCI for the Year (Net of Tax)		**(2126.47)**	**(169.43)**
Total Comprehensive Income for the Year		**45890.62**	**42340.66**
Earnings per Equity Share (for Continuing Operations) : Basic and Diluted (in Rs.)	24	11.45	10.44
Earnings per Equity Share (for Discontinued Operations) : Basic and Diluted (in Rs.)	24	0.09	(0.22)
Earnings per Equity Share (for Continuing and Discontinued Operations): Basic and Diluted (in Rs.)	24	11.54	10.22

The accompanying notes form an integral part of the standalone financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/ N500016

Anupam Dhawan
Partner
Membership No - 084451

Place : New Delhi
Date : May 10, 2018

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

Anil Kapoor
Managing Director

Saroj Kumar Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Vice President - Legal & Secretary

Place : New Delhi
Date : May 10, 2018

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash Flow from Operating Activities :			
Profit before Tax from Continuing Operations		72013.47	61650.49
Profit/ (Loss) before Tax from Discontinued Operations	**45(A)**	886.43	(8453.97)
Profit before Tax		**72899.90**	**53196.52**
Adjustments for :			
Depreciation and Amortisation		6336.04	10483.35
Fair Value Gain on Financial Instrument at Fair Value through Profit or Loss	**18**	-	(810.84)
Gain on reduction of Non-Current Investment	**18**	-	(193.39)
Gain on Sale of Non Current Investments	**18**	-	(534.00)
Gain on Sale of Current Investments	**18**	(2647.93)	(2884.94)
Mark to Market Gain on Derivative Transactions		(5565.61)	(1112.41)
Employee Share Based Payment Expense	**35**	0.33	8.83
Impairment Loss on Ships	**45(A)**	-	10344.95
Un-realised Foreign Exchange Variation (Gain) / Loss		314.25	(8189.24)
Realised Foreign Exchange Variation Loss		1539.40	1114.76
Foreign Currency Translation Reserve released on cessation of Shipping Operations		(322.76)	-
Loss on Disposal of Property, Plant and Equipment (Net)		1282.06	259.73
Allowance for Doubtful Debts and Advances (Net)		1033.97	171.91
Liabilities no longer required Written Back		(219.25)	(139.30)
Catalyst Charges Written Off	**23**	704.04	699.70
Irrecoverable balances Written Off		184.60	244.26
Interest Expense		15119.63	26023.03
Interest (Income)		(3547.36)	(2068.25)
Dividend (Income)	**18**	(1144.55)	(3451.78)
Operating Profit before Working Capital Changes		**85966.76**	**83162.89**
Working Capital Adjustments:			
Decrease/ (Increase) in Inventories		5716.76	(1094.39)
Decrease in Trade Receivables		52545.43	78270.90
Decrease/ (increase) in Other Financial Assets		(10704.25)	615.54
(Increase) in Other Assets		(3163.59)	(2792.89)
(Decrease)/ increase in Trade Payables, Other Liabilities and Provisions		6665.59	(17373.67)
Cash generated from operations		**137026.70**	**140788.38**
Income Tax Paid (Net of Refunds)		(20745.01)	(15891.79)
Net Cash Flows from Operating Activities		**116281.69**	**124896.59**
B. Cash Flow from Investing Activities			
Purchase of Property, Plant and Equipment & Intangible		(244664.20)	(100563.90)
Proceeds from Sale of Property, Plant and Equipment & Intangible		663.19	14937.43
Proceeds from Sale of Non-Current Investments		-	3534.00
Proceeds from Sale of Current Investments		2647.93	2884.94
Net Proceeds from Sale Discontinued Operations (Ships)		55900.41	-
Loan Repaid by a Subsidiary		-	1987.80
Interest Received		3531.86	2075.84
Dividend Received		1144.55	3386.92
Fixed Deposits placed (having original maturity of more than three months)		459.78	(42.66)
Net Cash Flow (used in) Investing Activities		**(180316.48)**	**(71799.63)**

(Rs. in Lakhs)

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
C. Cash Flow from Financing Activities			
Proceeds from Long Term Borrowings	**50**	207639.14	90722.13
Repayment of Long Term Borrowings	**50**	(48641.96)	(32856.57)
Availment of Buyer's Credit	**50**	221505.80	242719.32
Repayment of Buyer's Credit	**50**	(260213.75)	(368563.28)
Net Proceeds from Short Term Borrowings	**50**	(26101.87)	59926.41
Payment of Transaction Costs related to Borrowings		-	(734.94)
Receipt of amount from Employees on exercise of Options		213.52	-
Realised Mark to Market Gain on Derivative Transactions		(126.80)	1112.41
Interest Paid		(23798.84)	(28797.35)
Dividend Paid		(7866.50)	(7865.19)
Tax on Dividend Paid		(1609.89)	(1335.00)
Net Cash Flow from/ (used in) Financing Activities		**60998.85**	**(45672.06)**
Net (decrease) / Increase in Cash and Cash Equivalents (A+B+C)		**(3035.94)**	**7424.90**
Foreign Currency Translation Difference		(264.01)	54.97
Cash and Cash Equivalents at the beginning of the Year		8781.59	1301.72
Cash and Cash Equivalents at the end of the Year		**5481.64**	**8781.59**
Components of Cash and Cash Equivalents :			
Balances with banks :			
- on Current Accounts		230.27	478.02
- on Cash Credit Accounts		247.12	43.25
- Deposits with original maturity of less than three months		5000.00	8000.00
Cheques on hand		-	3.76
Cash on hand		4.25	4.00
Cash and Cash Equivalents	**8B**	**5481.64**	**8529.03**
Add: Cash at Bank and on hand attributable to Discontinued Operations	**45(A)**	-	252.56
Total Cash and Cash Equivalents		**5481.64**	**8781.59**

Note: Cash Flow from operating activities for the year ended on March 31, 2018 is after considering corporate social responsibility expenditure of Rs.1118.50 Lakhs (Previous year : Rs.945.83 Lakhs).

The accompanying notes form an integral part of the standalone financial statements.

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/ N500016

Anupam Dhawan
Partner
Membership No - 084451

Place : New Delhi
Date : May 10, 2018

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

Anil Kapoor
Managing Director

Saroj Kumar Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Vice President - Legal & Secretary

Place : New Delhi
Date : May 10, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A : Equity Share Capital

Equity shares of Rs.10 each issued, subscribed and fully paid (refer note 10)

	(Rs. in Lakhs)
At March 31, 2017	41620.79
At March 31, 2018	**41620.79**

B : Other Equity

For the year ended March 31, 2018 (Rs. in Lakhs)

Particulars	Reserves and Surplus										Items of Other Comprehensive Income		Total
	Treasury Shares	Loss on Treasury Shares acquired	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Tonnage tax reserve under Section 115VT of the Income Tax Act, 1961	Tonnage tax reserve (utilised) Account under Section 115VT of the Income Tax Act, 1961	Share option outstanding account (refer note 10A)	Retained Earnings	Exchange differences on translation of foreign operation	Cash flow hedging reserve	
As at April 01, 2017	(1744.15)	(14.11)	20.95	641.59	25.00	43426.34	425.00	3850.00	263.15	164699.30	310.33	-	**211903.40**
Profit for the Year	-	-	-	-	-	-	-	-	-	48017.09	-		48017.09
Other Comprehensive Income (Net of Tax):													
- Re-measurement (Loss) on Defined Benefit Plans	-	-	-	-	-	-	-	-	-	(16.79)	-	-	(16.79)
-Exchange differences on Translation of Foreign Operation	-	-	-	-	-	-	-	-	-	-	(310.33)	-	(310.33)
- Effective Portion of Exchange Differences on Hedging Instruments	-	-	-	-	-	-	-	-	-	-	-	(2109.68)	(2109.68)
Total Comprehensive Income for the Year	-	-	-	-	-	-	-	-	-	**48000.30**	**(310.33)**	**(2109.68)**	**45580.29**
Cash dividends (including Dividend Distribution tax) (refer note 44)	-	-	-	-	-	-	-	-	-	(9517.82)	-	-	(9517.82)
Exercise of Share Options and purchase of New Shares (Net)	321.48	(41.83)	-	-	-	-	-	-	-	-	-	-	279.65
Employee Share Based Payment Expense (refer note 35)	-	-	-	-	-	-	-	-	0.33		-		0.33
Transfer to General Reserve	-	-	-	-	-	5000.00	-	-	-	(5000.00)			-
Any Other Change {refer note below}	-	-	-	-	-	-	-	-	-	(24.70)	-	-	(24.70)
As at March 31, 2018	**(1422.67)**	**(55.94)**	**20.95**	**641.59**	**25.00**	**48426.34**	**425.00**	**3850.00**	**263.48**	**198157.08**	**-**	**(2109.68)**	**248221.15**

For the year ended March 31, 2017

Particulars	Treasury Shares	Loss on Treasury Shares acquired	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Tonnage tax reserve under Section 115VT of the Income Tax Act, 1961	Tonnage tax reserve (utilised) Account under Section 115VT of the Income Tax Act, 1961	Share option outstanding account (refer note 10A)	Retained Earnings	Exchange differences on translation of foreign operation	Cash flow hedging reserve	Total
As at April 01, 2016	(1744.15)	(14.11)	20.95	641.59	25.00	38426.34	425.00	3850.00	254.32	136711.88	390.94	-	**178987.76**
Profit for the Year	-	-	-	-	-	-	-	-	-	42510.09	-	-	42510.09
Other Comprehensive Income (Net of Tax):													
- Re-measurement (Loss) on Defined Benefit Plans	-	-	-	-	-	-	-	-	-	(88.82)			(88.82)
-Exchange differences on Translation of Foreign Operation	-	-	-	-	-	-	-	-	-	-	(80.61)	-	(80.61)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	**42421.27**	**(80.61)**	-	**42340.66**
Cash Dividends (including Dividend Distribution Tax) (refer note 44)	-	-	-	-	-	-	-	-	-	(9517.90)	-	-	(9517.90)
Employee Share Based Payment Expense (refer note 35)	-	-	-	-	-	-	-	-	8.83	-	-	-	8.83
Transfer to General Reserve	-	-	-	-	-	5000.00	-	-	-	(5000.00)	-	-	-
Any Other Change {refer note below}	-	-	-	-	-	-	-	-	-	84.05	-	-	84.05

Note: Any other change in retained earnings represents (a) dividend on treasury shares & net results of ESOP Trust operation and (b) savings of dividend distribution tax on equity dividend.

The accompanying notes form an integral part of the standalone financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/ N500016

Anupam Dhawan
Partner
Membership No - 084451

Place : New Delhi
Date : May 10, 2018

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

Anil Kapoor
Managing Director

Saroj Kumar Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Vice President - Legal & Secretary

Place : New Delhi
Date : May 10, 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1. Corporate Information

Chambal Fertiliser and Chemicals Limited (the 'Company') is a public company domiciled in India and has been incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Gadepan, District Kota, Rajasthan, PIN- 325208. The Company is a large manufacturers of Urea in private sector in India and also deals in other fertilisers and Agri inputs ('Fertiliser Division'). Shipping Division (classified as discontinued operations, refer note 45(A)) of the Company was engaged in the business of running of ships for cargo for part of the year. The Company had executed agreement in May, 2017 for sale of all the 4 ships owned by the Company. With the delivery of the last ship of the Company in September 07, 2017, the Company had completed sale / disposal of all the ship forming part of the Shipping Division and ceased to have Shipping business operations. Further, the Company is in the process of setting up a new Urea plant under the New Investment Policy 2012 (amended) of the Government of India at its existing plant location at Gadepan, District Kota (Rajasthan).

These financial statements were authorised for issuance by the Board of Directors of the Company at its meeting held on May 10, 2018.

2. Significant Accounting Policies

2(a) Basis of Preparation

The separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2017. The Company has prepared these financial statements to comply in all material respects with the Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act").

The financial statements have been prepared on an accrual basis and under the historical cost basis, except for the following material items those have been measured at fair value as required by relevant Ind AS:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefit plans and other long-term employee benefits;
- Share-based payment transactions;
- Investment in debt instruments (i.e. preference shares).

The financial statements of the Company are presented in Indian Rupee (Rs.) and all values are presented in Lakhs (Rs. 00,000.00), except when otherwise indicated.

2 (b) Summary of significant Accounting Policies

i) Basis of classification of Current and Non-Current

Assets and Liabilities in the balance sheet have been classified as either current or non-current.

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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

ii) Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupees (Rs.), which is Company's functional and presentation currency, except in case of Shipping Division of the Company which had determined United States Dollars (USD) as its functional currency and therefore it had been categorised as a foreign operation. During the previous year, the Company had classified Shipping Division as a discontinued operations. During the current year, all the ships has been sold, and the operations of this division has been ceased. Accordingly the books of Shipping Division has been prepared in INR.

(b) Initial recognition

Transactions in foreign currencies are recorded in the functional currency, by applying to the foreign currency amount, the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(c) Conversion

Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items, measured at fair value denominated in a foreign currency are, translated using the exchange rates that existed when the fair value was determined.

(d) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss. Also refer note 2(b)(xv) below.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit and loss are also recognised in OCI or profit and loss, respectively).

(e) Translation of a foreign operations

The results and financial position of a foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented (i.e. including comparatives) are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each statement of profit and loss presented (i.e. including comparatives) are translated at average exchange rates; and

(iii) all resulting exchange differences have been recognised in other comprehensive income.

On disposal of a foreign operations, the associated exchange differences are re-classified to profit or loss, as part of the gain or loss on disposal. During the current year, the Company has reclassified an amount of Rs.322.76 Lakhs on sale of all the ships of Shipping Division.

Cumulative currency translation differences for a foreign operations were deemed to be zero at the date of transition, viz., April 01, 2015. Gain or loss on a subsequent disposal of any foreign operations excludes translation differences that arose before the date of transition and includes only translation differences arising after the date of transition.

iii) Derivative financial instruments

Initial recognition and subsequent measurement

Derivatives are initially recognised at fair value and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gains / losses are recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss / inclusion in the initial cost of non-financial asset depends on the nature of the hedging relationship and the nature of the hedged item. The Company complies with the principles of hedge accounting where derivative contracts are designated as hedge instruments. At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction.

The Company has designated certain derivatives as hedge of foreign exchange risk associated with the cash flows of highly probable forecast transactions with borrowings.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income and accumulated as 'Cash Flow Hedging Reserve'. The gains / losses relating to the ineffective portion is recognised in the Statement of Profit and Loss.

Amounts previously recognised and accumulated in OCI are reclassified to profit or loss when the hedged item affects the Statement of Profit and Loss. However, when the hedged item results in the recognition of a non-financial asset, such gains / losses are transferred from equity (but not as reclassification adjustment) and included in the initial measurement cost of the non-financial asset.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gains/losses recognised in OCI and accumulated in equity at that time remains in equity and is reclassified when the underlying transaction is ultimately recognised. When an underlying transaction is no longer expected to occur, the gains / losses accumulated in equity is recognised immediately in the Statement of Profit and Loss.

iv) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

v) Non-current assets held for sale and discontinued operations

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A discontinued operations is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,

- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Discontinued operations are excluded from the results of continuing operations and are presented as profit or loss before / after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in note 45(A). All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

vi) Property, plant and equipment ("PPE")

PPE are stated at cost, except PPE of the Shipping Division, net of accumulated depreciation and accumulated impairment losses, if any. Ships of Shipping Division are measured at fair value and for other items of PPE of the Shipping Division, Ind AS- 16 has been applied retrospectively. The cost comprises purchase price, including import duties and non- refundable purchase taxes, borrowing costs if recognition criteria are met and any 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 PPE is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost. Otherwise, such items are classified as inventories.

Ships of Shipping Division are measured at fair value less accumulated depreciation and impairment losses recognized at the date of revaluation.

Gains or losses arising from derecognition of the 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.

vii) Depreciation on property, plant and equipment

Depreciation on PPE is calculated using the straight-line method as per the useful lives of the assets estimated by the management based on technical evaluation, 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 (v) below where the useful lives are different from those prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

A major portion of the plant and equipment of Fertiliser and other Agri-input Division of the Company has been considered as continuous process plant.

S. No.	Assets	Useful lives
(i)	- Leasehold Land - Leasehold Improvements - Assets under finance lease	Amortised over 99 Years Ranging from 4 to 15 Years Ranging from 3 to 9 Years These assets are amortised over the period of respective leases or useful lives of assets, whichever is lower.
(ii)	Plant and equipment of Fertiliser Division	Over their useful lives ranging from 1 to 35 years
(iii)	Insurance / capital / critical stores and spares	Over the remaining useful life of related plant and equipment or useful life of insurance / capital / critical spare part, whichever is lower.
(iv)	Vehicles	Depreciated over 5 years. After the expiry of 5 years, the vehicle gets normally replaced.
(v)	Railway siding	25 years based on technical evaluation that the railway siding is currently in use.

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

The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

viii) 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 with finite lives are amortised on a straight line basis over the estimated useful economic life. Software is the acquired intangible asset:

Management of the Company assessed the useful life of software as finite and cost of software is amortized over their estimated useful life of five years on straight line basis.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. 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 Ind AS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

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.

ix) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case events which caused impairment initially ceases to exist, impairments are only reversed to the extent that increased carrying amount of the asset does not exceed the carrying amount that would have been in place had there been no impairment carried out in the first place, taking into account the normal depreciation/ amortization.

x) Leases

A lease is classified at the inception date as a finance lease or an operating lease.

Finance leases, where as a lessee, the Company has substantially all risks and rewards of ownership, are capitalised at inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liability as appropriate. 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 over the period of lease. Lease management fees, legal charges and other initial direct costs are capitalized.

Leases, where the lessor effectively retains substantially all the risks and rewards 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, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

xi) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Debt Instruments-

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, debt instruments are classified in the following three categories:

- Debt instruments at amortised cost; and
- Debt instruments at fair value through other comprehensive income (FVTOCI); and
- Debt instruments at fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity Instruments

For the purposes of subsequent measurement, equity instruments are classified in two categories:

-Equity instruments at fair value through profit or loss (FVTPL); and

-Equity instruments measured at fair value through other comprehensive income (FVTOCI)

All equity investments are measured at fair value. The Company may make an irrevocable election to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument -by-instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Investment in subsidiaries and joint venture

Investment in subsidiaries and joint venture is carried at deemed cost in the separate financial statements, except in case of investment in preference shares (debt instrument) of a subsidiary company which is carried in accordance with Ind AS 109 'Financial Instruments'.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 'Financial instruments'.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

After initial recognition at fair value net of transaction cost, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 109 'Financial instruments' and the amount initially recognised less cumulative amortisation, where appropriate. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another financial liability on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

xii) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

xiii) Dividend to equity holders of the Company

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

xiv) Inventories

Inventories are valued as follows:

Spares and Lubricants*	Lower of cost and net realisable value. Cost is determined on weighted average basis.
Raw materials, Packing materials, other stores and spares	Lower of cost and net realisable 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 two 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 realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.
Traded products	Lower of cost and net realisable 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.

* included under the inventory of stores and spares.

Cost includes the necessary cost incurred in bringing inventory to its present location and condition necessary for use.

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.

xv) Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of a qualifying 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.

Borrowing costs include interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is de-capitalised from the qualifying assets.

xvi) Revenue Recognition and Other Income

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, regardless of when the payment being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The following specific criteria must also be met before revenue is recognised. The Company bases its estimate on historical precedences taking into consideration the type of customer, transaction and specifics of the environment it operates in:

(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. Amounts disclosed as revenue are inclusive of excise duty and net of returns and allowances, trade discounts, rebates and goods & service tax (GST). The Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. The Company collects sales tax, GST and value added tax ("VAT") on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, these are excluded from the revenue.

Subsidy on Urea including freight have been accounted on the basis of notified concession prices as under:

(i) New Pricing Scheme (NPS) – Stage III and Modified NPS III

(ii) New Urea Policy 2015

(iii) Uniform Freight Policy

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 in accordance with Nutrient Based Subsidy Policy from time to time and Freight subsidy has been accounted for in line with the policy.

Subsidy on City Compost is recognized based on rates, as notified by the Government of India.

(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. Bunker is recognized on actual quantity consumed. Dispatch money / demurrage is considered as part of freight.

(c) Interest income

Interest income from debt instruments measured at amortised cost, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of the financial asset. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

(d) Dividend

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(e) **Insurance claims**

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

xvii) Retirement and other employee benefits

(a) Retirement benefit in the form of Provident Fund is a defined benefit obligation 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.

Pension Fund of the Company is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company 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 the Company is accounted for as per the Company's Scheme and contributed to Life Insurance Corporation of India / ICICI Prudential Life Insurance Company Limited every year. The Company does not have any other obligation, other than the contribution payable to the superannuation fund. The Company recognizes 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. Gratuity plan of the Company is funded with insurance companies 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 insurance companies 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. 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.

(g) Long Service Awards: Long service awards are other long-term benefits accruing to the eligible employees, as per Company's scheme. The cost of providing benefit under long service awards scheme is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. This is unfunded defined benefit scheme.

(h) Settlement allowance: Settlement allowance are other long-term benefits accruing to the eligible employees, as per Company's scheme. The cost of providing benefit under settlement allowance is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. This is unfunded defined benefit scheme.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI and such re-measurement gain / loss are not reclassified to the statement of profit and loss in the subsequent periods. They are included in retained earnings in the statement of changes in equity.

xviii) Income Taxes

Tax expense or credit comprises of current income tax and deferred tax. Current income-tax expense or credit is measured at the amount expected to be paid to the taxation 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.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interest in joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

xix) Segment Reporting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Chief operating decision maker review the performance of the Company 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.

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.

xx) Earnings per share

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

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

xxi) Contingent assets and liabilities

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise.

A contingent asset is a possible asset that arises from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

xxii) Share-based payments

Share-based compensation benefits are provided to employees via the Company's Employee Stock Option Scheme. The fair value of options granted under the Employee Stock Option Scheme of the Company is recognised as an employee benefits expense with a corresponding increase in equity. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

xxiii) Treasury shares

The Company has created CFCL Employees Welfare Trust ('ESOP Trust') for providing share-based payment to its employees. The Company uses Trust as a vehicle for distributing shares to employees under the Employee Stock Option Scheme. The ESOP Trust has bought shares of the Company from the market, for giving shares to employees. The Company treats ESOP Trust as its extension and shares held by ESOP Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting period are satisfied with treasury shares.

xxiv) Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Standards issued but not yet effective

Recent Accounting pronouncements

On March 28, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates' and Ind AS 115, 'Revenue from Contracts with Customers.' The amendments are applicable to the Company from April 01, 2018.

(i) Amendment to Ind AS 21

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements will be given in due course.

(ii) Amendment to Ind AS 115

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits following two possible methods of transition: • Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors • Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements will be given in due course.

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2018

(Rs. in Lakhs)

Particulars	Land-Freehold	Land-Leasehold	Buildings	Leasehold Improvements	Leasehold Improvements (on Finance Lease)	Railway Siding	Plant and equipment	Factory equipment	Office equipment	Furniture and fittings	Vehicles	Ships	Total
NOTE 3 : PROPERTY, PLANT AND EQUIPMENT													
Deemed Cost / Fair Valuation													
As at April 1, 2016	433.27	429.76	9668.72	62.70	118.67	393.68	93501.74	861.50	942.30	580.15	1461.06	87585.38	196038.93
Additions	-	-	269.13	-	-	-	15502.92	448.01	257.78	41.05	164.37	1.72	16684.98
Deletions	-	-	(36.71)	-	-	(0.48)	(770.68)	(3.34)	(13.45)	(2.10)	(110.72)	-	(937.48)
Discontinued Operations {refer note 45(A)}	-	-	-	-	-	-	-	-	-	-	-	(88683.69)	(88683.69)
Foreign Currency Translation Difference	-	-	(0.02)	-	-	-	-	-	(1.77)	(8.34)	(0.30)	1096.59	1086.16
As at March 31, 2017	433.27	429.76	9901.12	62.70	118.67	393.20	108233.98	1306.17	1184.86	610.76	1514.41	-	124188.90
Additions	-	-	273.99	-	-	-	14423.04	35.87	175.75	62.98	106.94	-	15078.57
Deletions	-	-	(51.36)	(15.70)	(0.79)	-	(2426.42)	(7.75)	(9.21)	(391.69)	(79.90)	-	(2982.82)
Adjustments	-	-	-	-	(10.05)	-	-	-	-	-	8.41	-	(1.64)
Foreign Currency Translation Difference	-	-	-	-	-	-	-	-	-	2.58	0.35	-	2.93
As at March 31, 2018	**433.27**	**429.76**	**10123.75**	**47.00**	**107.83**	**393.20**	**120230.60**	**1334.29**	**1351.40**	**284.63**	**1550.21**	**-**	**136285.94**
Depreciation and Impairment													
As at April 01, 2016	-	5.84	329.06	8.52	34.54	28.40	7476.44	73.61	325.42	118.68	287.13	4465.81	13153.45
Charge for the Year {refer footnote (4) below}	-	5.84	335.20	8.01	34.54	18.21	5034.63	74.70	234.10	256.34	319.55	3898.54	10219.66
Impairment {refer note 45(A)}	-	-	-	-	-	-	-	-	50.80	-	-	-	50.80
Deletions	-	-	(0.80)	-	-	-	(303.73)	(0.95)	(2.90)	1.33	(59.45)	-	(366.50)
Discontinued Operations (refer note 45(A)}	-	-	-	-	-	-	-	-	-	-	-	(8420.27)	(8420.27)
Foreign Currency Translation Difference	-	-	-	-	-	-	-	-	(2.62)	(9.49)	(0.30)	55.92	43.51
As at March 31, 2017	-	11.68	663.46	16.53	69.08	46.61	12207.34	147.36	604.80	366.86	546.93	-	14680.65
Charge for the Year {refer footnote (4) below}	-	4.34	344.09	7.91	24.11	18.21	5106.55	110.85	204.88	87.54	288.36	-	6196.84
Deletions	-	-	(5.39)	(8.16)	(0.47)	-	(707.24)	(1.59)	(7.10)	(356.38)	(54.12)	-	(1140.45)
Adjustments	-	-	-	-	-	-	-	-	-	-	8.41	-	8.41
Foreign Currency Translation Difference	-	-	-	-	-	-	-	-	-	2.68	0.26	-	2.94
As at March 31, 2018	**-**	**16.02**	**1002.16**	**16.28**	**92.72**	**64.82**	**16606.65**	**256.62**	**802.58**	**100.70**	**789.84**	**-**	**19748.39**

(Rs. in Lakhs)

Particulars	Land-Freehold	Land-Leasehold	Buildings	Leasehold Improvements	Leasehold Improvements (on Finance Lease)	Railway Siding	Plant and equipment	Factory equipment	Office equipment	Furniture and fittings	Vehicles	Ships	Total
Revaluation													
As at April 01, 2016	-	-	-	-	-	-	-	-	-	-	-	11558.76	11558.76
Discontinued Operations {jrefer note 45(A)}	-	-	-	-	-	-	-	-	-	-	-	(11703.48)	(11703.48)
Foreign Currency Translation Difference	-	-	-	-	-	-	-	-	-	-	-	144.72	144.72
As at March 31, 2017	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations {refer note 45(A)}	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Translation Difference	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Book Value													
As at March 31, 2017	433.27	418.08	9237.66	46.17	49.59	346.59	96026.64	1158.81	580.06	243.90	967.48	-	109508.25
As at March 31, 2018	**433.27**	**413.74**	**9121.59**	**30.72**	**15.11**	**328.38**	**103623.95**	**1077.67**	**548.82**	**183.93**	**760.37**	-	**116537.55**

Footnotes:

1. Freehold land having carrying value Rs.0.89 Lakh (Previous year : Rs.0.89 Lakh), Leasehold land having carrying value of Rs. 31.69 Lakhs (Previous year: Rs.32.04 Lakhs) and Buildings having carrying value of Rs.384.50 Lakhs (Previous year : Rs.390.98 Lakhs) are yet to be registered in the Company's name.
2. The carrying value of Buildings includes Rs.0.28 Lakh (Previous year : Rs.0.29 Lakh) representing undivided share in assets jointly owned with others.
3. Deletions from Plant and Equipment during the year includes Equipment having gross block of Rs.63.01 Lakhs (Previous year : Rs. 347.77 Lakhs) and Accumulated Depreciation of Rs. 7.85 Lakhs (Previous year : Rs.186.85 Lakhs) transferred to 'Assets held for sale' (refer note 45(B)).
4. Depreciation charge for the year includes an amount of Rs. 47.19 Lakhs (Previous year : Rs. 4159.71 Lakhs) related to Shipping Division. The amount is recognised in Discontinued Operations in the Statement of Profit and Loss {refer note 45(A)}.

(Rs. in Lakhs)

Particulars	Software	Total
NOTE 4 : OTHER INTANGIBLE ASSETS		
Cost		
As at April 01, 2016	364.72	364.72
Additions	318.53	318.53
Foreign Currency Translation Difference	(3.21)	(3.21)
As at March 31, 2017	680.04	680.04
Additions	162.55	162.55
As at March 31, 2018	**842.59**	**842.59**
Amortization and Impairment		
As at April 1, 2016	95.69	95.69
Charge for the Year {refer footnote below}	135.95	135.95
Impairment {refer note 45(A)}	76.93	76.93
Foreign Currency Translation Difference	(4.63)	(4.63)
As at March 31, 2017	303.94	303.94
Charge for the Year	139.20	139.20
As at March 31, 2018	**443.14**	**443.14**
Net Book Value		
As at March 31, 2017	376.10	376.10
As at March 31, 2018	**399.45**	**399.45**

Footnote:

Amortization Expense for the previous year includes an amount of Rs. 38.84 Lakhs related to Shipping Division. The amount is recognised in Discontinued Operations in the Statement of Profit and Loss {refer note 45(A)}.

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE 5 : FINANCIAL ASSETS		
Note 5A : Non-Current Investments		
A. Investment carried at Deemed Cost **Equity Instruments (Unquoted)** **Subsidiary Companies**		
- 109,962 (Previous year : 109,962) equity shares of Singapore $ 1 each fully paid up in India Steamship Pte. Limited, Singapore	29.13	29.13
- 250,000 (Previous year : 250,000) equity shares of Rs.10 each fully paid up in India Steamship Limited	25.00	25.00
- 25 (Previous year : 25) ordinary shares of AED 1,000 each fully paid up in India Steamship International FZE, UAE	3.06	3.06
- 9,400,000 (Previous year : 9,400,000) equity shares of Rs.10 each fully paid up in Chambal Infrastructure Ventures Limited	360.00	360.00
- 2,932,947 (Previous year : 2,932,947) ordinary shares of US$ 0.0001 each fully paid up in CFCL Ventures Limited*	0.18	0.18
Joint Venture		
- 206,666 (Previous year : 206,666) shares of Moroccan Dirham 1,000 each fully paid up in Indo Maroc Phosphore S.A. (IMACID)	28586.67	28586.67

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
B. Investment carried at Fair Value through Profit or Loss		
Equity Instruments (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
Preference Shares (Unquoted)		
Subsidiary Companies		
- 11,740,459 (Previous year : 11,740,459) preference shares of US$ 0.0001 each fully paid up in CFCL Ventures Limited*	118.73	118.73
C. Investment carried at Amortised Cost		
Government Securities (Unquoted)		
- 6 Year National Savings Certificates VIII Issue (lodged with Government Authorities)	0.06	0.06
- Indira Vikas Patra	0.20	0.20
Bonds & Debentures (Unquoted)		
- 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
	29125.25	**29125.25**
Aggregate amount of Unquoted Investments	29125.25	29125.25

*The Company has provided letter of continued financial support to the said Subsidiary for atleast one year from the Balance Sheet date.

Note 5B : Non Current Loans		
Loans to Employees:		
a) Secured, Considered Good	72.50	100.29
b) Unsecured, Considered Good	21.28	23.32
	93.78	**123.61**
Included in Loans to Employees		
Dues from director of the Company	2.15	2.15

Note 5C : Other Non Current Financial Assets		
(Unsecured, Considered Good)		
Security Deposits	303.57	348.75
Deposit with Banks having maturity more than 12 months (refer note 8C)	1.96	1.96
	305.53	**350.71**

NOTE 6 : OTHER NON-CURRENT ASSETS

(Unsecured, Considered Good)		
Capital Advances	615.95	222.50
Catalysts in use (valued based on life technically assessed)	1701.01	1632.45
Prepaid Expenses	835.90	954.66
Deferred Transaction Cost on Borrowings	1626.76	4178.31
	4779.62	**6987.92**

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE 7 : INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)		
Raw Materials {including in transit- Nil (Previous year : Rs.26.17 Lakhs)}	73.96	762.96
Work-in-Progress	567.57	844.23
Finished Goods {including in transit- Rs.6254.56 lakhs (Previous year : Rs.5291.56 Lakhs)}	23843.45	20551.37
Traded Goods {including in transit- Rs. 5095.80 lakhs (Previous year : Rs.8036.76 Lakhs)}	47423.89	55095.86
Stores and Spares {including in transit- Rs.92.94 lakhs (Previous year : Rs.12.34 Lakhs)}	6461.47	6825.95
Loose Tools	20.13	8.57
Catalysts in use (valued based on life technically assessed)	664.26	513.19
Packing Materials	455.75	333.12
	79510.48	**84935.25**
During the year ended March 31, 2018, an amount of Rs.107.14 Lakhs (Previous year : Rs. 436.66 Lakhs) was recognised as an expense for inventories carried at net realisable value.		
NOTE 8 : CURRENT FINANCIAL ASSETS		
Note 8A : Trade Receivables		
Secured, Considered Good	10087.84	7128.17
Unsecured, Considered Good (including subsidy receivable from Government of India- Rs. 236227.52 Lakhs (Previous year : Rs.263350.70 Lakhs)	241481.68	295186.47
Unsecured, Considered Doubtful (including subsidy receivable from Government of India- Rs.139.69 Lakhs (Previous year : Rs.46.98 Lakhs)	1391.33	615.48
	252960.85	**302930.12**
Less: Allowance for Doubtful Debts	1391.33	615.48
	251569.52	**302314.64**
Trade receivables from marketing customers are non-interest bearing and are generally on average term of 55 days.		
Note 8B : Cash and Cash Equivalents		
Balances with Banks :		
On Current Accounts	230.27	478.02
On Cash Credit Accounts	247.12	43.25
Deposits with original maturity of less than three months	5000.00	8000.00
Cheques on hand	-	3.76
Cash on hand	4.25	4.00
	5481.64	**8529.03**
Note 8C : Bank Balances Other than 8B above		
On Unpaid Dividend Accounts	1240.75	1218.66
Deposits with remaining maturity for less than 12 months	199.69	659.31
Deposits with remaining maturity for more than 12 months *	1.96	1.96
	1442.40	**1879.93**
Less: Deposits with remaining maturity more than 12 months disclosed under 'other non current financial assets' (refer note 5C)	1.96	1.96
	1440.44	**1877.97**

* Fixed Deposit receipts of Rs.1.96 lakhs (Previous year : Rs.1.96 lakhs) are pledged with Sales Tax Authorities.

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Note 8D : Current Loans		
(Unsecured and Considered Good, except to the extent stated)		
Loans to Employees:		
a) Secured, Considered Good	21.88	28.35
b) Unsecured, Considered Good	2.04	3.92
	23.92	**32.27**
Note 8E : Other Current Financial Assets		
(Unsecured and Considered Good, except to the extent stated)		
Derivatives		
Foreign Currency Option Contracts	15.80	503.60
Others		
Receivable from Gas Pool Operator	21212.37	10038.64
Receivable from Subsidiary Companies / Joint Venture (refer note 29)	130.44	792.83
Security Deposits	495.69	61.17
Fertilisers Companies Govt. of India Bonds (at lower of cost and market value)	0.10	0.10
Insurance and Other Claims Receivable {Considered Doubtful Rs. 164.75 Lakhs (Previous year Nil)}	183.65	-
Interest Receivable on Loans, Deposits and Others	7.48	247.74
Other Receivables	1143.04	1053.69
	23188.57	**12697.77**
Less: Allowance for Doubtful Advances	164.75	-
	23023.82	**12697.77**
NOTE 9 : OTHER CURRENT ASSETS		
(Unsecured and Considered Good, except to the extent stated)		
Advances to Suppliers	1192.91	1026.86
(Considered Doubtful Rs.14.19 Lakhs (Previous year : Rs.14.19 Lakhs))		
Balances with Statutory/ Government Authorities	9736.54	5328.38
(Considered Doubtful Rs.304.82 Lakhs (Previous year : Rs.137.84 Lakhs))		
Interest Receivable - Others	501.73	72.36
Prepaid Expenses	1287.53	1943.62
Other Receivables	70.00	273.10
	12788.71	**8644.32**
Less: Allowance for Doubtful Advances	319.01	152.03
	12469.70	**8492.29**
NOTE 10 : SHARE CAPITAL		
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
	65000.00	**65000.00**
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
	41620.79	**41620.79**

a) **Reconciliation of the Shares Outstanding at the beginning and at the end of the Reporting Periods**
There is no movement in the equity shares outstanding at the beginning and at the end of the reporting periods.

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 the equity shares 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	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% holding	No. of shares	% holding
Zuari Global Limited	59,015,360	14.18	59,015,360	14.18
The Hindustan Times Limited	53,191,790	12.78	52,924,679	12.72
SIL Investments Limited	33,220,918	7.98	31,813,455	7.64
Life Insurance Corporation of India*	-	-	21,926,814	5.27

*As at March 31, 2018, shareholding is less than 5%.

As per the records of the Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Note 10A : Other Equity		
Reserves and Surplus:		
(a) Securities Premium	641.59	641.59
(b) Retained Earnings	198157.08	164699.30
(c) General Reserve	48426.34	43426.34
(d) Treasury Shares	(1422.67)	(1744.15)
(e) Loss on Treasury Shares Acquired	(55.94)	(14.11)
(f) Capital Reserve	20.95	20.95
(g) Capital Redemption Reserve	25.00	25.00
(h) Tonnage Tax Reserve under Section 115VT of the Income Tax Act, 1961	425.00	425.00
(i) Tonnage Tax Reserve (utilised) Account under Section 115VT of the Income Tax Act, 1961	3850.00	3850.00
(j) Share Option Outstanding Account	263.48	263.15
Total	**250330.83**	**211593.07**
Other Comprehensive Income:		
(k) Exchange Differences on Translation of Foreign Operation	-	310.33
(l) Cash Flow Hedging Reserve	(2109.68)	-
Total	**(2109.68)**	**310.33**
Other Equity	**248221.15**	**211903.40**

Description of Nature and Purpose of each Reserve

(a) Securities Premium: Securities Premium represents amount received on issue of shares in excess of the par value.

(b) Retained Earnings: Retained earnings comprises of prior years undistributed earnings after taxes.

(c) General Reserve: This represents appropriation of profit by the Company. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

(d) Treasury Shares: Treasury shares represents equity shares of the Company acquired by CFCL Employees Welfare Trust from the secondary market to allocate or transfer these shares to eligible employees of the Company from time to time on the terms and conditions specified under the CFCL Employees Stock Option Scheme.

(e) Loss on Treasury Shares: Loss on treasury shares acquired represents the amount of loss incurred by CFCL Employees Welfare Trust, on the transfer of equity shares to the eligible employees of the Company as per CFCL Employees Stock Option Scheme.

(f) Capital Reserve: Capital reserve represents the amount on account of forfeiture of equity shares of the Company.

(g) Capital Redemption Reserve: Capital redemption reserve represents reserve created on redemption of preference shares.

(h) & (i) Tonnage Tax Reserve and Tonnage Tax Reserve (utilised) under Section 115VT of the Income Tax Act, 1961 : These reserves were created till the time 'Shipping Division' was under Tonnage Tax Regime.

(j) Share Option Outstanding Account: The share option outstanding account is used to recognise the grant date fair value of options issued to employees under the CFCL Employees Stock Option Scheme, 2010. Refer to note 35 for further details of the plan.

(k) Exchange Differences on Translation of Foreign Operation: Exchange differences arising on translation of foreign operation are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the foreign operations are disposed off.

(l) Cash Flow Hedging Reserve: The Company uses hedging instrument as part of its management of foreign currency risk associated with its highly probable forecast sale. Foreign currency risk associated with highly forecasted sale transaction is being hedged by taking foreign currency loan.

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE 11 : FINANCIAL LIABILITIES		
Note 11A: Non Current Borrowings		
Secured Loans:		
Term Loans :		
- Foreign Currency Loans from Banks	203226.04	76686.73
- Foreign Currency Loans from Financial Institution	94922.43	30699.46
Finance Lease Obligation (refer footnote iii below)	32.21	106.94
Unsecured Loans:		
- Rupee Loans from Banks (refer footnote iv below)	17500.00	-
	315680.68	**107493.13**
Less : Current maturities of Long Term Borrowings shown under "Other Current Financial Liabilities" (refer note 14C)	32.21	70.77
Non-Current Borrowings (as per Balance Sheet)	**315648.47**	**107422.36**
(A) Details of Borrowings and Transaction Costs		
(i) Foreign Currency Loans from Banks		
Foreign Currency Loans from Banks (refer footnote i below)	205617.48	77654.85
Less: Transaction Costs	2391.44	968.12
Carrying Value of Foreign Currency Loans from Banks	**203226.04**	**76686.73**
(ii) Foreign Currency Loans from Financial Institution		
Foreign Currency Loans from Financial Institution (refer footnote ii below)	96075.63	31080.10
Less: Transaction Costs	1153.20	380.64
Carrying Value of Foreign Currency Loans from Financial Institution	**94922.43**	**30699.46**

(B) Nature of Security, Terms and Repayment Schedule:

i. Foreign Currency Term Loans from banks of USD 3,154.61 Lakhs (Rs.205617.48 Lakhs including current maturity of Nil) (Previous Year Rs. 77654.85 Lakhs including current maturity of Nil) carry interest in the range of 3 months LIBOR plus 2.82%-3.07% p.a. The term loans amounting to USD 3,003.61 Lakhs (Rs.195775.30 Lakhs) are repayable in 13 half yearly instalments starting from September 30, 2019. Term loans amounting to USD 151.00 Lakhs (Rs.9842.18 Lakhs) are repayable in 17 equal half yearly instalments starting from September 30, 2019. These loans are secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties of the Company and hypothecation of the movable fixed assets of the Company, both present and future 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 from Financial Institution of USD 1,474.00 Lakhs (Rs.96075.63 Lakhs including current maturity of Nil) (Previous Year Rs 31080.10 Lakhs including current maturity of Nil) carry interest in the range of 3 month LIBOR plus 3.07%-3.10% p.a. Term loans are repayable in 17 equal half yearly instalments starting from September 30, 2019. These loans are secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties of the company and hypothecation of the movable fixed assets of the Company, both present and future subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.

iii. Finance Lease Obligation of Rs.32.21 Lakhs (including current maturities of Rs. 32.21 lakhs) (Previous year : Rs.106.94 Lakhs including current maturities of Rs.70.77 Lakhs) is payable in 5 monthly instalments of Rs.6.77 Lakhs each (i.e. lease obligation including interest) starting from April 2018 and carry interest rate of around 27.34% p.a. This is secured by assets acquired under the facility.

iv. Unsecured Rupee Term Loans of Rs 17500.00 Lakhs (Previous Year Nil) from banks carry interest @ 364 days treasury bill yield plus 1.45% per annum and are repayable in 8 equal quarterly instalments. Out of these, repayment of one term loan of Rs 10000.00 Lakhs will start from May 06, 2020 and repayment of another term loan of Rs 7500.00 Lakhs will start from May 20, 2020.

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Note 11B : Other Non Current Financial Liabilities		
Payable for Capital Goods	-	190.25
	-	**190.25**
NOTE 12 : LONG TERM PROVISIONS		
Provision for Employee Benefits		
- Gratuity (refer note 30)	54.88	235.24
- Post Retirement Medical Benefits (refer note 30)	310.46	288.32
	365.34	**523.56**
NOTE 13 : OTHER NON CURRENT LIABILITIES		
Other Employee Benefits Obligations	282.17	249.76
	282.17	**249.76**
NOTE 14 : FINANCIAL LIABILITIES		
Note 14A : Current Borrowings		
Secured Loans:		
From Banks:		
- Rupee Loans (refer footnote i below)	38373.47	51736.04
- Cash Credit Facilities (refer footnote ii below)	69695.24	22433.11
- Foreign Currency Loans (refer footnote iii below)	25102.56	66228.27
Unsecured Loans:		
Commercial Papers (refer footnote iv below)	50000.00	110000.00
From Banks:		
- Foreign Currency Loans (refer footnote v below)	62047.20	57361.52
	245218.47	**307758.94**

i Rupee loans of Rs 38373.47 Lakhs (Previous year Rs 51736.04 Lakhs) from a bank has been under Special Banking Arrangement against the subsidy on P&K Fertilisers receivable from Govt. of India. The Bank has charged interest @ 7.80% p.a.(including 6.84% p.a. paid by Govt. of India directly to banks). Accordingly, Rs 8.96 Lakhs (Previous year: Rs 108.88 Lakhs) @ 0.96% p.a. has been charged as interest expense in the statement of Profit and Loss. These loans are secured by hypothecation of subsidy receivables upto 38373.47 Lakhs (Previous Year: Rs 51736.04 Lakhs) from Govt. of India. The loans are repayable within 60 days.

ii Cash credit facilities of Rs 69695.24 Lakhs (Previous year Rs 22433.11 Lakhs) carrying interest in the range of 9.40% - 10.05% p.a. and Foreign currency loans of Nil (Previous year : Rs.18053.01 Lakhs) 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. These loans are further secured by second charge on all the immovable properties of the Company. The loans are repayable on demand.

iii Foreign currency loans of Rs. 25102.56 Lakhs (Previous year Rs. 48175.26 Lakhs) carrying interest in the range of 1.78% - 2.48% p.a. are secured by second charge on the Company's current assets. The loans are repayable within 152 days.

iv Unsecured Commercial Paper of Rs 50000.00 Lakhs (Previous year Rs.110000.00 Lakhs) carry interest @ 6.98% p.a. The commercial paper is repayable on May 22, 2018.

v Unsecured foreign currency loans of Rs 62047.20 Lakhs (Previous year Rs.57361.52 Lakhs) carry interest in the range of 1.76% - 2.08% p.a. The loans are repayable within 111 days.

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Note 14B : Trade Payables		
Trade Payables		
Outstanding dues to Micro and Small Enterprises (refer note 33)	113.60	117.88
Outstanding dues to other than Micro and Small Enterprises	30945.19	22617.68
	31058.79	**22735.56**
Note 14C : Other Financial Liabilities		
Current Maturity of Long Term Borrowings (refer note 11A)	32.21	70.77
Interest Accrued but not due on Borrowings	708.07	274.70
Earnest Money / Security Deposits	10716.09	10049.61
Accrued Employee Liabilities	1965.04	1699.41
Unclaimed Statutory Liabilities (as referred in Section 124(1) of the Companies Act, 2013):		
- Unpaid Dividend	1240.75	1218.66
Payable for Capital Goods {includes Rs.122.66 Lakhs (Previous year : Rs.28.86 Lakhs) dues to Micro and Small Enterprises (refer note 33)}	21663.30	17822.33
Derivative Financial Liabilities	5.67	5700.89
	36331.13	**36836.37**
Terms and conditions of the above Financial Liabilities:		
- Trade and Other Payables (other than Security Deposit and Current Maturity of Long Term Borrowings) are non-interest bearing. For maturity profile of Trade Payables and Other Financial Liabilities, refer note 42.		
NOTE 15 : OTHER CURRENT LIABILITIES		
Advance from Customers	1018.50	512.96
Other Employee Benefits Obligations	48.83	55.35
Statutory Obligations Payable	1089.67	2248.76
Other Liabilities :		
- Dues to Related Parties (refer note 29)	27.00	27.00
- Others	6.94	12.73
	2190.94	**2856.80**
NOTE 16 : CURRENT PROVISIONS		
Provision for Employees Benefits:		
- Gratuity (refer note 30)	272.31	195.42
- Leave Encashment	2702.59	2477.61
- Post Retirement Medical Benefits (refer note 30)	10.36	9.29
	2985.26	**2682.32**

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
NOTE 17 : REVENUE FROM OPERATIONS		
Sale of Products (including Excise Duty):		
Sale of Own Manufactured Products {including Rs. 276865.80 Lakhs (Previous year Rs. 229781.75 Lakhs) Subsidy on Fertilisers}	400062.12	350880.10
Sale of Traded Products {including Rs. 118765.40 Lakhs (Previous year Rs. 137372.68 Lakhs) Subsidy on Fertilisers}	346539.53	392168.34
Other Operating Revenues		
Others	14.95	34.74
Revenue from Operations (Gross)	**746616.60**	**743083.18**
NOTE 18 : OTHER INCOME		
Interest on:		
- Fertilisers Bonds	0.01	0.01
- Employees Loans	4.23	5.11
- Loan to Subsidiaries (refer note 29)	-	55.05
- Income Tax Refunds	410.63	429.17
- Deposits (Gross) (refer note 27)	14.15	53.73
- Payment from Customers	1400.00	697.68
- Current Investments	1590.06	726.09
- Others	128.05	101.35
Dividend Income		
- On Investment in Subsidiary Companies / Joint Venture (refer note 29)	1144.55	3451.78
Rent Received	19.88	12.40
Foreign Currency Translation Reserve Released	322.76	-
Gain on Foreign Exchange Variation (Net)	-	4291.62
Mark to Market Gain on Derivative Transaction	5692.41	1190.47
Insurance Claims Received	856.81	551.44
Liabilities no longer required written back	15.31	53.36
Allowance for Doubtful Debts and advances written back (Net)	-	43.94
Fair Value Gain on Financial Instrument at Fair Value through Profit or Loss	-	810.84
Gain on Reduction of Non-Current Investments	-	193.39
Gain on Sale of Non-Current Investments	-	534.00
Gain on Sale of Current Investments	2647.93	2884.94
Sale of Scrap	144.56	139.09
Miscellaneous Income	816.33	1597.23
	15207.67	**17822.69**
NOTE 19 : COST OF MATERIALS CONSUMED		
Opening Inventories	762.96	1678.39
Add: Purchases	177992.48	152029.28
Less: Closing Inventories	73.96	762.96
	178681.48	**152944.71**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
NOTE 20 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Closing Inventories		
- Work-in-Progress	567.57	844.23
- Finished Goods	23843.45	20551.37
- Traded Goods	47423.89	55095.86
	71834.91	**76491.46**
Opening Inventories		
- Work-in-Progress	844.23	740.25
- Finished Goods	20551.37	13592.95
- Traded Goods	55095.86	62419.20
	76491.46	**76752.40**
Decrease in Inventories	**4656.55**	**260.94**
NOTE 21 : EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus *	10130.76	9368.12
Contribution to Provident and Other Funds *	569.60	567.81
Gratuity Expense (refer note 30)	216.91	285.44
Post Retirement Medical Benefits (refer note 30)	34.34	32.20
Workmen and Staff Welfare Expenses	476.17	440.51
Employee Share Based Payment Expense (refer note 35)	0.33	8.83
	11428.11	**10702.91**
* Refer note 27		
NOTE 22 : FINANCE COSTS		
Interest (including Interest on Income Tax : Rs.69.03 Lakhs (Previous year : Rs.5.86 Lakhs))*	8719.49	14367.12
Bank Charges and Guarantee Commission *	245.24	321.09
Exchange Differences regarded as an adjustment to Borrowing Costs	6044.67	9891.99
	15009.40	**24580.20**
* Refer note 27		
NOTE 23 : OTHER EXPENSES		
Consumption of Stores and Spares	1669.53	2449.91
Consumption of Packing Materials	6474.96	7611.21
Bagging and Other Services	1115.01	1332.28
Power and Fuel	109817.44	95800.73
Catalyst Charges Written Off	704.04	699.70
Rent (refer note 32) *	2164.91	2962.03
Rates and Taxes	7.48	83.34
Insurance *	1244.42	1625.43
Repairs and Maintenance:		
- Plant and Equipment	1537.52	1776.20
- Buildings *	408.50	448.37
- Others	1038.50	1015.36
Directors' Sitting Fees (including Service Tax)	21.92	23.49
Travelling and Conveyance *	818.28	881.07
Communication Costs	100.00	117.83
Printing and Stationery	43.07	46.66

(Rs. in Lakhs)

Particulars		Year ended March 31, 2018		Year ended March 31, 2017
Legal and Professional Fees *		424.64		499.89
Auditor's Remuneration				
As auditor:				
- Audit Fee		28.38		46.12
- Tax Audit Fee		11.17		9.07
- Limited Review Fee		21.60		22.76
- Out of Pocket Expenses		8.90		7.40
In other manner:				
- Certification and Other Services		25.21		34.34
Excise Duty on Decrease in Inventories		(90.16)		43.38
Freight and Forwarding Charges		53848.00		58662.47
Other Selling Expenses		1990.29		399.14
Corporate Social Responsibility Expenditure (refer note 34)		1118.50		945.83
Depletion of Loose Tools		13.50		8.71
Green Belt Development/ Horticulture Expenses		247.38		248.99
Allowance for Doubtful Debts and Advances (Net)		642.46		-
Loss on Foreign Exchange Variation (Net)		5108.13		-
Loss on Disposal of Property, Plant and Equipment (Net)		1270.83		257.17
Bank Charges and Guarantee Commission (other than financing)		136.21		133.26
Irrecoverable Balances written off	55.45		250.87	
Less: Allowance for Doubtful Debts and Advances adjusted out of above	-	55.45	6.61	244.26
Miscellaneous Expenses *		1307.11		1385.33
		193333.18		**179821.73**

* Refer note 27

NOTE 24 : EARNINGS PER SHARE (EPS)

	Year ended March 31, 2018	Year ended March 31, 2017
(i) Continuing Operations		
Net Profit as per Statement of Profit and Loss	47649.37	43439.27
Calculation of Weighted Average Number of Equity Shares		
- Number of Equity 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	416207852	416207852
Basic and Diluted Earnings Per Share (in Rs.)	11.45	10.44
Nominal value of equity shares (in Rs.)	10.00	10.00
(ii) Discontinued Operations		
Net Profit/ (Loss) as per Statement of Profit and Loss	367.72	(929.18)
Calculation of Weighted Average number of Equity Shares		
- Number of Equity 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	416207852	416207852
Basic and Diluted Earnings Per Share (in Rs.)	0.09	(0.22)
Nominal value of Equity Shares (in Rs.)	10.00	10.00
(iii) Continuing and Discontinued Operations		
Net Profit as per Statement of Profit and Loss	48017.09	42510.09
Calculation of Weighted Average Number of Equity Shares		
- Number of Equity 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	416207852	416207852
Basic and Diluted Earnings Per Share (in Rs.)	11.54	10.22
Nominal value of Equity Shares (in Rs.)	10.00	10.00

25 : CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(i) Contingent Liabilities (not provided for) in respect of : (Rs. in Lakhs)

S.No.		Particulars	As at March 31, 2018	As at March 31, 2017
(A)		Outstanding amount against corporate guarantee given to bank on account of loan given by such bank to stepdown subsidiary.	11080.60	11025.35
(B)	i)	Demand raised by Service Tax Sales Tax and Income Tax (IT) authorities being disputed by the Company. *	760.76	1236.15
	ii)	Penalty levied by FERA Board under appeal before the Calcutta High Court	1.30	1.30
	iii)	Various labour cases	Amount not ascertainable	Amount not ascertainable
	iv)	Other claims against the Company not acknowledged as debts	7.81	12.05

* Brief description of liabilities under (B)(i) above :

S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
1.	**Income Tax :**		
	Demand raised by IT authorities on account of various disallowances for AY 2009-10 including penalties	52.71	505.39
	Demand raised by IT authorities on account of various disallowances for AY 2010-11	289.48	323.96
	Demand raised by IT authorities on account of various disallowances for AY 2011-12	66.58	71.15
	Demand raised by IT authorities on account of various disallowances for AY 2012-13	154.22	154.22
2.	**Sales Tax** :		
	(a) Demand raised by Asstt. Commissioner of Commercial Taxes Patliputra Circle, Patna for financial year 2013-14	-	103.15
	(b) Demand raised by sales tax authorities, Uttar Pradesh for financial years 2011-12 and 2012-13	-	20.23
	(c) Demand raised by Uttar Pradesh Commercial Tax Tribunal Bench, Agra, Uttar Pradesh on levy of VAT on SSP for financial year 2012-13	17.99	-
	(d) Demand raised by sales tax authorities, Uttar Pradesh for financial year 2014-15 on levy of VAT	121.73	-
3.	**Service Tax :**		
	(a) Service tax demand received on account of wrong availment of exemption from the payment of service tax for the period 2008-09 upto June 2012 (including penalty and interest).	31.22	31.22
	(b) Demand (including penalty) plus interest at the appropriate rate raised in respect of service tax not paid on payments made in foreign currency to foreign parties, treating all such payments as taxable, which is being contested.	26.83	26.83
	Total	**760.76**	**1236.15**

v) The Company had received a demand of Rs.352.34 Lakhs (Previous year: Rs.352.34 Lakhs) from Sales Tax Department, Kota in an earlier year, which also includes penalty, 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 13th July, 2001. However, in the event of the Company having to pay the above, it is reimbursable by Fertiliser Industry Coordination Committee (FICC) / Government of India under Subsidy Scheme.

vi) The Company as well as other users of natural gas under HBJ Gas Pipeline had in earlier years received letters from GAIL (India) Limited, 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 FICC under Subsidy Scheme.

vii) 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 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 FICC under Subsidy Scheme.

viii) 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 August 31 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 Lakhs (Previous year Rs.7380.36 Lakhs) 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 on the basis of the stay order the Company is of the view 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 (B) (i) to (viii) above and hence no provision is considered necessary against the same.

(ii) Contingent assets (not recognised for) in respect of : (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Un-utilised cenvat credit	320.07	393.40

The Shipping Division (now discontinued) of the Company have been claiming cenvat credit in the service tax returns. However, the division has not recognised such service tax credit receivable in the financial statements due to uncertainty in utilisation of the same.

26. Capital Commitments (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account (net of advances)	133996.41	352405.55

27. Capitalisation of Expenditure

The Company has capitalised the following expenses of revenue nature to the cost of Capital Work in progress (CWIP). Consequently expenses disclosed under the respective notes are net of amounts capitalised by the Company. The break up of expenditure is as follows :

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	13284.49	5652.90
Add : Expenditure during the year		
Salaries, wages and bonus	681.08	320.60
Contribution to provident and other funds	32.73	16.33
Travelling and conveyance	81.63	86.94
Legal and professional fees	9.85	91.79
Interest **	12557.44	3233.11
Other finance costs	372.83	35.63
Bank charges	90.69	59.69
Construction of enabling asset - Anicut dam	1380.12	3696.06
Insurance	226.82	584.87
Rent	7.49	5.70
Repairs and Maintenance - Buildings	-	11.73
Start up and Commissioning Expense	320.07	-
Miscellaneous expenses	35.89	72.16
Total expenditure	**29081.13**	**13867.51**
Less: Interest income	(173.61)	(267.32)
Add: Current tax	60.08	92.39
Less: Deferred tax	(60.08)	(92.39)
Net expenditure	**28907.52**	**13600.19**
Less: Allocated to property, plant and equipment ***	(397.66)	(315.70)
Capitalisation of expenditure (pending for allocation) *	**28509.86**	**13284.49**

* Includes Rs.28506.31 Lakhs (Previous year:Rs.12927.47 Lakhs) related to upcoming urea manufacturing plant under the New Investment Policy 2012.

** Interest comprises of:

(i) Rs. 8314.32 Lakhs (Previous year : Rs.2560.39 Lakhs) on specific borrowings taken for upcoming urea manufacturing plant under the New Investment Policy 2012; and

(ii) Rs. 4243.12 Lakhs (Previous year : Rs.672.72 Lakhs) on general borrowings for upcoming urea manufacturing plant and other qualifying assets using the weighted average interest rate applicable during the year which is 6.24% p.a.

*** represents capitalisation of interest expense on qualifying assets.

28. The Company is into manufacturing of Urea and Single Super Phosphate and marketing of Fertilisers and other agri inputs. Looking at the nature of business and risk involved, the operations of the Company falls into single business segment. Further all the customers and assets are located into India. Accordingly no segment information is provided. Revenue from single customer i.e. Government of India amounted to Rs.395631.20 Lakhs (Previous year : Rs. 367154.43 Lakhs) from sales in the Fertilisers and other Agri-inputs segment.

29. **Related party transactions**

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures', names of the related parties, related party relationship, transactions and outstanding balances where control exits and with whom transactions have taken place during the reported periods are:

Related party name and relationship

(a) Key Management personnel

S.No.	Name	Designation
1.	Mr. Saroj Kumar Poddar	Chairman
2.	Mr. Shyam Sunder Bhartia	Non-Executive Director
3.	Mr. Chandra Shekhar Nopany	Non-Executive Director
4.	Mr.Kashi Nath Memani	Independent - Non Executive Director (till September 15, 2017)
5.	Mr. Nimesh N. Kampani	Independent - Non Executive Director (w.e.f. September 15, 2017)
6.	Ms. Radha Singh	Independent - Non Executive Director
7.	Mr. Marco Philippus Ardeshir Wadia	Independent - Non Executive Director
8.	Mr. Aditya Narayan	Independent - Non Executive Director
9.	Mr. Anil Kapoor	Managing Director
10.	Mr. Abhay Baijal	Chief Financial Officer
11.	Mr. Rajveer Singh	Company Secretary

(b) Subsidiaries

CFCL Ventures Limited, Cayman Islands
Chambal Infrastructure Ventures Limited, India
India Steamship Pte. Limited, Singapore
India Steamship International FZE, UAE
India Steamship Limited, India

Subsidiaries of CFCL Ventures Limited, Cayman Islands

ISGN Corporation, USA
ISG Novasoft Technologies Limited, India
Inuva Info Management Private Limited, India

(c) Joint venture

Indo Maroc Phosphore S.A. Morocco

(d) Post Employment Benefit Plans

CFCL Employees Provident Fund
Chambal Fertilisers and Chemicals Limited Senior Staff Superannuation Fund
CFCL Employees Group Gratuity Trust
India Steamship Staff Provident Fund
India Steamship Staff Gratuity Insurance Scheme

Transaction with the related parties- (Rs. in Lakhs)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
Dividend Income		**161.96**		**1350.32**
- India Steamship International FZE, UAE	161.96		1012.95	
- India Steamship Pte. Limited, Singapore	-		337.37	
Freight / Demurrage Expenses *		-		**3254.86**
- India Steamship International FZE, UAE	-		3254.86	
Interest Income		-		**55.05**
- India Steamship International FZE, UAE	-		55.05	
Guarantee Commission Income		**348.77**		**669.96**
ISGN Corporation, USA	348.77		669.96	
Reduction in Non-Current Investment		-		**256.92**
India Steamship Pte. Limited, Singapore	-		256.92	
Reduction in Corporate Guarantee		-		**3354.50**
ISGN Corporation, USA	-		3354.50	
Contribution (accrual basis)		**860.04**		**465.27**
- CFCL Employees Provident Fund	368.25		328.37	
- Chambal Fertilisers and Chemicals Limited Senior Staff Superannuation Fund	57.37		113.23	
- CFCL Employees Group Gratuity Trust	427.71		5.99	
- India Steamship Staff Provident Fund *	6.71		17.68	
Loan Repaid		-		**2015.80**
- India Steamship International FZE, UAE (including Exchange Difference)	-		2015.80	
Reimbursement of Expenses		-		**0.44**
- Chambal Infrastructure Ventures Limited	-		0.12	
- India Steamship Limited	-		0.32	

Outstanding Balances as at the year end (Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
Other Current Liabilities		**37.67**		**35.80**
- CFCL Employees Provident Fund	31.13		27.55	
- Chambal Fertilisers and Chemicals Limited Senior Staff Superannuation Fund	6.54		8.25	
Corporate Guarantee Outstanding		**11080.60**		**11025.35**
- ISGN Corporation, USA	11080.60		11025.35	
Other Current Financial Assets		**123.19**		**781.34**
- India Steamship International FZE, UAE	-		64.86	
- India Steamship Pte. Limited, Singapore	-		450.31	
- ISGN Corporation, USA (Guarantee Commission)	123.19		266.17	

* included in discontinued operations in the statement of profit and loss in respect of Shipping Division of the Company {refer note 45(A)}.

Loans and advances in the nature of loans given to subsidiaries (Rs. in Lakhs)

Particulars	Maximum amount outstanding during the year	
	Year ended March 31, 2018	Year ended March 31, 2017
India Steamship International FZE, UAE (including exchange difference)	-	2149.65

Joint venture

Indo Maroc Phosphore S.A. Morocco (Rs. in Lakhs)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
Dividend income		**982.59**		**2101.46**
	982.59		2101.46	
Reimbursement of expenses received		**18.05**		**37.08**
	18.05		37.08	

Outstanding balances as at the year end (Rs. in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
Other receivables		**7.25**		**11.49**
	7.25		11.49	

Key Management Personnel (Rs. in Lakhs)

Nature of Transactions	Year ended March 31, 2018		Year ended March 31, 2017	
Remuneration paid **		**640.16**		**575.30**
Mr. Anil Kapoor	473.91		424.47	
Mr. Abhay Baijal	111.06		101.52	
Mr. Rajveer Singh	55.19		49.31	
Interest income on loan given		**0.12**		**0.13**
Mr. Anil Kapoor	0.12		0.12	
Mr. Rajveer Singh	-		0.01	

Outstanding balances as at the year end **(Rs. in Lakhs)**

Particulars	As at March 31, 2018		As at March 31, 2017	
		2.15		**2.15**
Loan receivable				
Mr. Anil Kapoor	2.15		2.15	

** Key management personnel are covered under the Company's Group Gratuity Scheme along with other employees of the Company. The gratuity, leave liability, post retirement medical benefits, long service award scheme and settlement allowance 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, post retirement medical benefits, long service award scheme and settlement allowance liability for Key management personnel cannot be ascertained separately, except for the amount actually paid.

Key Management Personnel - (other than disclosed above) (Rs. in Lakhs)

Nature of Transactions	Year ended March 31, 2018		Year ended March 31, 2017	
Director Commission		**30.00**		**30.00**
Mr. Saroj Kumar Poddar	5.00		5.00	
Mr. Chandra Shekhar Nopany	5.00		5.00	
Mr. Kashi Nath Memani	2.29		5.00	
Mr. Nimesh N. Kampani	2.71		-	
Ms. Radha Singh	5.00		5.00	
Mr. Marco Philippus Ardeshir Wadia	5.00		5.00	
Mr. Aditya Narayan	5.00		5.00	
Sitting fees		**20.85**		**20.45**
Mr. Saroj Kumar Poddar	2.00		1.50	
Mr. Chandra Shekhar Nopany	2.60		3.25	
Mr. Kashi Nath Memani	0.75		1.75	
Mr. Nimesh N. Kampani	1.25		-	
Ms. Radha Singh	5.10		5.10	
Mr. Marco Philippus Ardeshir Wadia	4.80		4.65	
Mr. Aditya Narayan	4.35		4.20	

Outstanding balances as at the year end **(Rs. in Lakhs)**

Particulars	As at March 31, 2018		As at March 31, 2017	
Outstanding payable at the year end		**27.00**		**27.00**
Mr. Saroj Kumar Poddar	4.50		4.50	
Mr. Chandra Shekhar Nopany	4.50		4.50	
Mr. Kashi Nath Memani	2.44		4.50	
Mr. Nimesh N. Kampani	2.06		-	
Ms. Radha Singh	4.50		4.50	
Mr. Marco Philippus Ardeshir Wadia	4.50		4.50	
Mr. Aditya Narayan	4.50		4.50	

Key Management Personnel interests in the Employees Stock Option Scheme, 2010 (ESOS)

Share Options held by Key Management Personnel under the ESOS to purchase equity shares of the Company from CFCL Employees Welfare Trust have the following expiry dates and exercise prices:

Grant date	Expiry Date	Exercise Price (in Rs.)	As at March 31, 2018 Number Outstanding	As at March 31, 2017 Number Outstanding
September 16, 2010	2019- 2023	73.50	283000	283000

No share options have been granted to the members of the Board of Directors (except for Managing Director. For further details, on ESOS, refer note 35.)

30. Gratuity and Other Post-Employment Benefit Plans: (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Gratuity Plan - (Liability) *	(327.19)	(607.73)
Provident Fund - Asset */ **	312.31	345.80
Post Retirement Medical Benefits Plan - (Liability)	(320.82)	(297.61)

* Nil (Previous year Rs.177.07 Lakhs) included in 'Liabilities directly associated with assets classified as held for sale' in respect of Shipping Division of the Company classified as held for sale and Discontinued Operations (refer note 45(A).

*/ ** Plan asset of Rs.312.31 Lakhs {Previous year Rs.345.80 Lakhs (including Rs.197.83 Lakhs pertaining to Shipping Division classified as held for sale and Discontinued Operations) has not been recognised in the financial statements, as the surplus of the trust, is distributable among the beneficiaries of the provident fund trust.

a) Gratuity

In case of Fertiliser Division, the Company has a defined benefit gratuity plan. Benefit is being paid as under-

A) In case of retirement or death of an employee while in service of the Company, the gratuity will be payable as under:

i) Completed continuous service of 5 years and above upto 20 years – gratuity equivalent to 15 days last drawn salary for each completed year of service.

ii) Completed continuous service of above 20 years – gratuity equivalent to 15 days last drawn salary for first 20 years and 20 days last drawn salary for each completed year of service after 20 years.

B) In case of resignation or termination of an employee, where the employee has completed 5 years of continuous service with the Company, gratuity equivalent to 15 days last drawn salary for each completed year of service shall be payable.

The Scheme is funded with insurance companies in the form of a qualifying insurance policies. The fund has the form of a trust and it is governed by the Board of Trustees.

In case of Shipping Division, Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure @ 15 to 30 days 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 division. The fund has the form of a trust and it is governed by the Board of Trustees.

b) Post Retirement Medical Benefit Plan

The Fertiliser Division of the Company has post retirement medical benefit schemes in the nature of defined benefit plan which is unfunded.

c) Provident Fund

The Company has set up provident fund trusts, which are managed by the Company. 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 for measurement of provident fund liabilities and there is no shortfall as at March 31, 2018.

The Board of Trustees of Gratuity Trust and Provident Fund Trust are responsible for the administration of the plan assets and for the definition of the investment strategy. The Board of Trustees reviews the level of funding and investment and such a review includes the asset-liability matching strategy and investment risk management policy.

The Board of Trustees decides its contribution based on the results of its review. Generally, it aims to have a portfolio mix of equity instruments and debt instruments. Investments of Provident Fund Trust is being governed by the rules issued by the Ministry of Labour, Government of India for Employee Provident Fund exempted establishment.

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:

Changes in the Defined Benefit Obligation and Fair Value of Plan Assets as at March 31, 2018: (Rs. in Lakhs)

Particulars	April 1, 2017	Service Cost **	Net Interest Expense	Sub-total included in Profit or Loss *	Benefits Paid	Return on Plan Assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in Demographic Assumptions	Actuarial changes arising from Changes in Financial Assumptions	Experience Adjust-ments	Subtotal included in OCI	Settle-ment/ Transfer In	Contribu-tions by Employer	March 31, 2018
		Cost charged to Statement of Profit and Loss				Remeasurement gains/ (losses) in OCI							
(A) Gratuity Plan*/ ** :													
Defined Benefit Obligation	(2859.92)	(184.18)	(113.88)	(298.06)	107.04	-	-	38.70	(29.56)	9.14	-	-	(3041.80)
Fair Value of Plan Assets	2252.19	-	168.16	168.16	(95.78)	(37.67)	-	-	-	(37.67)	-	427.71	2714.61
Benefit (Liability)	**(607.73)**			**(129.90)**	**11.26**					**(28.53)**	-	**427.71**	**(327.19)**
(B) Post Retirement Medical Benefits Plan:													
Defined Benefit Obligation	(297.61)	(11.72)	(22.62)	(34.34)	8.41	-	-	7.07	(4.35)	2.72		-	(320.82)
Fair Value of Plan Assets		-	-	-	-	-	-	-	-	-	-	-	-
Benefit (Liability)	**(297.61)**			**(34.34)**	**8.41**					**2.72**		-	**(320.82**

Changes in the Defined Benefit Obligation and Fair Value of Plan Assets as at March 31, 2017:

Particulars	April 1, 2016	Service Cost **	Net Interest Expense	Sub-total included in Profit or Loss *	Benefits Paid	Return on Plan Assets (excluding amounts included in net interest expense)	Actuarial Changes arising from changes in Demographic Assumptions	Actuarial Changes arising from Changes in Financial Assumptions	Experience adjust-ments	Subtotal included in OCI	Settle-ment/ Transfer In	Contribu-tions by Employer	March 31, 2017
		Cost charged to Statement of Profit and Loss				Remeasurement gains/ (losses) in OCI							
(A) Gratuity Plan*/ ** :													
Defined Benefit Obligation	(2495.56)	(295.77)	(193.62)	(489.40)	303.53		-	-	(178.50)	(178.50)	-	-	(2859.92)
Fair Value of Plan Assets	2238.48	-	188.14	188.14	(228.61)	48.19	-	-	-	48.19		5.99	2252.19
Benefit (Liability)	**(257.08)**			**(301.26)**	**74.92**					**(130.31)**	-	**5.99**	**(607.73)**
(B) Post Retirement Medical Benefits Plan:													
Defined Benefit Obligation	(267.96)	(10.77)	(21.44)	(32.20)	8.06	-	-	-	(5.51)	(5.51)	-	-	(297.61)
Fair Value of Plan Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit (Liability)	**(267.96)**			**(32.20)**	**8.06**					**(5.51)**	-	-	**(297.61)**

*Rs. 87.01 Lakhs (Previous year Rs. 15.82 Lakhs) included in Discontinued Operations in the Statement of Profit and Loss in respect of Shipping Division of the Company {refer note 45(A)}.

** including Past Service Cost of Nil (Previous year Rs.104.70 Lakhs) in respect of Fertiliser Division of the Company.

Provident Fund:

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2018 and March 31, 2017:

(Rs. in Lakhs)

Particulars	2017 - 18			2016 - 17		
	Defined benefit obligation	Fair value of plan assets	Net benefit asset	Defined benefit obligation	Fair value of plan assets	Net benefit asset
Opening Balance	(11147.58)	11493.38	345.80	(10401.35)	10829.20	427.84
Service cost	(374.96)	-	(374.96)	(346.05)	-	(346.05)
Net interest expense	(829.96)	42.72	(787.24)	(832.11)	866.33	34.22
Benefits paid	836.24	(836.24)	-	1453.97	(1453.97)	-
Return on plan assets (excluding amounts included in net interest expense)	-	969.89	969.89	-	112.23	112.23
Actuarial changes arising from changes in financial assumptions	-	-	-	(1.48)	-	(1.48)
Experience adjustments	(216.14)	-	(216.14)	(227.01)	-	(227.01)
Settlement/ Transfer In	(2.91)	2.91	-	(21.95)	21.95	-
Contributions by plan participant / employees	(856.40)	856.40	-	(771.60)	771.60	-
Contributions by employer	-	374.96	374.96	-	346.05	346.05
Closing Balance	**(12591.71)**	**12904.02**	**312.31**	**(11147.58)**	**11493.38**	**345.80**

The Company expects to contribute Rs. 193.51 Lakhs (Previous year : Rs.195.42 Lakhs) and Rs. 482.71 lakhs (Previous year : Rs.422.49 Lakhs) to gratuity trust and provident fund respectively in the next financial year in respect of Continuing Operations of the Company.

The principal assumptions used in determining gratuity, provident fund and post-employment medical benefit obligations for the Company's plans are shown below:

Particulars	As at March 31, 2018	As at March 31, 2017
	%	%
Discount rate:		
Gratuity Plan	7.76	7.60
Provident Fund	7.76	7.60 to 8.00
Post Retirement Medical Benefits	7.76	7.60
Future Salary Increase:		
Gratuity Plan	7.50	7.00 to 7.50
Medical Cost Escalation Rate:		
Post Retirement Medical Benefits cost increase	3.00	3.00
Life expectation for:		
Post Retirement Medical Benefits		
Male	17.20	17.25
Female	21.60	21.60

A quantitative sensitivity analysis for significant assumptions as at March 31, 2018 is shown below:

Gratuity Plan:

Particulars	Year ended March 31, 2018		Year ended March 31, 2018	
Assumption	Discount rate		Future salary increase	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Lakhs)	(132.82)	133.15	134.54	(133.06)

Provident Fund:

Particulars	Year ended March 31, 2018	
Assumption	Discount rate	
Sensitivity Level	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Lakhs)	(1.53)	1.61

Post Retirement Medical Benefits Plan:

Particulars	Year ended March 31, 2018		Year ended March 31, 2018	
Assumption	Medical cost escalation rate		Discount rate	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Lakhs)	(23.80)	24.41	24.78	(23.98)

Sensitivities due to mortality & withdrawals are not material and hence impact of change is not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

A quantitative sensitivity analysis for significant assumptions as at March 31, 2017 is shown below:

Gratuity Plan:

Particulars	Year ended March 31, 2017		Year ended March 31, 2017	
Assumption	Discount rate		Future salary increase	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Lakhs)	(124.77)	134.01	136.36	(127.38)

Provident Fund:

Particulars	Year ended March 31, 2017	
Assumption	Discount rate	
Sensitivity Level	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Lakhs)	(1.56)	1.64

Post Retirement Medical Benefits Plan:

Particulars	Year ended March 31, 2017		Year ended March 31, 2017	
Assumption	Discount rate		Medical cost escalation rate	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Lakhs)	23.76	(22.94)	(22.08)	23.18

Sensitivities due to mortality & withdrawals are not material and hence impact of change is not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 14.10 years (Previous year : 14.43 years).

Investment Pattern in Plan Assets:

Particulars	Gratuity		Provident fund	
	2017-18	2016-17	2017-18	2016-17
Investments with insurers/ Government securities/ Equity shares/ Equity oriented mutual funds (%)	100%	100%	100%	100%

Maturity Profile of Defined benefit obligation: (Rs. in Lakhs)

Particulars	Within the next 12 months	Between 2 and 5 years	Between 5 and 10 years	Beyond 10 Years
As at March 31, 2018				
Gratuity Fund	417.18	570.90	694.13	1359.59
Provident Fund	2527.71	1703.00	2312.00	6049.00
Post Retirement Medical Benefits Plan	10.36	51.53	67.42	191.51
As at March 31, 2017				
Gratuity Fund	227.40	617.89	674.88	1339.75
Provident Fund	1872.00	1358.00	2239.00	5678.58
Post Retirement Medical Benefits Plan	9.29	46.45	63.74	178.13

Contribution to Defined Contribution Plans : **(Rs. in Lakhs)**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Pension Fund*	136.47	134.88
Superannuation Fund**	57.37	113.23
National Pension Scheme***	38.36	19.44

* Nil (Previous year : Rs.5.66 Lakhs) included in Discontinued Operations in the Statement of Profit and Loss in respect of Shipping Division of the Company {refer note 45(A)}.

** Nil (Previous year : Rs.14.31 Lakhs) included in Discontinued Operations in the Statement of Profit and Loss in respect of Shipping Division of the Company {refer note 45(A)}.

*** In respect of Fertiliser Division of the Company.

31. Subsidies

(a) Nitrogenous Fertilizers are under the Concession Scheme including freight as per the New Urea Policy 2015 and Uniform Freight Policy. 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 policies parameters.

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

Current year's subsidy income of Urea is inclusive of (Rs.593.87 Lakhs) (Previous year : Rs.647.54 Lakhs) being the subsidy income, pertaining to earlier years, but determined during the year.

(b) Subsidy on traded fertilisers (other than Gypsum) has been accounted for as per concession rates based on Nutrient Based Subsidy Policy as notified by the Government of India.

(c) Subsidy on City Compost has been accounted as notified by the Government of India.

32. Leases

(a) The lease payment made during the year amounts to Rs.83.89 Lakhs (Previous year : Rs.91.92 Lakhs), out of which Rs.64.68 Lakhs (Previous year : Rs.54.01 Lakhs) has been adjusted against principle and Rs.19.21 Lakhs (Previous year : Rs.37.91 Lakhs) has been shown as interest expense. 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, 2018 is as follows:

(Rs. in Lakhs)

Period	As at March 31, 2018			As at March 31, 2017		
	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	34.41	32.21	2.20	91.70	70.77	20.93
Payable after one year but not more than five years	-	-	-	38.67	36.17	2.50
Payable more than five years	-	-		-	-	-

(b) The Company has entered into Operating Lease Agreements for the premises which are non-cancellable. The lease payments recognized in the statement of profit and loss during the year amounts to Rs.678.91 Lakhs (Previous year : Rs.1032.02 Lakhs) including nil (Previous year : Rs.308.09 Lakhs) in discontinued operations in the statement of profit and loss in respect of Shipping Division of the Company (refer note 45(A)). 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, 2018 is as follows:

(Rs. in Lakhs)

Period	Minimum Lease Payments	
	As at March 31, 2018*	As at March 31, 2017 *
Payable within one year*	655.17	786.87
Payable after one year but not more than five years	1569.97	2327.97
Payable more than five years	133.95	49.36

* included nil (Previous year : Rs. 47.60 Lakhs) in respect of Shipping Division of the Company classified as held for sale and discontinued operations.

(c) The lease payments, other than cases covered in point no. (b) above i.e. non-cancellable leases, recognized in the statement of profit and loss during the year amounts to Rs.1486.00 Lakhs (Previous year : Rs.2238.10 Lakhs). 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.

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

(Rs. in Lakhs)

Particulars	2017-18	2016-17
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year {including payable for capital goods of Rs.122.66 Lakhs (Previous year : Rs.28.86 Lakhs)}.	236.26	146.74
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.	0.69	-
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.	-	-

34. The disclosures in respect of CSR Expenditure are as follows : (Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a) Gross amount required to be spent by the Company during the year	1113.06	937.80
b) Amount spent during the year on the following in cash :		
(i) Construction/ acquisition of any asset	-	-
(ii) For purposes other than (i) above	1118.50	945.83

35. Share Based Payments

Employees Stock Option Scheme (ESOS)

The shareholders of the Company had approved CFCL Employees Stock Option Scheme, 2010 on August 27, 2010 which was amended by the shareholders on September 13, 2013. Consequent upon promulgation of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("ESOP Regulations"), the shareholders of the Company had approved the revised CFCL Employees Stock Option Scheme, 2010 (ESOS) on September 15, 2015 in compliance with the ESOP Regulations. As per ESOS, 4,162,000 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 ESOP Regulations, 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-2010	22-Jan-2011	10-May-2011	17-Oct-2011	11-May-2012
Number of options granted	2,850,000	300,000	220,000	100,000	270,000
Method of settlement (cash / equity)	Equity	Equity	Equity	Equity	Equity
Exercise period*	8 years from the date of vesting	8 years from the date of vesting	8 years from the date of vesting	8 years from the date of vesting	8 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 options have been summarized below :

Particulars	2017-18	2016-17
	No. of options	No. of options
Outstanding at the beginning of the year	2,540,400	2,677,400
Granted during the year	-	-
Forfeited during the year	40,000	50,000
Exercised during the year	743,500	5,500
Expired during the year	-	81,500
Outstanding at the end of the year	1,756,900	2,540,400
Exercisable at the end of the year	-	2,495,400
Weighted average remaining contractual life (in years)	1.29	2.29
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 as under:

Tranche	Weighted Average Fair Value of Options (in Rs.)	Range of Exercise Price (in Rs.)	Number of Options Outstanding	Weighted Average remaining Contractual Life of Options (in years)	Weighted Average Exercise Price (in Rs.)
1.	31.38	73.50	1,485,000	1.15	73.50
2.	32.86	76.85	124,900	1.37	76.85
3.	38.44	82.90	70,000	1.56	82.90
4.	45.06	101.10	38,000	1.84	101.10
5.	34.97	69.40	39,000	2.27	69.40

The expense recognised for ESOS during the year is shown in the following table: (Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Expense arising from equity-settled Share-Based Payment Transactions	0.33	8.83
Total Expense arising from Share-Based Payment Transactions	**0.33**	**8.83**

Stock Options Granted

The weighted average fair value of stock options granted is Rs.32.54 per option (Previous year Rs. 32.54 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	37.12%	37.30%	37.46%	38.09%	37.94%
Life of the Options granted (vesting and exercise period) in years	1.15	1.37	1.56	1.84	2.27
Average Risk-Free Interest rate	7.71%	7.72%	7.73%	7.76%	7.79%
Expected Dividend Yield	3.45%	3.45%	3.45%	3.45%	3.45%

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 Limited over a period prior to the date of grant, corresponding with the expected life of the options.

In financial year 2010-11, CFCL Employees Welfare Trust ("ESOP Trust") was constituted, *inter alia*, for the purpose of subscribing or acquiring equity shares of the Company 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 Employee stock option scheme. The Board of Directors at its meeting held on May 08, 2010 had approved grant of financial assistance upto Rs.3000.00 Lakhs by the Company to ESOP Trust in such manner and on such terms as agreed between the trustee(s) of the ESOP Trust and Managing Director of the Company for the purpose of subscribing or acquiring shares of the Company. ESOP Trust is holding 16,96,900 equity shares (Previous year : 22,47,902 equity shares) of the Company which were purchased from the open market.

36. Interest on income tax refund has been recognized, 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).

37. The current tax is net of tax on dividend received from a foreign subsidiary to the extent of dividend distribution tax on dividend distributed to shareholders of the Company as per the provisions of Section 115-O of the Income Tax Act,1961.

38. The Company has, during the year, accounted for income tax credit of Nil (Previous year : Rs.52.75 Lakhs) against income tax paid on profits by its subsidiary - M/s India Steamship Pte. Ltd., Singapore in proportion to the dividend received from the said subsidiary. The income tax credit is available in line with Article 25(2) of the Double Taxation Avoidance Agreement between India and Singapore.

39. Income Tax Expense

The major components of income tax expense are:

Profit or Loss section (Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(i) Continuing Operations		
Current Income Tax:		
Current income tax charge	21157.91	16480.44
Less: Capitalisation of current tax (refer note 27)	(60.08)	(92.39)
Adjustments in respect of current income tax of earlier years	109.41	(62.04)
Deferred Tax:		
Relating to origination and reversal of temporary differences	2932.54	1792.82
Add: Capitalisation of deferred tax (refer note 27)	60.08	92.39
Add: Deferred tax reclassified from Statement of Changes in Equity	164.24	
Income Tax Expense reported in the Statement of Profit and Loss for Continuing Operations (i)	**24364.10**	**18211.22**
(ii) Discontinued Operations		
Current Income Tax:		
Current Income Tax Charge	(20.39)	472.46
Deferred Tax:		
Relating to origination and reversal of temporary differences	539.10	(7997.25)
Income Tax Expense reported in the Statement of Profit and Loss for Discontinued Operations (ii)	518.71	(7524.79)
Total Income Tax Expense reported in the Statement of Profit and Loss (i + ii)	**24882.81**	**10686.43**

Other Comprehensive Income (OCI) section

Tax related to items recognised in OCI: (Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net (Gain)/ Loss on re-measurement of Defined Benefit Plans	(9.02)	(47.00)
Net (Gain)/ Loss on translation of Foreign Operation	-	(42.66)
Net (Gain)/ Loss on Effective Portion of Exchange Differences on Hedging Instruments - Current Tax	(640.82)	-
Net (Gain)/ Loss on Effective Portion of Exchange Differences on Hedging Instruments - Deferred Tax	(482.80)	-
Income Tax Charged/ (Credited) to OCI	**(1132.64)**	**(89.66)**

Reconciliation of Tax Expense and the accounting profit multiplied by India's domestic tax rate: (Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Accounting profit before tax from Continuing operations	72013.47	61650.49
Profit/ (loss) before tax from Discontinued Operations	886.43	(8453.97)
Accounting Profit before Income Tax	**72899.90**	**53196.52**
At India's Statutory Income Tax rate of 34.608% (Previous year : 34.608%)	25229.20	18410.25
Adjustments in respect of Current Income Tax of earlier years	109.41	(62.04)
	25338.61	**18348.21**

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Tax effects of amount which are not deductible (taxable) in calculating taxable income-		
Fair Value Gain on Investment at Fair Value through Profit or Loss	-	(280.62)
CSR Expenditure	263.94	171.25
Weighted Deduction u/s 35AD of Income Tax Act, 1961	-	(45.70)
Deduction u/s 32AC of Income Tax Act, 1961	-	(836.29)
Difference in tax rate on Dividend Income from specified foreign companies	(198.05)	(597.30)
Difference in tax rate as per Finance Act, 2018	208.78	-
Dividend Income from specified foreign subsidiary company to the extent of dividend distribution tax on dividend distributed to shareholders of the Company as per the provisions of Section 115-O of the Income Tax Act,1961	(28.03)	(233.66)
Income Tax Credit availed in line with Article 25(2) of the Double Taxation Avoidance Agreement between India and Singapore	-	(52.75)
Realisation of Short Term Capital Loss to reduce the Current Tax Expense	(5570.31)	(998.42)
Realisation of Long Term Capital Loss to reduce the Current Tax Expense	-	(184.81)
Gain on reduction of Share Capital of a Subsidiary Company	-	(66.93)
Deferred Tax Asset recognised on unused Short Term Capital Loss to be realised against the short term capital gain on sale of ships	4604.43	(4604.43)
Other Non-Deductible Expenses	263.44	67.88
At the Effective Income Tax rate of 34.13% (Previous year : 20.09%)	**24882.81**	**10686.43**
Income Tax Expense reported in the Statement of Profit and Loss	24364.10	18211.22
Income Tax attributable to a Discontinued Operations	518.71	(7524.79)
	24882.81	**10686.43**

Deferred Tax

Deferred tax relates to the following: (Rs. in Lakhs)

Particulars	Balance Sheet		Statement of profit and loss	
	As at March 31, 2018	As at March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Deferred Income Tax Liabilities				
Property, Plant and Equipment (including other intangible assets)	21553.54	24961.45	(3407.91)	(752.85)
Interest Income from Income tax refund, VAT refund etc. accrued in the books, to be offered to tax in the year of realisation	163.86	-	163.86	-
Effects of Expenditure allowed under Income Tax Act, 1961 but to be charged in the statement of profit and loss in subsequent year	2360.26	-	2360.26	-
Total Deferred Income Tax Liabilities	**24077.66**	**24961.45**	**(883.79)**	**(752.85)**
Deferred Income Tax Assets				
Effects of Expenditure debited to Statement of Profit and Loss in the current year/ earlier years but allowable in subsequent year	557.37	724.94	(167.57)	688.62
Derivatives at Fair Value through Profit or Loss	-	22.62	(22.62)	(101.70)
Allowance for Doubtful Debts and Advances	648.23	346.69	301.54	54.53
Leave Encashment	945.17	882.25	62.92	94.88

Particulars	Balance Sheet		Statement of profit and loss	
	As at March 31, 2018	As at March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Gratuity	120.82	166.45	(45.63)	110.83
Carry Forward of Short Term Capital Loss	-	4604.43	(4604.43)	4604.43
Deferred Tax on Cash Flow Hedge	482.80	-	482.80	-
Re-Measurement Gain/ (Loss) on Defined Benefit Plans	9.02	43.87	(34.85)	47.00
Exchange Differences on translation of Foreign Operation	-	(164.24)	164.24	42.65
Deferred Tax Income			**(2979.81)**	**6294.09**
Total Deferred Income Tax Assets	**2763.41**	**6627.01**		
Net Deferred Tax Liabilities	**21314.25**	**18334.44**		

Reconciliation of Deferred Tax Liabilities (Net): (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	18334.44	24628.53
Tax (Income)/ expense during the year recognised in Profit or Loss	3531.71	(6112.04)
Tax (Income) during the year recognised in OCI	(491.82)	(89.66)
Tax (Income) during the year recognized in 'Capital-Work-in-Progress' (refer note 27)	(60.08)	(92.39)
Closing Balance	**21314.25**	**18334.44**

During the year ended March 31, 2018 and March 31, 2017, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence, DDT paid is charged to equity.

The Company has long term/ short term capital losses to the tune of Rs. 51440.71 Lakhs (Previous year: Rs.54264.58 Lakhs) that are available for offsetting for six to eight years against future taxable profits (long term/ short term) of the Company. Deferred tax assets have not been recognised in respect of above losses in the year 2017-18 as there are no other tax planning opportunities or other evidence of recoverability in the near future.

40. Fair Values

The management assessed that fair value of financial assets and liabilities approximates their carrying amount.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

(i) Derivative financial instruments - The fair value of foreign exchange forward contracts is determined using the foreign exchange spot and forward rates at the balance sheet date. The fair value of foreign currency option contracts is determined using the Black Scholes valuation model. The derivatives are entered into with the banks / counterparties with investment grade credit ratings.

(ii) Security deposits / Employee loans - The fair value of security deposits / employee loans approximates the carrying value and hence, the valuation technique and inputs have not been given.

(iii) Floating rate borrowings / Finance lease obligation - The fair values of the Company's interest bearing borrowings are determined by using discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2018 was assessed to be insignificant.

(iv) The carrying amount of bank deposits, trade receivables, cash and cash equivalents, investment at amortised cost, other current financial assets, trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.

(v) The fair value of investments carried at fair value through profit and loss is determined using income and market approach.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis has not been performed as the amount is not material.

41. Fair Value Measurements

(i) Financial Instruments by Category

(Rs. in Lakhs)

Particulars	As at March 31, 2018			As at March 31, 2017		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial Assets						
Investments-						
-Preference Shares	118.73	-	-	118.73	-	-
-Equity Shares	2.00	-	-	2.00	-	-
-Government Securities	-	-	0.26	-	-	0.26
-Bonds & Debentures	-	-	0.22	-	-	0.22
Loans	-	-	117.70	-	-	155.88
Security Deposits	-	-	799.26	-	-	409.92
Trade Receivables	-	-	251569.52	-	-	302314.64
Cash and Cash Equivalents	-	-	5481.64	-	-	8529.03
Bank Balances other than above	-	-	1442.40	-	-	1879.93
Derivative Financial Assets	15.80	-	-	503.60	-	-
Other Receivables	-	-	22512.33	-	-	12133.00
Total Financial Assets	**136.53**	**-**	**281923.33**	**624.33**	**-**	**325422.88**
Financial Liabilities						
Borrowings - Floating Rate	-	-	315648.47	-	-	107386.19
Finance Lease Obligation	-	-	32.21	-	-	106.94
Borrowings - Fixed Rate	-	-	245218.47	-	-	307758.94
Trade Payables	-	-	31058.79	-	-	22735.56
Derivative Financial Liabilities	5.67	-	-	5700.89	-	-
Payable for Capital Goods	-	-	21663.30	-	-	18012.58
Others	-	-	14629.95	-	-	13242.38
Total Financial Liabilities	**5.67**	**-**	**628251.19**	**5700.89**	**-**	**469242.59**

(ii) Fair Value Hierarchy

The following table provides the Fair Value Measurement hierarchy of the Company's Assets and Liabilities.

Quantitative Disclosures, Fair Value Measurement Hierarchy for Assets as at March 31, 2018: (Rs. in Lakhs)

Particulars	Fair Value Measurement using				
	Date of Valuation	Total	Quoted Prices in Active Markets	Significant observable Inputs	Significant Unobservable Inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at Fair Value:					
Foreign Currency Option Contracts	31.03.2018	15.80	-	15.80	-
Investment in Preference Shares	31.03.2018	118.73	-	-	118.73
Assets for which Fair Values are disclosed (refer note 40)					
Investment in Equity Instruments	31.03.2018	2.00	-	-	2.00
Government Securities	31.03.2018	0.06	-	0.06	-
Bonds & Debentures	31.03.2018	0.22	-	0.22	-
Employee Loans	31.03.2018	93.78	-	93.78	-
Security Deposits	31.03.2018	303.57	-	303.57	-

There have been no transfers between level 1 level 2 and level 3 during the period.

Quantitative Disclosures Fair Value Measurement Hierarchy for Liabilities as at March 31, 2018: (Rs. in Lakhs)

Particulars	Fair Value Measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Liabilities measured at Fair Value					
Derivative Financial Liabilities	31.03.2018	5.67	-	5.67	-
Liabilities for which Fair Values are disclosed (refer note 40)					
Floating Rate Borrowings	31.03.2018	315648.47	-	315648.47	-
Finance Lease Obligation	31.03.2018	32.21	-	32.21	-
Other Payables	31.03.2018	-	-	-	-

There have been no transfers between level 1, level 2 and level 3 during the period.

Quantitative Disclosures, Fair Value measurement Hierarchy for assets as at March 31, 2017: (Rs. in Lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at Fair Value					
Foreign Currency Option Contracts	31.03.2017	503.60	-	503.60	-
Investment in Preference Shares	31.03.2017	118.73	-	-	118.73
Assets for which Fair Values are disclosed (refer note 40)					
Investment in Equity Instruments	31.03.2017	2.00	-	-	2.00
Government Securities	31.03.2017	0.26	-	0.26	-
Bonds & Debentures	31.03.2017	0.22	-	0.22	-
Employee Loans	31.03.2017	123.61	-	123.61	-
Security Deposits	31.03.2017	348.75	-	348.75	-

There have been no transfers between level 1, level 2 and level 3 during the period.

Quantitative Disclosures, Fair Value Measurement hierarchy for liabilities as at March 31, 2017: (Rs. in Lakhs)

Particulars	Fair Value Measurement using				
	Date of Valuation	Total	Quoted prices in Active Markets	Significant Observable Inputs	Significant Unobservable Inputs
			(Level 1)	(Level 2)	(Level 3)
Liabilities measured at Fair Value					
Derivative Financial Liabilities	31.03.2017	5700.89	-	5700.89	-
Liabilities for which Fair Values are disclosed (refer note 40)					
Floating rate Borrowings	31.03.2017	107386.19	-	107386.19	-
Finance Lease Obligation	31.03.2017	106.94	-	106.94	-
Other Payables	31.03.2017	190.25	-	190.25	-

There have been no transfers between level 1 level 2 and level 3 during the period.

42. Financial Risk Management Objectives and Policies

The Company's principal financial liabilities, other than derivatives, comprises of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company also holds investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The management of these risks is carried out by finance department under policies approved by the Board of Directors. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board of Directors reviews overall risks periodically.

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, investments, other receivables, other payables and derivative financial instruments. The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations, provisions and other non-financial assets and liabilities of foreign operation.

The following assumptions have been made in calculating the sensitivity analysis:

-The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings affected. With all other variables held constant the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Rs. in Lakhs)

Particulars	Increase/Decrease in basis points	Effect on Profit before Tax
March 31, 2018		
USD Borrowings	+50	(142.24)
USD Borrowings	-50	142.24
INR Borrowings	+50	(8.63)
INR Borrowings	-50	8.63
March 31, 2017		
USD Borrowings	+50	(129.02)
USD Borrowings	-50	129.02

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates to short term borrowings taken against the Company's import of traded fertilisers and long term foreign currency borrowing taken for new Urea project.

The Company manages its foreign currency risk on short term borrowings by usually taking option and forward contracts.

During the financial year, the Company has adopted hedge accounting on foreign currency risk associated with highly forecasted sale transaction from new Urea project which is being hedged through foreign currency borrowings. Hedge accounting is applied to remove the accounting mismatch between the hedging instrument and hedged item. The effective portion of the change in the fair value of the hedging instrument is deferred into cash flow hedge reserve through OCI and will be recognised in profit or loss when the hedge item affects profit or loss.

Foreign Currency Sensitivity

The company exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

For the year ended March 31, 2018 (Rs. in Lakhs)

Currency	Financial Assets		Financial Liabilities				Net Exposure to Foreign Currency
	Receivable from Subsidiary Companies / Joint Venture	Other Receivables	Trade Payables	Bank Loan	Derivative Financial Liabilities	Interest accrued but not due on Borrowings	
USD	2.00	12.88	1.46	5965.68	1165.06	10.83	(7128.15)
EURO	-	0.18	-	-	-	-	0.18

For the year ended March 31, 2017 (Rs. in Lakhs)

Currency	Financial Assets		Financial Liabilities				Net Exposure to Foreign Currency
	Receivable from Subsidiary Companies / Joint Venture	Other Receivables	Trade Payables	Bank Loan	Derivative Financial Liabilities	Interest accrued but not due on Borrowings	
USD	5.28	11.27	83.14	3582.22	1557.07	4.24	(5210.12)
SGD	9.70	1.29					10.99
AUD		0.25					0.25
EURO		0.01					0.01
AED		0.05					0.05
KW		0.03					0.03
MYR		0.06					0.06
GBP		0.02					0.02
NOK		0.01					0.01
CAD		0.01					0.01
YUAN (CNY)		1.45					1.45

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with INR with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

(Rs. in Lakhs)

Particulars	Effect on profit before tax March 31, 2018	Effect on profit before tax March 31, 2017	Effect on Other Comprehensive Income March 31, 2018	Effect on Other Comprehensive Income March 31, 2017
USD Sensitivity				
INR/USD increase by 5%	(652.12)	(4610.29)	15084.66	-
INR/USD decrease by 5%	652.12	6796.77	(15084.66)	-
SGD Sensitivity				
INR/SGD increase by 5%	(0.06)	20.85	-	-
INR/SGD decrease by 5%	0.06	(20.85)	-	-
AUD Sensitivity				
INR/AUD increase by 5%	-	(0.65)	-	-
INR/AUD decrease by 5%	-	0.65	-	-
EURO Sensitivity				
INR/EURO increase by 5%	(0.74)	(0.03)	-	-
INR/EURO decrease by 5%	0.74	0.03	-	-

Particulars	Effect on profit before tax March 31, 2018	Effect on profit before tax March 31, 2017	Effect on Other Comprehensive Income March 31, 2018	Effect on Other Comprehensive Income March 31, 2017
AED Sensitivity				
INR/AED increase by 5%	-	(0.05)	-	-
INR/AED decrease by 5%	-	0.05	-	-
KW Sensitivity				
INR/KW increase by 5%	-	(0.38)	-	-
INR/KW decrease by 5%	-	0.38	-	-
MYR Sensitivity				
INR/MYR increase by 5%	-	(0.05)	-	-
INR/MYR decrease by 5%	-	0.05	-	-
GBP Sensitivity				
INR/GBP increase by 5%	-	(0.10)	-	-
INR/GBP decrease by 5%	-	0.10	-	-
NOK Sensitivity				
INR/NOK increase by 5%	-	(0.03)	-	-
INR/NOK decrease by 5%	-	0.03	-	-
CAD Sensitivity				
INR/CAD increase by 5%	-	(0.02)	-	-
INR/CAD decrease by 5%	-	0.02	-	-
YUAN (CNY) Sensitivity				
INR/YUAN increase by 5%	-	(0.71)	-	-
INR/YUAN decrease by 5%	-	0.71	-	-

Impact of Hedging Activities

Disclosure of effects of hedge accounting on Financial Position and Financial Performance:

(a) Financial Position (Rs. in Lakhs)

As at March 31, 2018									
Type of Hedge & Risks	Nominal Value		Carrying amount of Hedging Instrument		Maturity Date	Hedge Ratio*	Weighted Average Strike Price/Rate	Changes in Fair value of Hedging Instrument	Change in the value of Hedged Item used as the basis for recognising Hedge Effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash Flow Hedge-									
Foreign Exchange Risk:									
Foreign Currency Loans	-	298148.47	-	298148.47	30.09.2027	1:1	USD 1 : INR 64.48	3233.30	(3233.30)

* The entire amount of Foreign Currency Loans taken for upcoming urea manufacturing plant has been designated as hedging instrument against highly probable forecasted revenue being hedged item from upcoming Urea manufacturing plant, therefore the hedge ratio is 1:1.

(b) Financial Performance **(Rs. in Lakhs)**

Year ended March 31, 2018				
Type of Hedge	**Change in the value of the Hedging Instrument recognised in Other Comprehensive Income**	**Hedge ineffectiveness recognised in Profit or Loss**	**Amount reclassified from Cash Flow Hedging Reserve to Profit or Loss**	**Line item affected in Statement of Profit and Loss because of the reclassification**
Cash Flow Hedge				
Foreign Exchange Risk	(3233.30)	-	-	Not Applicable

Movements in Cash Flow Hedging Reserve (Rs. in Lakhs)

Risk Category	Foreign Currency Risk	Total
Derivative Instruments		
Cash Flow Hedging Reserve		
As at April 01, 2017	-	-
Add: Changes in Foreign Currency Loans	(3233.30)	**(3233.30)**
Less: Amounts reclassified to profit or loss	-	-
Less: Current Tax relating to above	640.82	**640.82**
Less: Deferred Tax relating to above	482.80	**482.80**
As at March 31, 2018	(2109.68)	**(2109.68)**

(c) Commodity price risk

The Company's operating activities require the ongoing purchase of natural gas and other imported fertilisers.

(i) Natural gas being an international commodity is subject to price fluctuation on account of the change in the crude oil prices, demand supply pattern of natural gas and exchange rate fluctuations. The Company is not affected by the price volatility of the natural gas as under the Urea pricing formula, the cost of natural gas is pass through if the consumption of natural gas is within the permissible norms for manufacture of Urea.

(ii) The Company deals in imported fertilisers (i.e. DAP, MOP and NPK), which are imported by the Company and sold in the domestic market. The import prices of these goods are governed by international prices. There is a price and material availability risk, which may not be in line to meet the domestic market requirement. The risk, is also with domestic manufacturers whose costing is based on majorly imported raw materials and small value-add. However, a dynamic alignment of procurement to sales and constant review of market conditions and competitors costing help in mitigating the impact.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

a) Trade receivables

The Company's receivables can be classified into two categories, one is from the customers/ dealers in the market and second one is from the Government of India in the form of subsidy. As far as Government portion of receivables is concerned, credit risk is Nil. In respect of market receivables from the customers/ dealers, the Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company has also taken security deposits from its customers, which mitigate the credit risk to some extent.

b) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department. Credit risk arising from investment in mutual funds, bonds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies. The Company does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

(iii) Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Rs. in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	3-5 years	> 5 years	Total
As at March 31, 2018						
Borrowings	245218.47	24202.45	50572.23	104140.98	140277.45	564411.58
Finance Lease Obligation	32.21	-	-	-	-	32.21
Other Financial Liabilities	14635.62	-	-	-	-	14635.62
Trade and Other Payables	52722.09	-	-	-	-	52722.09
	312608.39	**24202.45**	**50572.23**	**104140.98**	**140277.45**	**631801.50**
As at March 31, 2017						
Borrowings	307758.94	-	6486.80	32936.14	69312.01	416493.89
Finance Lease Obligation	70.77	36.17	-	-	-	106.94
Other Financial Liabilities	18942.77	0.50	-	-	-	18943.27
Trade and Other Payables	40557.89	190.25	-	-	-	40748.14
	367330.37	**226.92**	**6486.80**	**32936.14**	**69312.01**	**476292.24**

43. Capital Management

The Company objective while managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefit for other stakeholder. The Company will maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return the capital to shareholders, issue new shares or sell assets to reduce debt.

The Capital Structure of the Company is as follows: (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Equity Share Capital	41620.79	41620.79
Other Equity	248221.12	211903.40
Debts (Long term and Short term both)*	560866.94	415181.30
Total	**850708.85**	**668705.49**

*The Company is setting up brownfield Ammonia Urea expansion project namely Gadepan III ('Project') to produce 13.40 Lakhs MT of Urea. The above debt includes Rs.298148.47 Lakhs towards the Project, which is scheduled to commence production in the next Financial Year 2018-19. Majority of the balance debt is towards working capital requirement.

Under the terms of the borrowings facilities pertaining to Project, the Company is required to comply with certain financial covenants from Financial Year 2019 -20 onwards.

44. Distribution made and proposed (Rs. in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Cash dividend on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2017 Rs.1.90 per share	7907.95	7908.01
Dividend distribution tax (DDT) on final dividend	1609.87	1609.89
Total	**9517.82**	**9517.90**

(Rs. in Lakhs)

Particulars	March 31, 2018	March 31, 2017
Proposed dividend on equity shares:		
Dividend for the year ended on March 31, 2018 Rs.1.90 per share (Previous year: Rs.1.90 per share)	7907.95	7908.00
DDT on dividend	1609.87	1609.89
Total	**9517.82**	**9517.89**

Proposed dividend on equity shares is subject to approval at the annual general meeting and is not recognised as a liability (including DDT thereon) as at March 31, 2018 and March 31, 2017.

45. (A) Discontinued Operations

The break up of the discontinued operations, which pertains to Shipping Division, as shown on the face of statement of profit and loss is as under:

(Rs. in Lakhs)

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a)	**Profit/ (loss) before tax**		
	(i) Shipping Division	886.43	(8453.97)
	Total	**886.43**	**(8453.97)**
(b)	**Income Tax expense/ (credit)**		
	(i) Shipping Division	518.71	(7524.79)
	Total	**518.71**	**(7524.79)**
(c)	**Profit/ (loss) after tax**		
	(i) Shipping Division	367.72	(929.18)
	Total	**367.72**	**(929.18)**

As at March 31, 2017 the management of the Company was actively seeking a buyer for the sale of all the 4 (four) ships of the Shipping Division. During the year, the Company has entered into agreements for sale of all the ships. Therefore, the associated assets and liabilities of the Shipping Division were consequently presented as held for sale in financial statements for the year ended March 31, 2017. The division was classified as 'discontinued operations' as per Ind AS 105. The last ship owned by the Company was delivered to the buyer on September 07, 2017. The disposal is consistent with the Company's long term policy to focus its activities on the Fertiliser and other Agri inputs business.

The financial information relating to the discontinued operations is set out below:

(a) Financial performance and cash flow information

The financial performance and cash flow information are as follows: (Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue	6856.81	29644.58
Less: Expenses	5567.72	21791.14
Less: Finance costs	355.47	1763.91
Less: Depreciation and Amortisation expense	47.19	4198.55
Less: Impairment Loss on Ships	-	10344.95
Profit / (Loss) Before Tax	**886.43**	**(8453.97)**
Tax Expense / (Credit)	518.71	(7524.79)
Profit / (Loss) from Discontinued Operations	**367.72**	**(929.18)**

The Net Cash Flows attributable to the Discontinued Operations are as below:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Operating Activities	3224.37	9171.38
Investing Activities	55916.56	14462.56
Financing Activities	(59276.27)	(23388.35)
Net Cash Inflows / (Outflows)	**(135.34)**	**245.59**

The carrying amounts of the major categories of Assets and Liabilities of the Discontinued Operations are as follows-

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Property, Plant and Equipment (Ships) *	-	56275.98
Inventories	-	1064.59
Trade Receivables (Net of Allowance for Doubtful Debts Nil, Previous year: Rs.41.13 Lakhs)	-	2705.31
Cash and Cash Equivalents	-	252.56
Other Bank Balances	-	0.15
Others Assets (Net of Allowance for Doubtful Advances of Nil, Previous year: Rs.193.12 Lakhs)	-	924.68
Total Assets classified as Held for Sale	-	**61223.27**
Borrowings	-	48980.40
Trade Payables	-	2119.43
Other Liabilities	-	534.35
Total Liabilities directly associated with Assets classified as Held for Sale	-	**51634.18**
Net Assets	-	**9589.09**

* Information of Property, Plant and Equipment classified as 'Assets Held for Sale'

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Net Book Value transfer from Property, Plant and Equipment (refer note 3)	-	80263.42
Carrying Amount of Fair Valuation Loss (refer note 3)	-	(11703.48)
Impairment Loss {refer note above}	-	(10344.95)
Foreign Currency Translation Reserve	-	(1939.01)
	-	**56275.98**

Write-down of Property, Plant and Equipment and Intangible Assets

During the previous year immediately before the classification of Shipping Division as discontinued operations, the recoverable amount was estimated for certain items of property, plant and equipment and intangible assets and a write-down of Rs.127.73 Lakhs was recognised to reduce the carrying amount of the assets in the disposal group to their fair value less costs to sell. This was recognised in Discontinued Operations in the Statement of Profit and Loss.

Allowance for Doubtful Debts and Advances

During the previous year immediately before the classification of Shipping Division as a discontinued operation, the recoverable amount was estimated for trade and other receivables and an allowance of Rs.215.85 lakhs was recognised to reduce the carrying amount of these assets in the disposal group to their net realisable value. This was recognised in Discontinued Operations in the Statement of Profit and Loss.

45. (B) Assets classified as Held for Sale (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Property, Plant and Equipment classified as Held for Sale :		
- Plant and Equipment *	**40.35**	143.24
(b) Assets of Discontinued Operations {refer note 45(A) above}:		
- Shipping Division	**-**	61223.27
Total	**40.35**	61366.51

* net of loss of Rs.14.81 Lakhs (Previous year : Rs.17.68 Lakhs) for write down of the asset of Property, Plant and Equipment.

46. Disclosure required under Section 186 (4) of the Companies Act, 2013

(a) The Company has not granted any loan during the financial year ended March 31, 2018 under section 186 of the Companies Act, 2013.

(b) Particulars of Guarantee given: (Rs. in Lakhs)

S. No.	Name of the Entity	Guarantee given during the financial year*		Outstanding Balance as at		Purpose
		2017-18	2016-17	March 31, 2018	March 31, 2017	
1.	ISGN Corporation, USA	11080.60	11025.18	11080.60	11025.18	To secure the line of credit availed from the bank.

* Tenure of guarantee being extended from time to time.

(c) Particulars of Investments made: (Rs. in Lakhs)

S. No.	Name of the Investee	Investment made during the financial year		Outstanding Balance as at	
		2017-18	2016-17	March 31, 2018	March 31, 2017
1.	Investment made in corporate bonds	265751.01	343134.42	-	-

The details of Investment of the Company are given in note no. 5A.

47. List of Subsidiaries and Joint Venture with Ownership % and Place of Business :

Name of the investees	Principal Place of Business	Proportion of Ownership as at 31.03.2018	Proportion of Ownership as at 31.03.2017	Method used to account for the investment
Subsidiaries				
Chambal Infrastructure Ventures Limited	India	100.00%	100.00%	Deemed cost
India Steamship Pte. Limited	Singapore	100.00%	100.00%	Deemed cost
India Steamship Limited	India	100.00%	100.00%	Deemed cost
India Steamship International FZE, UAE	UAE	100.00%	100.00%	Deemed cost
CFCL Ventures Limited (CVL) *	Cayman Islands	72.27%	72.27%	Deemed cost/ Fair Value
Subsidiaries of CVL				
ISGN Corporation, USA	U.S.A	100.00%	100.00%	
ISG Novasoft Technologies Limited	India	100.00%	100.00%	
Inuva Info Management Private Limited	India	71.00%	71.00%	
Joint Venture				
Indo Maroc Phosphore S.A, (IMACID) Morocco	Morocco	33.33%	33.33%	Deemed cost

* In case of equity investment at deemed cost, whereas investment in preference shares at fair value.

48. With effect from April 01, 2017, the Company has re-assessed residual value and useful lives of certain plant and equipment of Fertiliser and other Agri-inputs division of the Company. According to the management, the revised residual value and useful lives of such plant and equipment properly reflects the carrying value and period over which the same is expected to be used. In view of these changes, depreciation for the year ended March 31, 2018 is lower by Rs.786.00 Lakhs.

49. The Company is in the process of setting up a new Urea plant namely Gadepan III ('Project') under the New Investment Policy 2012 (amended) at its existing plant location at Gadepan, Kota (Rajasthan) and the contracts for the Project had been awarded on a Lumpsum Turnkey (LSTK) basis. The milestone based payments are being made to the LSTK contractors for the purpose of accomplishment of the Project. The entire amount paid to LSTK contractors for the Project on the basis of achievement of milestones of Rs.359322.79 Lakhs as at March 31, 2018 (Previous year : Rs.148681.38 Lakhs) is included under 'Capital work-in-progress'.

50. Changes in Financial Liabilities arising from Financing Activities

Particulars	March 31, 2017	Receipt	Repayment	Foreign Exchange Variation (Net)	Foreign Currency Translation	Transaction cost & Others	March 31, 2018
Long Term Borrowings	156365.16	207639.14	(48577.28)	2819.04	(487.80)	(2109.79)	315648.47
Short Term Borrowings	184170.58	-	(26101.87)	-	-	-	158068.71
Buyers Credit	123589.79	221505.80	(260213.75)	2267.92	-	-	87149.76
Finance Lease Obligation	106.94	-	(64.68)	-	-	(10.05)	32.21
Total	**464232.47**	**429144.94**	**(334957.58)**	**5086.96**	**(487.80)**	**(2119.84)**	**560899.15**

51. Disclosure on Specified Bank Notes (SBNs)

The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 has not been made since the requirement does not pertain to financial year ended March 31, 2018. Corresponding amounts as appearing in the audited financial statements for the financial year ended March 31,2017 are as under:

(Rs. in Lakhs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	2.66	0.69	3.35
(+) Permitted receipts	-	17.02	17.02
(-) Permitted payments	-	(14.29)	(14.29)
(-) Amount deposited in Banks	(2.66)	(0.01)	(2.67)
Closing cash in hand as on 30.12.2016	-	3.41	3.41

52. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) **Property, Plant and Equipment**

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

b) **Income Taxes**

Deferred Tax Assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has Rs. 51440.71 Lakhs (Previous year: Rs.54264.58 Lakhs) of carried forward tax losses on account of long term/ short term capital losses. These losses mainly relate to the loss on voluntary liquidation of a subsidiary of the Company and merger of a subsidiary of the Company with its wholly owned subsidiary and will expire in 5 to 7 years and may be used to offset taxable income arising in the future. At present, the Company does not have any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognise deferred tax assets on the tax losses carried forward. If the Company would have been able to recognise all unrecognised deferred tax assets, profit and equity would have increased by Rs.14318.82 Lakhs (Previous year: Rs.15177.32 Lakhs). Further details on taxes are disclosed in note 39 to the financial statements.

c) **Defined Benefit Plans**

The cost of the defined benefit gratuity plan, post-employment medical benefits and other defined benefit plans and the present value of the obligation of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for defined benefit plans, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on the expected future inflation rates. Further details about the defined benefit plans are given in note 30 to the financial statements.

d) **Revenue**

The Company's revenue includes subsidy claims, part of which are pending notification / final implementation by 'Fertiliser Industry Coordination Committee' (FICC), Government of India. As per management estimates, there is reasonable certainty based on Government of India policy and past experience that claims will be notified in due course. On issuance of notification by FICC, Government of India, the adjustments, if any, to revenue are not expected to be significant.

e) **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets their fair value is measured using valuation techniques including discounted cash flow method. The inputs to these models are taken from observable markets wherever possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Further disclosures in this regard are given in note 41.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/ N500016

Anupam Dhawan

Partner
Membership No - 084451

Place : New Delhi
Date : May 10, 2018

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

Anil Kapoor
Managing Director

Saroj Kumar Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Vice President - Legal & Secretary

Place : New Delhi
Date : May 10, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Chambal Fertilisers and Chemicals Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Chambal Fertilisers and Chemicals Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture; (refer Note 51 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its joint venture in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) made under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture respectively 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 controls, 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, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing as specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS 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 Group and its joint venture as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

8. We did not audit the financial statements and other financial information of certain subsidiaries whose financial statements and other financial information include total assets of Rs. 11258 lakhs and net assets of Rs. (95139) lakhs as at March 31, 2018, total

revenue of Rs. 7990 lakhs, total comprehensive income (comprising of profit/ loss and other comprehensive income) of Rs. (1573) lakhs and net cash outflows amounting to Rs. (1614) lakhs for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. The Consolidated Ind AS Financial Statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 3925 lakhs for the year ended March 31, 2018 as considered in the Consolidated Ind AS Financial Statements, in respect of a joint venture, whose financial statements and other financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the Consolidated Ind AS Financial Statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, and joint venture, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

9. The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 20, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by Section143(3) of the Act, we report, to the extent applicable, 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 purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.

(b) In our opinion, proper books of account as required by law maintained by the Holding Company, and its subsidiaries included in the Group incorporated in India including relevant records relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiaries incorporated in India included in the Group, including the records maintained by the Holding Company relating to the preparation of the Consolidated Ind AS Financial Statements.

(d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) made under Section 133 of the Act.

(e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2018 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a Director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' 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:

i. The Consolidated Ind AS Financial Statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group and its joint venture - Refer Note 27(i) to the Consolidated Ind AS Financial Statements.

ii. The Group and its joint venture had long-term contracts including derivative contracts as at March 31, 2018 for which there were no material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2018. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India during the year ended March 31, 2018.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Anupam Dhawan
Partner
Membership Number: 084451

Place : New Delhi
Date : May 10, 2018

Annexure A to Independent Auditor's Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Chambal Fertilisers and Chemicals Limited on the Consolidated Ind AS Financial Statements for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Chambal Fertilisers and Chemicals Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's and its subsidiaries, which are companies incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to certain subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Anupam Dhawan
Partner
Membership Number: 084451

Place : New Delhi
Date : May 10, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(Rs. in Lakhs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	116629.12	109569.72
Capital Work-in-Progress	29 & 50	412857.92	170587.91
Goodwill	4	3407.13	3390.14
Other Intangible Assets	4	3351.35	3242.49
Intangible Assets under Development		604.95	631.88
Investment in a Joint Venture	37(a)	20705.60	17355.22
Financial Assets:	5		
i. Investments	5A	2.48	2.48
ii. Loans	5B	93.78	123.61
iii. Other Financial Assets	5C	804.88	828.97
Deferred Tax Assets (Net)	44	128.62	35.19
Income Tax Assets (Net)		5598.68	5667.74
Other Non-Current Assets	6	4834.98	7291.55
Total Non-Current Assets		**569019.49**	**318726.90**
Current Assets			
Inventories	7	79510.48	84935.25
Financial Assets:	8		
i. Trade Receivables	8A	253469.27	303619.88
ii. Cash and Cash Equivalents	8B	6291.94	10944.07
iii. Bank Balances other than (ii) above	8C	1472.56	2269.66
iv. Loans	8D	30.94	32.27
v. Other Financial Assets	8E	23462.49	12833.43
Income Tax Assets (Net)		1967.24	2247.40
Other Current Assets	9	12690.16	8738.51
Assets Classified as Held for Sale	48(B)	40.35	61366.51
Total Current Assets		**378935.43**	**486986.98**
Total Assets		**947954.92**	**805713.88**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	41620.79	41620.79
Other Equity	10A	208934.73	170732.77
Equity attributable to Equity Holders of the Parent Company		**250555.52**	**212353.56**
Non-Controlling Interests		(8735.83)	(8256.85)
Total Equity		**241819.69**	**204096.71**
Liabilities			
Non-Current Liabilities			
Financial Liabilities	11		
i. Borrowings	11A	351603.77	143198.38
ii. Other Financial Liabilities	11B	18.74	190.25
Provisions	12	376.33	523.56
Deferred Tax Liabilities (Net)	44	21314.25	18334.44
Other Non-Current Liabilities	13	282.17	249.76
Total non-Current Liabilities		**373595.26**	**162496.39**
Current Liabilities			
Financial Liabilities	14		
i. Borrowings	14A	256299.07	318589.73
ii. Trade Payables	14B	31973.35	24057.41
iii. Other Financial Liabilities	14C	36978.73	36857.97
Other Current Liabilities	15	4084.49	4651.34
Provisions	16	3086.82	2745.40
Income Tax Liabilities (Net)		117.51	584.75
Liabilities directly associated with Assets classified as Held for Sale	48(A)	-	51634.18
Total Current Liabilities		**332539.97**	**439120.78**
Total Liabilities		**706135.23**	**601617.17**
Total Equity and Liabilities		**947954.92**	**805713.88**

The accompanying notes form an integral part of the consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/ N500016

Anupam Dhawan
Partner
Membership No - 084451

Place : New Delhi
Date : May 10, 2018

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

Anil Kapoor
Managing Director

Saroj Kumar Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Vice President - Legal & Secretary

Place : New Delhi
Date : May 10, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Continuing Operations			
Revenue from Operations	17	754607.02	757361.52
Other Income	18	14148.08	13700.10
Total Income		**768755.10**	**771061.62**
Expenses			
Cost of Materials Consumed	19	178681.48	152944.71
Purchases of Stock-in-Trade		279908.05	322770.98
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	4656.55	260.95
Excise Duty on Sale of Goods		505.18	2016.85
Employee Benefits Expense	21	14938.14	14188.26
Finance Costs	22	15519.07	25395.13
Depreciation and Amortisation Expense	3 & 4	8538.74	9220.21
Freight to Charter-in Ship		-	1701.19
Other Expenses	23	196266.69	185861.19
Total Expenses		**699013.90**	**714359.47**
Profit before Share of Profit of a Joint Venture, Exceptional items and Tax from Continuing Operations		**69741.20**	**56702.15**
Share of Net Profit of a Joint Venture accounted for using the Equity Method	37(a)	3925.40	271.59
Profit before Exceptional Items and Tax from Continuing Operations		73666.60	56973.74
Exceptional Items	24	-	410.88
Profit before Tax from Continuing Operations		**73666.60**	**56562.86**
Tax Expense:			
(1) Current Tax	42, 43 & 44	21319.38	16731.50
(2) Tax related to Earlier Years		107.10	(69.65)
(3) Deferred Tax	44	3066.73	1889.93
Income Tax Expense		**24493.21**	**18551.78**
Profit for the Year from Continuing Operations		**49173.39**	**38011.08**
Discontinued Operations			
Profit/(Loss) before Tax for the Year from Discontinued Operations	48	886.43	(9602.42)
Tax Expense/ (Credit) of Discontinued Operations	44	518.71	(7487.69)
Profit/(Loss) for the Year from Discontinued Operations		**367.72**	**(2114.73)**
Profit for the Year		**49541.11**	**35896.35**
Other Comprehensive Income (OCI)			
A. Items that will not be re-classified to Profit or Loss:			
- Re-measurement (Loss) on Defined Benefit Plans		(35.81)	(110.22)
- Income Tax Credit relating to above item		12.33	47.00
Net OCI that will not be re-classified to Profit or Loss		**(23.48)**	**(63.22)**
B. Items that will be re-classified to Profit or Loss:			
- Exchange Differences on Translation of Foreign Operations		(112.11)	(525.62)
- Effective Portion of Exchange Differences on Hedging Instruments		(3233.30)	-
- Income Tax Credit relating to above item		1123.62	42.67
Net OCI that will be re-classified to Profit or Loss		**(2221.79)**	**(482.95)**
OCI for the Year, (Net of Tax)		**(2245.27)**	**(546.17)**
Total Comprehensive Income for the Year		**47295.84**	**35350.18**
Profit for the Year attributable to :			
Equity Holders of the Parent Company		49884.47	36213.89
Non-Controlling Interests		(343.36)	(317.54)
Other Comprehensive Income for the Year attributable to:			
Equity Holders of the Parent Company		(2109.65)	(293.70)
Non-Controlling Interests		(135.62)	(252.47)
Total Comprehensive Income for the Year attributable to:			
Equity Holders of the Parent Company		47774.82	35920.20
Non-Controlling Interests		(478.98)	(570.02)
Earnings per Share attributable to Equity Holders of the Parent Company			
Earnings per Equity Share (for Continuing Operations):	**25**		
Basic and Diluted (in Rs.)		11.90	9.15
Earnings per Equity Share (for Discontinued Operations):	25		
Basic and Diluted (in Rs.)		0.09	(0.45)
Earnings per Equity Share (for Continuing and Discontinued operations):	25		
Basic and Diluted (in Rs.)		11.99	8.70

The accompanying notes form an integral part of the consolidated financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/ N500016

Anupam Dhawan
Partner
Membership No - 084451

Place : New Delhi
Date : May 10, 2018

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

Anil Kapoor
Managing Director

Saroj Kumar Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Vice President - Legal & Secretary

Place : New Delhi
Date : May 10, 2018

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash Flow from Operating Activities :			
Profit before Tax from Continuing Operations		73666.60	56562.86
Profit /(Loss) before Tax from Discontinued Operations	48(A)	886.43	(9602.42)
Profit before Tax		**74553.03**	**46960.44**
Adjustments for :			
Depreciation and Amortisation		8585.93	13578.49
Goodwill on Consolidation written off	23	-	358.72
Impairment Loss on Ships	48(A)(i)	-	10344.95
Capital Expenditure / Advance written off	24	-	410.88
Loss on Disposal of Property, Plant and Equipment (Net)		1282.06	183.32
Mark to Market Gain on Derivative Transactions		(5565.61)	(1112.41)
Fair Value Gain on Financial Instrument at Fair Value through Profit or Loss	18	-	(810.84)
Gain on Sale of Non Current Investments	18	-	(534.00)
Gain from Sale of Current Investments	18	(2647.93)	(2884.94)
Fair Value Change of Share Warrants Net Gain	18	-	(0.14)
Un-realised Foreign Exchange Variation (Gain) / Loss		314.25	(8175.08)
Realised Foreign Exchange Variation (Gain) / Loss		1539.40	1086.44
Foreign Currency Translation Reserve released on Sale of Ships		(322.76)	-
Allowance for Doubtful Debts and Advances (Net)		1331.49	209.43
Liabilities no longer required Written Back		(329.29)	(257.11)
Catalyst Charges Written Off	23	704.04	699.70
Irrecoverable Balances Written Off		185.79	336.59
Share of Profit of a Joint Venture	37(a)	(3925.40)	(271.59)
Employee Share Based Payment Expense/ (Reversal) of Employee Share Based Payment Expense (Net)	21	0.33	(787.99)
Interest Expense		15611.05	26614.22
Interest (Income)		(3567.24)	(2021.00)
Gain on Sale of Discontinued Operations		-	(69.56)
Operating Profit before Working Capital Changes		**87749.14**	**83858.52**
Working Capital Adjustments:			
Decrease in Trade Receivables		51866.88	79259.45
(Increase) in Other Financial Assets		(11487.23)	(217.61)
(Increase) in Other Assets		(3105.00)	(2230.19)
Decrease/ (Increase) in Inventories		5716.76	(473.25)
(Decrease)/ Increase in Trade Payables, Other Liabilities and Provisions		7277.24	(15425.59)
Cash Generated from Operations		**138017.79**	**144771.34**
Income Tax Paid (Net of Refunds)		(20864.45)	(16821.53)
Net Cash Flow from Operating Activities		**117153.34**	**127949.81**
B. Cash Flow from Investing Activities			
Purchase of Property, Plant and Equipment & Intangible		(247068.71)	(103236.22)
Proceeds from Sale of Property, Plant and Equipment & Intangible		663.21	15317.05
Fixed Deposits Matured (having original maturity of more than three months)		819.19	598.15
Proceeds from Sale of Non-Current Investments		-	3534.00

(Rs. in Lakhs)

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Distribution received from Joint Venture	37(a)	982.59	2101.46
Proceeds from Sale of Current Investments		2647.93	2884.94
Net Proceeds from Sale of Discontinued Operations (Ships of Shipping division & KPO business of software division)		56352.16	7708.23
Interest Received		3551.84	2029.51
Net Cash Flow (used in) Investing Activities		**(182051.79)**	**(69062.88)**
C. Cash Flow from Financing Activities			
Proceeds from Long Term Borrowings	53	207639.14	90722.13
Repayment of Long Term Borrowings	53	(48641.96)	(32856.57)
Proceeds from Buyer's Credit	53	221505.80	242719.32
Repayment of Buyer's Credit	53	(260213.75)	(368563.28)
Net Proceeds from Short Term Borrowings	53	(26101.87)	59926.41
Proceeds/ (Repayment) of Line of Credit Facility	53	249.81	(3724.41)
Receipt of amount from Employees on exercise of Options		213.52	-
Payment of Transaction Costs related to Borrowings		-	(734.94)
Realised Mark to Market Gain on Derivative Transactions		(126.80)	1112.41
Interest Paid		(24415.92)	(29388.54)
Dividend Paid		(7866.50)	(7865.19)
Tax on Dividend Paid		(1609.89)	(1335.00)
Net Cash / (used in) Financing Activities		**60631.58**	**(49987.66)**
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		**(4266.87)**	**8899.27**
Foreign Currency Translation Difference		(637.82)	(1267.87)
Cash and Cash Equivalents at the beginning of the Year		11196.63	3565.23
Cash and Cash Equivalents at the end of the Year		**6291.94**	**11196.63**
Components of Cash and Cash Equivalents:			
Balances with banks :			
- on Current Accounts		679.85	2893.06
- on Cash Credit Accounts		247.12	43.25
- Deposits with original maturity of less than three months		5360.48	8000.00
Cheques on hand		-	3.76
Cash on hand		4.49	4.00
Cash and Cash Equivalents of Continuing Operations	8B	**6291.94**	**10944.07**
Add: Cash at Bank and on hand attributable to Discontinued Operations	48(A)	-	252.56
Total Cash and Cash Equivalents		**6291.94**	**11196.63**

Note: Cash flow from operating activities for the year ended on March 31, 2018 is after considering corporate social responsibility expenditure of Rs.1118.50 Lakhs (Previous year : Rs.945.83 Lakhs).

The accompanying notes form an integral part of the consolidated financial statements.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/ N500016

Anupam Dhawan
Partner
Membership No - 084451

Place : New Delhi
Date : May 10, 2018

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

Anil Kapoor
Managing Director

Saroj Kumar Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Vice President - Legal & Secretary

Place : New Delhi
Date : May 10, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A : Equity share capital

Equity shares of Rs.10 each issued, subscribed and fully paid (refer note 10)

	(Rs. in Lakhs)
At March 31, 2018	41620.79
At March 31, 2017	41620.79

B : Other equity

For the year ended March 31, 2018 (Rs. in Lakhs)

Particulars	Attributable to the equity holders of the Parent Company													Non-controlling interests	Total
	Reserves and Surplus										Items of Other Comprehensive Income		Total other equity		
	Treasury Shares	Loss on Treasury Shares acquired	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Tonnage tax reserve under Section 115VT of the Income Tax Act, 1961	Tonnage tax reserve (utilised) Account under Section 115VT of the Income Tax Act, 1961	Share option outstanding account (refer note 10A)	Retained Earnings	Exchange differences on translation of foreign operation	Cash flow hedging reserve			
As at April 01, 2017	(1744.15)	(14.11)	20.95	641.59	25.00	43504.61	425.00	3850.00	2551.67	123675.49	(2203.28)	-	**170732.77**	**(8256.85)**	**162475.92**
Profit / (Loss) for the year	-	-	-	-	-	-	-	-	-	49884.47	-		49884.47	(343.36)	49541.11
Other Comprehensive Income (Net of Tax):															
- Re-measurement Gain/ (Loss) on Defined Benefit Plans	-	-	-	-	-	-	-	-	-	(21.63)	-	-	(21.63)	(1.85)	(23.48)
- Exchange Differences on Translation of Foreign Operations	-	-	-	-	-	-	-	-	-	-	(288.66)	-	(288.66)	(133.77)	(422.43)
- Effective portion of Exchange Differences in Hedging Instruments	-	-	-	-	-	-	-	-	-	-	-	(2109.68)	(2109.68)	-	(2109.68)
Total Comprehensive Income for the Year	-	-	-	-	-	-	-	-	-	**49862.84**	**(288.66)**	**(2109.68)**	**47464.50**	**(478.98)**	**46985.52**
Cash Dividends (including Dividend Distribution Tax) (refer note 47)	-	-	-	-	-	-	-	-	-	(9517.82)		-	(9517.82)	-	(9517.82)
Exercise of Share Options and Purchase of New Shares (Net)	321.48	(41.83)	-	-	-	-	-	-	-	-	-	-	279.65	-	279.65
Employee Share Based Payment Expense (refer note 36)			-	-	-	-	-	-	0.33	-	-	-	0.33	-	0.33
Transfer to General Reserve	-	-	-	-	-	5000.00	-	-	-	(5000.00)	-	-	-	-	-
Any Other Change {refer note below}	-	-	-	-	-	-	-	-	-	(24.70)	-	-	(24.70)	-	(24.70)
As at March 31, 2018	**(1422.67)**	**(55.94)**	**20.95**	**641.59**	**25.00**	**48504.61**	**425.00**	**3850.00**	**2552.00**	**158995.81**	**(2491.94)**	**(2109.68)**	**208934.73**	**(8735.83)**	**200198.90**
For the year ended March 31, 2017															
As at April 01, 2016	(1744.15)	(14.11)	20.95	641.59	25.00	38504.61	425.00	3850.00	3373.92	101964.15	(1978.29)	-	**145068.67**	**(7686.83)**	**137381.84**
Profit / (loss) for the Year	-	-	-	-	-	-	-	-	-	36213.89	-		36213.89	(317.54)	35896.35
Other Comprehensive Income (Net of Tax):													-		
- Re-measurement Gain/ (Loss) on Defined Benefit Plans	-	-	-	-	-	-	-	-	-	(68.70)	-		(68.70)	5.48	(63.22)
- Exchange Differences on Translation of Foreign Operations	-	-	-	-	-	-	-	-	-	-	(224.99)	-	(224.99)	(257.96)	(482.95)
Total Comprehensive Income for the Year	-	-	-	-	-	-	-	-	-	**36145.19**	**(224.99)**	-	**35920.20**	**(570.02)**	**35350.18**
Cash Dividends (including Dividend Distribution Tax) (refer note 47)	-	-	-	-	-	-	-	-	-	(9517.90)	-		(9517.90)	-	(9517.90)
Employee Share based Payment Expense (refer note 36)*	-	-	-	-	-	-	-	-	(822.25)	-	-		(822.25)	-	(822.25)
Transfer to General Reserve	-	-	-	-	-	5000.00	-	-	-	(5000.00)	-	-	-	-	-
Any Other Change {refer note below}	-	-	-	-	-	-	-	-	-	84.05	-		84.05	-	84.05
As at March 31, 2017	**(1744.15)**	**(14.11)**	**20.95**	**641.59**	**25.00**	**43504.61**	**425.00**	**3850.00**	**2551.67**	**123675.49**	**(2203.28)**	**-**	**170732.77**	**(8256.85)**	**162475.92**

* including Foreign Currency Translation Difference (Gain) of Rs. 34.27 Lakhs.

Note: Any other change in retained earnings represents (a) dividend on treasury shares & net results of ESOP Trust operation; and (b) savings of dividend distribution tax on equity dividend.

The accompanying notes form an integral part of the consolidated financial statements.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/ N500016

Anupam Dhawan
Partner
Membership No - 084451

Place : New Delhi
Date : May 10, 2018

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

Anil Kapoor
Managing Director

Saroj Kumar Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Vice President - Legal & Secretary

Place : New Delhi
Date : May 10, 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1. Corporate Information

The consolidated financial statements comprise financial statements of Chambal Fertilisers and Chemicals Limited (the Parent Company), its subsidiaries (collectively, the Group) and joint venture for the year ended March 31, 2018. The Parent Company is a public company domiciled in India and has been incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on two recognised stock exchanges in India. The registered office of the Parent Company is located at Gadepan, District Kota, Rajasthan, PIN 325208.

The Parent Company is one of the largest manufacturer of Urea in private sector in India and also deals in other fertilisers and Agri inputs ('Fertiliser Division'). Apart from that, the Group is also engaged in Shipping business and Software business. The Group operates its Shipping business through two overseas subsidiaries and Shipping Division of the Parent Company. Shipping Division of the Parent Company (classified as discontinued operations refer note 48(A)(i)) was engaged in the business of running of ships for cargo for part of the year. The Parent Company had executed agreement in May, 2017 for sale of all the 4 ships owned by the Parent Company. With the delivery of the last ship of the Parent Company in September 07, 2017, the Parent Company had completed sale / disposal of all the ship forming part of the Shipping Division and ceased to have Shipping business operations. It also has a joint venture for manufacture of Phosphoric Acid in Morocco. Further, the Parent Company is in the process of setting up a new Urea plant under the New Investment Policy 2012 (amended) of the Government of India at its existing plant location at Gadepan District, Kota (Rajasthan).

These consolidated financial statements were authorised for issuance by the Board of Directors of the Parent Company in their meeting held on May 10, 2018.

2. Significant Accounting Policies

2.1 Basis of preparation

The Consolidated Financial Statements (CFS) of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2017. The Group has prepared these financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the Act").

The consolidated financial statements have been prepared on an accrual basis and under the historical cost basis, except for the following material items those have been measured at fair value as required by relevant Ind AS:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefit plans and other long-term employee benefits;
- Share-based payment transactions; and
- Investment in debt instrument (i.e. preference shares)

The consolidated financial statements of the Group are presented in Indian Rupee (Rs.) and all values are rounded to the nearest Lakhs (Rs. 00,000.00), except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company, its subsidiaries and joint venture. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on March 31, except for joint venture namely Indo Maroc Phosphore S.A., (IMACID) where the audited accounts were drawn up as at December 31, 2017.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries.

b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary.

c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes' applies to temporary differences that arise from the elimination of profits or losses resulting from intra-group transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The accumulated loss attributable to non-controlling interests in excess of their equity on the date of transition to Ind AS has been restricted to zero in accordance with Ind AS 101.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in profit or loss.

2.3 Summary of significant Accounting Policies

i) Investment in joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in other comprehensive income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit and loss.

The joint venture is following a calendar year for preparing its annual accounts. Accordingly, the financial statements of the joint venture are drawn up as at December 31, 2017. The same has been considered for the purpose of equity accounting in the consolidated financial statements.

Adjustments have been made for the period subsequent to that date for significant transactions, if any.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the statement of profit and loss.

ii) Basis of classification of Current and Non-Current

Assets and Liabilities in the balance sheet have been classified as either current or non-current.

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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

iii) Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's consolidated financial statements' are presented in Indian Rupee (Rs.), which is Parent Company's functional and presentation currency, except in case of Shipping Division of the Parent Company which had determined United States Dollars-'(USD)' as its functional currency and therefore categorised as a foreign operation. During the current year, all the ships have been sold, hence the operations of this division have been ceased, accordingly the books of Shipping Division of the Parent Company have been prepared in INR.

(b) Initial recognition

Transactions in foreign currencies are recorded in the functional currency, by applying to the foreign currency amount, the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(c) Conversion

Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items, measured at fair value denominated in a foreign currency are, translated using the exchange rates that existed when the fair value was determined.

(d) Exchange differences

Exchange differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit and loss (also refer note 2.3(xvi) below).

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income (OCI) or profit or loss are also recognised in OCI or profit or loss, respectively).

(e) Translation of a foreign operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented (i.e. including comparatives) are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each statement of profit and loss presented (i.e. including comparatives) are translated at average exchange rates; and

(iii) all resulting exchange differences have been recognised in other comprehensive income.

On disposal of a foreign operation, the associated exchange differences are re-classified to profit or loss, as part of the gain or loss on disposal. During the current year the Parent Company has reclassified an amount of Rs 322.76 lakhs on sale of all the ships of Shipping Division of the Parent Company.

Goodwill arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate in effect at the balance sheet date.

Cumulative currency translation differences for all foreign operations were deemed to be zero at the date of transition, viz, April 01, 2015. Gain or loss on a subsequent disposal of any foreign operation excludes translation differences that arose before the date of transition but includes only translation differences arising after the date of transition.

iv) Derivative financial instruments

Initial recognition and subsequent measurement

Derivatives are initially recognised at fair value and are subsequently re-measured at fair value at the end of each reporting period. The resulting gains / losses is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss / inclusion in the initial cost of non-financial asset depends on the nature of the hedging relationship and the nature of the hedged item. The Parent Company complies with the principles of hedge accounting where derivative contracts are designated as hedge instruments. At the inception of the hedge relationship, the Parent Company documents the relationship between the hedging instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction.

The Parent Company has designated their derivatives as hedge of foreign exchange risk associated with the cash flows of highly probable forecast transactions with borrowings.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income and accumulated as 'Cash Flow Hedging Reserve'. The gains / losses relating to the ineffective portion is recognised in the Statement of Profit and Loss.

Amounts previously recognised and accumulated in other comprehensive income are reclassified to profit or loss when the hedged item affects the Statement of Profit and Loss. However, when the hedged item results in the recognition of a non-financial asset, such gains / losses are transferred from equity (but not as reclassification adjustment) and included in the initial measurement cost of the non-financial asset.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gains/losses recognised in other comprehensive income and accumulated in equity at that time remains in equity and is reclassified when the underlying transaction is ultimately recognised. When an underlying transaction is no longer expected to occur, the gains / losses accumulated in equity is recognised immediately in the Statement of Profit and Loss.

v) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operation.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

vi) Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Discontinued operations are excluded from the results of continuing operations and are presented as profit or loss before / after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in note 48. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

vii) Property, plant and equipment ("PPE")

PPE are stated at cost, except the PPE of the Shipping Division, net of accumulated depreciation and accumulated impairment losses, if any. Ships of Shipping Division are measured at fair value and for other items of PPE of the Shipping Division, Ind AS- 16 has been applied retrospectively. The cost comprises purchase price, including import duties and non- refundable purchase taxes, borrowing costs if recognition criteria are met and any 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 PPE is capitalised only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Items of stores and spares that meet the definition of PPE are capitalized at cost. Otherwise, such items are classified as inventories.

Ships of Shipping Division are measured at fair value less accumulated depreciation and impairment losses recognized at the date of revaluation.

Gains or losses arising from derecognition of the 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.

viii) Depreciation on Property, Plant & Equipment

Depreciation on PPE is calculated using the straight-line method as per the useful lives of the assets 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 (vi) below where the useful lives are different from those prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

A major portion of the plant and equipment of Fertiliser Division of the Parent Company has been considered as continuous process plant.

S. No.	Assets	Useful lives
(i)	- Leasehold Land - Leasehold Improvements - Assets under finance lease	Amortised over 99 Years Ranging from 4 to 15 Years Ranging from 3 to 9 Years These assets are amortised over the period of respective leases or useful lives of assets, whichever is lower.
(ii)	Plant and equipment of Fertiliser Division	Over their useful lives ranging from 1 to 35 years.
(iii)	Insurance / capital / critical stores and spares	Over the remaining useful life of related plant and equipment or useful life of insurance / capital / critical spare part, whichever is lower.
(iv)	Vehicles	Depreciated over 5 years. After the expiry of 5 years, the vehicle gets normally replaced.
(v)	Railway siding	25 years based on technical evaluation that the railway siding is currently in use.
(vi)	PPE of Software business	-Computers and accessories – 3 years -Furniture and fixtures – 5 years -Vehicles – 5 years

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

The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

ix) 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 with finite lives are amortised on a straight line basis over the estimated useful economic life. The following are the acquired intangible assets:

Software

Management of the Group assessed the useful life of software as finite and cost of software is amortized over their estimated useful life of five years on straight line basis.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. 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 Ind AS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

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 case of subsidiary company

a. Goodwill

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, it is again recognized immediately in net profit in the consolidated statement of profit and loss. Goodwill is measured at cost less accumulated impairment losses.

Other intangible assets

Other intangible assets comprise of intellectual property rights, software and internally developed software platforms.

Costs relating to intellectual property rights, which are acquired, are capitalized and amortized over a period of 1 to 3 years.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the consolidated statement of profit and loss as incurred. Development activities involve a plan or design for the production of new or substantially improved software products or processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the subsidiary company intends to and has sufficient resources to complete development and to use the asset. The capitalized expenditure includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and is classified as internally developed software platforms. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the consolidated statement of profit and loss as incurred.

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortisation is recognised in the consolidated statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for both internally developed software platforms and acquired software is considered as 3 years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

x) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non- financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period. In case events which caused impairment initially ceases to exist, impairments are only reversed to the extent that increased carrying amount of the asset does not exceed the carrying amount that would have been in place had there no impairment been carried out in the first place, taking into account the normal depreciation/ amortization.

xi) Leases

A lease is classified at the inception date as a finance lease or an operating lease.

Finance leases, where as a lessee, the Group has substantially all risks and rewards of ownership, are capitalised at inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liability as appropriate. 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 over the period of lease. Lease management fees, legal charges and other initial direct costs are capitalized.

Leases, where the lessor effectively retains substantially all the risks and rewards 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, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

xii) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, debt instruments are classified in three categories:

- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments at fair value through profit or loss (FVTPL).

Debt instruments at amortised cost

A debt instrument is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both the following criterion are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned while holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as at FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity Instruments

For the purposes of subsequent measurement, equity instruments are classified in two categories:

- Equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

All equity investments are measured at fair value. The Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument -by-instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

(a) The rights to receive cash flows from the asset have expired, or

(b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Group has transferred substantially all the risks and rewards of the asset, or (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including redeemable preference shares and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 'Financial instruments'.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

After initial recognition at fair value net of transaction cost, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 109 Financial instruments and the amount initially recognised less cumulative amortisation, where appropriate. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

xiii) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

xiv) Dividend to equity holders of the Parent Company

The Group recognises a liability to make dividend distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

xv) Inventories

Inventories are valued as follows:

Spares and Lubricants*	Lower of cost and net realisable value. Cost is determined on weighted average basis.
Raw materials, Packing materials, other stores and spares	Lower of cost and net realisable 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 two 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 realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.
Traded products	Lower of cost and net realisable 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.

*included under the inventory of stores and spares

Cost includes the necessary cost incurred in bringing inventory to its present location and condition necessary for use.

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.

xvi) Borrowing Costs

General and specific 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.

Borrowing costs include interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowing. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is de-capitalised from the qualifying assets.

xvii) Revenue Recognition and Other Income

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, regardless of when the payment being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The following specific criteria must also be met before revenue is recognised: The Group bases its estimate on historical precedences taking into consideration the type of customer, transaction and specifics of the environment it operates in :

(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. Amounts disclosed as revenue are inclusive of excise duty and net of returns and allowances, trade discounts, rebates and goods & service tax (GST). The Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. The Group collects sales tax, GST and value added tax ("VAT") on behalf of the government and therefore, these are not economic benefits flowing to the Group. Hence, these are excluded from the revenue.

Subsidy on Urea including freight have been accounted on the basis of notified concession prices as under:

(i) New Pricing Scheme (NPS) – Stage III and Modified NPS III

(ii) New Urea Policy 2015

(iii) Uniform Freight Policy.

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 in accordance with Nutrient Based Subsidy Policy from time to time and Freight subsidy has been accounted for in line with the policy.

Subsidy on City Compost is recognized based on rates, as notified by the Government of India.

(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. 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 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.

Revenue derived from professional services under the time and material contracts is recognized as the related services are performed. Revenue from title and related operations is primarily transactions-based and is recognized when services are performed, the fee is fixed or determinable, and collection is reasonably assured.

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. The Group also generates 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.

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.

'Unbilled revenue' represents value of services rendered in excess of amounts billed to the customer as at the balance sheet date.

'Unearned revenue' represents the amounts billed to the customer in excess of value of services rendered as at the balance sheet date.

(d) Interest income

Interest income from debt instruments measured at amortised cost, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial assets to the gross carrying amount of the financial asset. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

(e) Dividend

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

(f) Insurance Claims

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

xviii) Retirement and other employee benefits

(a) Retirement benefit in the form of Provident Fund is a defined benefit obligation in case of the Parent 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 of Indian subsidiaries of CFCL Ventures Limited (CVL) and Pension Fund of all components of the Group is a 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 the Parent Company 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 group do not have any other obligation, other than the contribution payable to the superannuation fund. The group recognizes 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. Gratuity plan of the Parent Company is funded with insurance companies to cover the gratuity liability of the employees. One of the step down subsidiaries of CVL, such subsidiary has also taken the insurance policy 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 insurance companies 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 Parent 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 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. 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.

(g) Long Service Awards: Long service awards are other long-term benefits accruing to all eligible employees of the Fertiliser Division of the Parent Company, as per Group's scheme. The cost of providing benefit under long service awards scheme is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. This is unfunded defined benefit scheme.

(h) Settlement allowance: Settlement allowance are other long-term benefits accruing to the eligible employees of the Fertiliser Division of the Parent Company, as per Group's scheme. The cost of providing benefit under settlement allowance is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. This is unfunded defined benefit scheme.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and such re-measurement gain / (loss) are not reclassified to the statement of profit and loss in the subsequent periods. They are included in retained earnings in the statement of changes in equity.

xix) Income Taxes

Tax expense comprises current income tax and deferred tax. Current income-tax expense is measured at the amount expected to be paid to the taxation 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.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 taxes relate to the same taxable entity and the same taxation authority.

xx) Segment Reporting Policies

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Chief operating decision makers review the performance of the Group 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.

Segment accounting policies

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

xxi) Earnings per share

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

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

xxii) Contingent assets and liabilities

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise.

A contingent asset is a possible asset that arises from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise.

xxiii) Share-based payments

Parent Company

Share-based compensation benefits are provided to employees via the Parent Company's Employee stock Option Scheme. The fair value of options granted under the Employee stock Option Scheme of the Parent Company is recognised as an employee benefits expense with a corresponding increase in equity. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

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 (ICAI), 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 behavior 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.

xxiv) Treasury shares

The Group has created CFCL Employees Welfare Trust ('ESOP Trust') for providing share-based payment to its employees. The Group uses ESOP Trust as a vehicle for distributing shares to employees under the Employee Stock Option Scheme. The ESOP Trust has bought shares of the Group from the market, for giving shares to employees. The Group treats ESOP Trust as its extension and shares held by ESOP Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting period are satisfied with treasury shares.

xxv) Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Standards issued but not yet effective

Recent Accounting pronouncements

On March 28, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates' and Ind AS 115, 'Revenue from Contracts with Customers.' The amendments are applicable to the Group from April 01, 2018.

(i) Amendment to Ind AS 21

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The group is evaluating the requirements of the amendment and the effect on the financial statements will be given in due course.

(ii) Amendment to Ind AS 115

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors • Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The group is evaluating the requirements of the amendment and the effect on the financial statements will be given in due course.

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(Rs. in Lakhs)

Particulars	Land-Freehold	Land-Leasehold	Buildings	Leasehold Improve-ments	Leasehold Improvements (on Finance Lease)	Railway Siding	Plant and Equipment	Factory Equipment	Office Equipment	Furniture and Fittings	Vehicles	Ships	Total
NOTE 3 : PROPERTY, PLANT AND EQUIPMENT													
Deemed Cost / Fair Valuation													
As at April 01, 2016	433.27	429.76	9668.72	67.41	118.67	393.68	93501.74	861.50	1013.56	580.37	1461.06	87585.38	196115.12
Additions	-	-	269.13	13.90	-	-	15502.92	448.01	292.94	43.36	164.37	1.72	16736.35
Deletions	-	-	(36.71)	-	-	(0.48)	(770.68)	(3.34)	(13.45)	(2.10)	(110.72)	-	(937.48)
Discontinued operations {refer note (48(A)(i)}	-	-	-	-	-	-	-	-	-	-	-	(88683.69)	(88683.69)
Foreign currency translation difference	-	-	(0.01)	0.94	-	-	-	-	(3.18)	(8.38)	(0.30)	1096.59	1085.66
As at March 31, 2017	433.27	429.76	9901.13	82.25	118.67	393.20	108233.98	1306.17	1289.87	613.25	1514.41	-	124315.96
Additions	-	-	273.99	60.17	-	-	14423.04	35.87	183.18	69.29	106.94	-	15152.48
Deletions	-	-	(51.36)	(15.70)	(0.79)	-	(2426.42)	(7.75)	(9.21)	(391.69)	(79.90)	-	(2982.82)
Adjustments	-	-	-	-	(10.05)	-	-	-	-	-	8.41	-	(1.64)
Foreign currency translation difference	-	-	-	0.86	-	-	-	-	0.97	2.68	0.35	-	4.86
As at March 31, 2018	**433.27**	**429.76**	**10123.76**	**127.58**	**107.83**	**393.20**	**120230.60**	**1334.29**	**1464.81**	**293.53**	**1550.21**	**-**	**136488.84**
Depreciation and impairment													
As at April 01, 2016	-	5.84	329.06	5.30	34.54	28.40	7476.44	73.61	343.79	118.90	287.13	4465.81	13168.82
Charge for the year {refer footnote (4) below}	-	5.84	335.20	15.22	34.54	18.21	5034.63	74.70	293.93	257.76	319.55	3898.54	10288.12
Deletions	-	-	(0.80)	-	-	-	(303.73)	(0.95)	(2.90)	1.33	(59.45)	-	(366.50)
Impairment {refer note 48(A)(i)}	-	-	-	-	-	-	-	-	50.80	-	-	-	50.80
Discontinued operations {refer note (48(A)(i)}	-	-	-	-	-	-	-	-	-	-	-	(8420.27)	(8420.27)
Foreign currency translation difference	-	-	-	1.03	-	-	-	-	(21.87)	(9.50)	(0.30)	55.92	25.28
As at March 31, 2017	-	11.68	663.46	21.55	69.08	46.61	12207.34	147.36	663.75	368.49	546.93	-	14746.25
Charge for the year {refer footnote (4) below}	-	4.34	344.09	21.85	24.11	18.21	5106.55	110.85	234.73	88.23	288.36	-	6241.32
Deletions	-	-	(5.38)	(8.16)	(0.47)	-	(707.24)	(1.59)	(7.10)	(356.38)	(54.12)	-	(1140.44)
Adjustments	-	-	-	-	-	-	-	-	-	-	8.41	-	8.41
Foreign currency translation difference	-	-	-	0.27	-	-	-	-	0.96	2.69	0.26	-	4.18
As at March 31, 2018	**-**	**16.02**	**1002.17**	**35.51**	**92.72**	**64.82**	**16606.65**	**256.62**	**892.34**	**103.03**	**789.84**	**-**	**19859.72**
Revaluation													
As at April 01, 2016	-	-	-	-	-	-	-	-	-	-	-	11558.76	11558.76
Discontinued operation (refer note 48(A)(i))	-	-	-	-	-	-	-	-	-	-	-	(11703.48)	(11703.48)
Foreign currency translation difference	-	-	-	-	-	-	-	-	-	-	-	144.72	144.72
As at March 31, 2017	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations (refer note 48(A)(i)	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation difference	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net book value													
As at March 31, 2017	433.27	418.08	9237.67	60.70	49.59	346.59	96026.64	1158.81	626.12	244.76	967.48	-	109569.72
As at March 31, 2018	**433.27**	**413.74**	**9121.59**	**92.07**	**15.11**	**328.38**	**103623.95**	**1077.67**	**572.47**	**190.50**	**760.37**	**-**	**116629.12**

Footnotes:

1. Freehold land having carrying value Rs.0.89 Lakh (Previous year : Rs.0.89 Lakh), Leasehold land having carrying value of Rs. 31.69 Lakhs (Previous year : Rs.32.04 Lakhs) and Buildings having carrying value of Rs.384.50 Lakhs (Previous year : Rs.390.98 Lakhs) are yet to be registered in the Parent Company's name.
2. The carrying value of Buildings includes Rs.0.28 Lakh (Previous year : Rs.0.29 Lakh) representing undivided share in assets jointly owned with others.
3. Deletions from plant and equipment during the year includes equipment having gross block of Rs.63.01 Lakhs (Previous year : Rs.347.77 Lakhs) and accumulated depreciation of Rs.7.85 Lakhs (Previous year : Rs.186.85 Lakhs) transferred to 'Assets held for sale' (refer note 48(B))
4. Depreciation charge for the year includes an amount of Rs.47.19 Lakhs (Previous year : Rs.4173.29 Lakhs) related to discontinued operations of the Group, which comprises (a) Rs.47.19 Lakhs (Previous year : Rs.4159.71 Lakhs) in respect of Shipping Division of the Parent Company; and (b) Nil (Previous year : Rs.13.58 Lakhs) in respect of KPO business of subsidiaries . The amount is recognised in discontinued operations in the consolidated statement of profit and loss {refer note 48(A)(i) & (ii)}.

(Rs. in Lakhs)

Particulars	Goodwill (acquired)	Goodwill on consolidation	Total Goodwill	Software	Internally developed software platforms	Total other intangible assets
NOTE 4 : OTHER INTANGIBLE ASSETS						
Cost						
As at April 01, 2016	4364.20	21560.20	25924.40	1510.53	3154.87	4665.40
Purchase	-	-	-	645.97	3011.78	3657.75
Deletions	(919.46)	(358.72)	(1278.18)	(4.76)	(1352.71)	(1357.47)
Foreign Currency Translation Difference	(54.60)	(418.20)	(472.80)	(13.56)	(119.04)	(132.60)
As at March 31, 2017	3390.14	20783.28	24173.42	2138.18	4694.90	6833.08
Purchase	-	-	-	162.55	2274.25	2436.80
Foreign Currency Translation Difference	16.99	-	16.99	12.95	49.26	62.21
As at March 31, 2018	**3407.13**	**20783.28**	**24190.41**	**2313.68**	**7018.41**	**9332.09**
Amortization and Impairment						
As at April 01, 2016	-	21201.48	21201.48	753.89	729.96	1483.85
Charge for the year {refer footnote (i) below}	-	-	-	737.79	2424.85	3162.64
Impairment Loss {refer note 48(A)(i)}	-	-	-	76.93	-	76.93
Deletions	-	-	-	(4.76)	(1049.49)	(1054.25)
Foreign Currency Translation Difference	-	(418.20)	(418.20)	(17.09)	(61.49)	(78.58)
As at March 31, 2017	-	20783.28	20783.28	1546.76	2043.83	3590.59
Amortization						
Charge for the year {refer footnote (i) below}	-	-	-	352.89	1991.72	2344.61
Foreign Currency Translation Difference	-	-	-	12.77	32.77	45.54
As at March 31, 2018	**-**	**-**	**20783.28**	**1912.42**	**4068.32**	**5980.74**
Net Book Value						
As at March 31, 2017	3390.14	-	3390.14	591.42	2651.07	3242.49
As at March 31, 2018	**3407.13**	**-**	**3407.13**	**401.26**	**2950.09**	**3351.35**

Footnote

(i) Amortization expense for the year includes an amount of Nil (Previous year : Rs.57.26 Lakhs) related to discontinued operations of the Group, which comprises (a) Nil (Previous year : Rs.38.85 Lakhs) in respect of Shipping Division of the Parent Company; and (b) Nil (Previous year : Rs.18.41 Lakhs) in respect of KPO business of subsidiaries. The amount is recognised in Discontinued Operations in the Consolidated Statement of Profit and Loss {refer note 48(A)(i) & (ii)}.

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE 5 : FINANCIAL ASSETS		
Note 5A : Non-Current Investments		
A. Investment carried at Fair Value through Profit or Loss		
Equity Instruments (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
B. Investment carried at Amortised Cost		
Government Securities (Unquoted)		
- 6 Year National Savings Certificates VIII Issue (lodged with Government Authorities.)	0.06	0.06
- Indira Vikas Patra	0.20	0.20
Bonds & Debentures (Unquoted)		
- 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
	2.48	**2.48**
Aggregate amount of Unquoted Investments	2.48	2.48
Note 5B : Non Current Loans		
Loans to Employees:		
a) Secured, Considered Good	72.50	100.29
b) Unsecured, Considered Good	21.28	23.32
	93.78	**123.61**
Included in Loans to Employees		
Dues from director of the Parent Company	2.15	2.15
Note 5C : Other Non Current Financial Assets		
(Unsecured, Considered Good)		
Security Deposits	802.92	827.01
Deposit with Banks having maturity more than 12 months (refer note 8C)	1.96	1.96
	804.88	**828.97**

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE 6 : OTHER NON CURRENT ASSETS		
(Unsecured, Considered Good)		
Capital Advances	615.95	222.50
Advances other than Capital Advances		
Balances with Statutory/ Government Authorities	355.26	388.09
(Considered Doubtful: Rs. 299.90 Lakhs (Previous year : Rs. 84.47 Lakhs))		
Catalysts in use (valued based on life technically assessed)	1701.01	1632.45
Prepaid Expenses	835.90	954.67
Deferred Transaction Cost on Borrowings	1626.76	4178.31
	5134.88	**7376.02**
Less: Allowance for Doubtful Advances	299.90	84.47
	4834.98	**7291.55**
NOTE 7 : INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)		
Raw Materials {including in transit- Nil (Previous year : Rs.26.17 Lakhs)}	73.96	762.96
Work-in-Progress	567.57	844.23
Finished Goods {including in transit- Rs. 6254.56 Lakhs (Previous year : Rs.5291.56 Lakhs)}	23843.45	20551.37
Traded Goods {including in transit- Rs. 5095.80 Lakhs (Previous year : Rs.8036.76 Lakhs)}	47423.89	55095.86
Stores and Spares {including in transit- Rs.92.94 Lakhs (Previous year : Rs.12.34 Lakhs)}	6461.47	6825.95
Loose Tools	20.13	8.57
Catalysts in use (valued based on life technically assessed)	664.26	513.19
Packing Materials	455.75	333.12
	79510.48	**84935.25**
During the year ended March 31, 2018, an amount of Rs.107.14 Lakhs (Previous year : Rs.436.66 Lakhs) was recognised as an expense by the Parent Company for inventories carried at net realisable value.		
NOTE 8 : CURRENT FINANCIAL ASSETS		
Note 8A : Trade Receivables		
Secured, Considered Good	10087.84	7128.17
Unsecured, Considered Good {including subsidy receivable from Government of India- Rs. 236227.52 Lakhs (Previous year : Rs.263350.70 Lakhs)	243381.43	296491.71
Unsecured, Considered Doubtful {including subsidy receivable from Government of India- Rs.139.69 Lakhs (Previous year : Rs.46.98 Lakhs)}	1593.10	733.22
	255062.37	**304353.10**
Less: Allowance for Doubtful Debts	1593.10	733.22
	253469.27	**303619.88**
Trade receivables from marketing customers of Parent Company are non-interest bearing and are generally on average term of 55 days.		

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Note 8B : Cash and Cash Equivalents		
Balances with Banks:		
On Current Accounts	679.85	2893.06
On Cash Credit Accounts	247.12	43.25
Deposits with original maturity of less than three months	5360.48	8000.00
Cheques on hand	-	3.76
Cash on hand	4.49	4.00
	6291.94	**10944.07**
Note 8C : Bank Balances Other than 8B above		
On unpaid dividend / preference share redemption amount / fixed deposit accounts	1240.75	1218.66
Deposits with remaining maturity for less than 12 months	231.81	1051.00
Deposits with remaining maturity for more than 12 months *	1.96	1.96
	1474.52	**2271.62**
Less: Deposits with remaining maturity more than 12 months disclosed under 'other non current financial assets' (refer note 5C)	1.96	1.96
	1472.56	**2269.66**
* Fixed Deposit receipts of Rs.1.96 Lakhs (Previous year : Rs.1.96 Lakhs) are pledged with Sales Tax Authorities.		
Note 8D : Current Loans		
(Unsecured and Considered Good, except to the extent stated)		
Loans to Employees:		
a) Secured, Considered Good	21.88	28.35
b) Unsecured, Considered Good	9.06	3.92
	30.94	**32.27**
Note 8E : Other Current Financial Assets		
(Unsecured and Considered Good, except to the extent stated)		
Derivatives		
Foreign Currency Option Contracts	15.80	503.60
Others		
Receivable from Gas Pool Operator	21212.37	10038.64
Receivable from a Joint Venture	7.26	11.49
Security Deposits	495.69	61.17
Fertilisers Companies Govt. of India Bonds (at lower of cost and market value)	0.10	0.10
Insurance and Other Claims Receivable (Considered Doubtful Rs. 164.75 Lakhs (Previous year: Nil)	183.65	-
Interest Receivable on Loans, Deposits and Others	8.18	248.54
Unbilled Revenue	427.93	331.22
Escrow Receivable *	133.22	584.98
Other Receivables	1143.04	1053.69
	23627.24	**12833.43**
Less: Allowance for Doubtful Advances	164.75	-
	23462.49	**12833.43**

* Escrow receivable represents a part of the purchase consideration in respect of the sale of KPO business, held in an escrow account with a bank.

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE 9 : OTHER CURRENT ASSETS		
(Unsecured and Considered Good, except to the extent stated)		
Advance to Suppliers	1193.27	1072.61
{Considered Doubtful Rs.14.19 lakhs (Previous year : Rs.14.19 Lakhs)}		
Balances with Statutory/ Government Authorities	9736.54	5328.38
{(Considered Doubtful Rs.304.82 Lakhs (Previous year : Rs.137.84 Lakhs))}		
Interest Receivable - Others	501.73	72.36
Prepaid Expenses	1507.63	2123.90
Other Receivables	70.00	293.29
	13009.17	**8890.54**
Less: Allowance for Doubtful Advances	319.01	152.03
	12690.16	**8738.51**
NOTE 10 : SHARE CAPITAL		
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
	65000.00	**65000.00**
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
	41620.79	**41620.79**

a) **Reconciliation of the Shares Outstanding at the beginning and at the end of the Reporting periods**

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

b) **Terms / Rights attached to Equity Shares**

The Parent 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 the equity shares will rank *pari-passu* with each other in all respects. The Parent 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 Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after payment of all liabilities.

c) **Details of Shareholders holding more than 5% shares in the Parent Company**

Name	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% holding	No. of shares	% holding
Zuari Global Limited	59,015,360	14.18	59,015,360	14.18
The Hindustan Times Limited	53,191,790	12.78	52,924,679	12.72
SIL Investments Limited	33,220,918	7.98	31,813,455	7.64
Life Insurance Corporation of India*	-	-	21,926,814	5.27

*As at March 31, 2018, shareholding is less than 5%.

As per the records of the Parent Company, including its register of shareholders/members, the above shareholding represents both legal and beneficial ownership of shares.

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Note 10A : Other Equity		
(a) Securities Premium	641.59	641.59
(b) Retained Earnings	158995.81	123675.49
(c) General Reserve	48504.61	43504.61
(d) Treasury Shares	(1422.67)	(1744.15)
(e) Loss on Treasury Shares Acquired	(55.94)	(14.11)
(f) Capital Reserve	20.95	20.95
(g) Capital Redemption Reserve	25.00	25.00
(h) Tonnage Tax Reserve under Section 115VT of the Income Tax Act, 1961	425.00	425.00
(i) Tonnage Tax reserve (utilised) Account under Section 115VT of the Income Tax Act, 1961	3850.00	3850.00
(j) Share Option Outstanding Account	2552.00	2551.67
Total	**213536.35**	**172936.05**
Other Comprehensive Income:		
(k) Exchange Differences on Translation of Foreign Operations	(2491.94)	(2203.28)
(l) Cash flow Hedging Reserve	(2109.68)	-
Total	**(4601.62)**	**(2203.28)**
Other Equity	**208934.73**	**170732.77**

Nature and purpose of other reserves

(a) Securities Premium

Securities Premium represents amount received on issue of shares in excess of the par value.

(b) Retained Earnings

Retained earnings comprises of prior year's undistributed earnings after taxes.

(c) General Reserve

This represents appropriation of profit by the Parent Company. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

(d) Treasury Shares

Treasury shares represents equity shares of the Parent Company acquired by CFCL Employees Welfare Trust from the Secondary market to allocate or transfer these shares to eligible employees of the Parent Company from time to time on the terms and conditions specified under the CFCL Employees Stock Option Scheme.

(e) Loss on Treasury Shares

Loss on treasury shares acquired represents the amount of loss incurred by CFCL Employees Welfare Trust, on the transfer of equity shares to the eligible employees of the Parent Company as per CFCL Employees Stock Option Scheme.

(f) Capital Reserve

Capital reserve represents the amount on account of forfeiture of equity shares of the Parent Company.

(g) Capital Redemption Reserve

Capital redemption reserve represents reserve created on redemption of preference shares.

(h) & (i) Tonnage Tax Reserve and Tonnage Tax Reserve (utilised) under Section 115VT of the Income Tax Act, 1961

These reserves were created till the time 'Shipping Division' of the Parent Company was under tonnage tax regime.

(j) Share Option Outstanding Account

Share option outstanding account is used to recognise the grant date fair value of options issued to employees under the CFCL Employees Stock Option Scheme, 2010. In respect of the subsidiary company, the reserve is used to recognise the grant date fair value of options issued to employees under the 2007 Share Option Plan. Refer to note 36 for further details of the plans.

(k) Exchange Differences on Translation of Foreign Operations

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

(l) Cash Flow Hedging Reserve

The Parent Company uses hedging instrument as part of its management of foreign currency risk associated with its highly probable forecast sale. Foreign currency risk associated with highly forecasted sale transaction is being hedged by taking foreign currency loan.

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
NOTE 11 : FINANCIAL LIABILITIES		
Note 11A: Non Current Borrowings		
Secured Loans:		
Term Loans :		
- Foreign Currency Loans from Banks	203226.04	76686.73
- Foreign Currency Loans from Financial Institution	94922.43	30699.46
Finance Lease Obligations (refer footnote iii below)	32.21	106.94
	298180.68	**107493.13**
Unsecured Loans:		
- Rupee Loans from Banks(refer footnote iv below)	17500.00	-
- Redeemable Preference Shares	35955.30	35776.02
	351635.98	**143269.15**
Less : Current Maturities of Long Term Borrowings shown under "Other Current Financial Liabilities" (refer note 14C)	32.21	70.77
Non-Current Borrowings (as per Balance Sheet)	**351603.77**	**143198.38**
(A) Details of Borrowings and Transaction Costs		
(i) Foreign Currency Loans from Banks		
Foreign Currency Loans from Banks (refer footnote i below)	205617.48	77654.85
Less: Transaction Costs	2391.44	968.12
Carrying Value of Foreign Currency Loans from Banks	**203226.04**	**76686.73**
(ii) Foreign Currency Loans from Financial Institution		
Foreign Currency Loans from Financial Institution (refer footnote ii below)	96075.63	31080.10
Less: Transaction Costs	1153.20	380.64
Carrying Value of Foreign Currency Loans from Financial Institution	**94922.43**	**30699.46**

(B) Nature of Security, Terms and Repayment Schedule :

i Foreign currency term loans from banks of USD 3,154.61 Lakhs (Rs.205617.48 Lakhs including current maturity of Nil) (Previous Year Rs. 77654.85 Lakhs including current maturity of Nil) carry interest in the range of 3 months LIBOR plus 2.82%-3.07% p.a. The term loans amounting to USD 3,003.61 Lakhs (Rs.195775.30 Lakhs) are repayable in 13 half yearly instalments starting from September 30, 2019. Term loans amounting to USD 151.00 Lakhs (Rs.9842.18 Lakhs) are repayable in 17 equal half yearly instalments starting from September 30, 2019. These loans are secured by first *pari-passu* charge by way of mortgage, by deposit of title deeds in respect of immovable properties of the Parent Company and hypothecation of the movable fixed assets of the Parent Company, both present and future 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 from financial institution of USD 1,474.00 Lakhs (Rs.96075.63 Lakhs including current maturity of Nil) (Previous Year Rs 31080.10 Lakhs including current maturity of Nil) carry interest in the range of 3 month LIBOR plus 3.07%-3.10% p.a. Term loans are repayable in 17 equal half yearly instalments starting from September 30, 2019. These loans are secured by first *pari-passu* charge by way of mortgage, by deposit of title deeds in respect of immovable properties of the Parent Company and hypothecation of the movable fixed assets of the Parent Company, both present and future subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.

iii Finance lease obligation of Rs.32.21 Lakhs (including current maturities of Rs. 32.21 Lakhs) (Previous year : Rs.106.94 Lakhs including current maturities of Rs.70.77 Lakhs) is payable in 5 monthly instalments of Rs.6.77 Lakhs each (i.e. lease obligation including interest) starting from April, 2018 and carry interest rate of around 27.34% p.a. This is secured by assets acquired under the facility.

iv Unsecured Rupee Term Loans of Rs 17500.00 Lakhs (Previous Year Nil) from banks carry interest @ 364 days treasury bill yield plus 1.75% per annum and are repayable in 8 equal quarterly instalments. Out of these, repayment of one term loan of Rs 10000.00 Lakhs will start from May 06, 2020 and that of another term loan of Rs 7500.00 Lakhs will start from May 20, 2020.

(C) Redeemable preference shares

In respect of redeemable preference shares issued by one of the subsidiary of the Parent Company, as the Group has an obligation to deliver a number of its equity instruments which may vary based on the fair value of the preference shares on the date of redemption, the contractual obligation has been construed as a financial liability. Refer note 33 for the details regarding rights, preference and restrictions attached to the redeemable preference shares.

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Note 11B : Other Non Current Financial Liabilities		
Earnest Money / Security Deposits	18.74	-
Payable for Capital Goods	-	190.25
	18.74	**190.25**
NOTE 12 : LONG TERM PROVISIONS		
Provision for Employee Benefits		
- Gratuity (refer note 32)	65.87	235.24
- Post Retirement Medical Benefits (refer note 32)	310.46	288.32
	376.33	**523.56**
NOTE 13 : OTHER NON CURRENT LIABILITIES		
Other Employee Benefit Obligations	282.17	249.76
	282.17	**249.76**
NOTE 14 : FINANCIAL LIABILITIES		
Note 14A : Current Borrowings		
Secured Loans:		
From Banks:		
- Rupee Loans (refer footnote i below)	38373.47	51736.04
- Cash Credit Facilities (refer footnote ii below)	69695.24	22433.11
- Foreign Currency Loans (refer footnote iii below)	25102.56	66228.27
- Line of Credit Facility (refer footnote v below)	-	10830.79
Unsecured Loans:		
Commercial Papers (refer footnote iv below)	50000.00	110000.00
From Banks:		
- Line of Credit Facility (refer footnote v below)	11080.60	-
- Foreign Currency Loans (refer footnote vi below)	62047.20	57361.52
	256299.07	**318589.73**

i Rupee loans of Rs. 38373.47 Lakhs (Previous Years Rs. 51736.04 Lakhs) from a bank has been under Special Banking Arrangement against the subsidy on Indigenous P&K receivable from Govt. of India. The Bank has charged interest @ 7.80% p.a.(including 6.84% p.a. paid by Govt. of India directly to banks). Accordingly, Rs. 8.96 Lakhs (Previous year: Rs. 108.88 Lakhs) @ 0.96% p.a. has been charged as interest expense in the statement of Profit and Loss. These loans are secured by hypothecation of subsidy receivables upto 38373.47 Lakhs (Previous Year: Rs. 51736.04 Lakhs) from Govt. of India. The loan is repayable within 60 days.

ii Cash credit facilities of Rs. 69695.24 Lakhs (Previous Year Rs. 22433.11 Lakhs) carrying interest in the range of 9.40% - 10.05% p.a. and Foreign currency loans of Nil (Previous Year : Rs..18053.01 Lakhs) from banks are secured by hypothecation of all the Parent Company's current assets including all stocks and book debts and other movable assets, both present & future. These loans are further secured by second charge on all the immovable properties of the Parent Company. The loan is repayable on demand.

iii Foreign currency loans of Rs. 25102.56 Lakhs (Previous Year Rs. 48175.26 Lakhs) carrying interest in the range of 1.78% - 2.48% p.a. are secured by second charge on the Parent Company's current assets. The loan is repayable within 152 days.

iv Unsecured Commercial Paper of Rs. 50000.00 Lakhs (Previous Year Rs.110000.00 Lakhs) carry interest @ 6.98% p.a. The loan is repayable on May 22, 2018.

v The step-down subsidiary of the Parent Company has an unsecured line of credit of Rs. 11080.60 Lakhs carrying interest rate of 4.42% p.a. (6 months LIBOR rate 1.87% and spread 2.55%). During the Financial Year ended March 31, 2018, the step-down subsidiary has closed a secured line of credit facility with a bank and all security by way of pledge and collateral interest in rights and title to various assets of the step-down subsidiary has been released.

vi Unsecured foreign currency loans of Rs. 62047.20 Lakhs (Previous Year Rs. 57361.52 Lakhs) carry interest in the range of 1.76% - 2.08% p.a. The loan is repayable within 111 days.

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Note 14B : Trade Payables		
Trade Payables	31973.35	24057.41
	31973.35	**24057.41**
Note 14C : Other Financial Liabilities		
Current Maturity of Long Term Borrowings (refer note 11A)	32.21	70.77
Interest Accrued but not due on Borrowings	708.07	274.70
Earnest Money / Security Deposits	10716.09	10068.26
Accrued Employee Liabilities	2571.05	1769.36
Unclaimed Statutory Liabilities (as referred in Section 124(1) of the Companies Act, 2013):		
-Unpaid Dividend	1240.75	1218.66
Payable for Capital Goods	21663.30	17822.33
Derivative Financial Liabilities	7.94	5633.49
Warrants*	0.40	0.40
Others	38.92	-
	36978.73	**36857.97**

* In consideration of the equipment loans and revolving line of credits (LOC) availed in the previous years from Triple Point Capital ('TPC'), one of the subsidiary of the Parent Company has also entered into warrant agreements with TPC. The agreement provides for warrant coverage of USD 100,000 with a conversion option into 10,882 Series B preference shares of the subsidiary company at a conversion price of USD 9.19 per share for equipment loan and of USD 400,000 with a conversion option of 43,529 Series B Preference shares of the subsidiary company at a conversion price of USD 9.19 per share and 47,213 Series C Preference shares of the subsidiary company at a conversion price of USD 12.70 per share for the LOC. These warrants are accounted as derivative instruments. The fair value of the stock purchase warrants were USD 610 (equivalent to Rs.0.40 Lakhs), USD 610 (equivalent to Rs.0.40 Lakhs) as of March 31, 2018 and March 31, 2017 respectively.

Terms and Conditions of the above Financial Liabilities:
- Trade and other payables (other than Security deposit and current maturity of long term borrowings) are non-interest bearing. For maturity profile of trade payables and other financial liabilities, refer note 45.

NOTE 15 : OTHER CURRENT LIABILITIES

Advance from Customers	1029.09	539.10
Unearned Revenue	1778.21	1726.67
Statutory Obligations Payable	1141.64	2290.33
Other Employee Benefit Obligations	48.83	55.35
Other Liabilities :		
- Dues to Related Parties {refer note 31(a)}	27.00	27.00
- Others	59.72	12.89
	4084.49	**4651.34**

NOTE 16 : CURRENT PROVISIONS

Provision for Employees Benefits:		
- Gratuity (refer note 32)	281.77	191.15
- Leave Encashment	2794.69	2544.96
- Post Retirement Medical Benefits (refer note 32)	10.36	9.29
	3086.82	**2745.40**

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
NOTE 17 : REVENUE FROM OPERATIONS		
Sale of Products (including Excise Duty):		
Sale of Own Manufactured Products {including Rs. 276865.80 Lakhs (Previous year Rs. 229781.75 Lakhs) Subsidy on Fertilisers}	400062.12	350880.10
Sale of Traded Products {including Rs. 118765.40 Lakhs (Previous year Rs. 137372.68 Lakhs) Subsidy on Fertilisers}	346539.53	392168.34
Sale of Services:		
Income from Operations of Shipping Business	-	2464.66
{Including Nil from Charter in Ship (Previous year : Rs.2464.66 Lakhs)}		
Income from Software Development	5339.05	6414.53
Income from Software Licence Fees	110.57	1918.99
Income from Maintenance and Support Services	2540.80	3480.16
Other Operating Revenues		
Others	14.95	34.74
Revenue from Operations (Gross)	**754607.02**	**757361.52**
NOTE 18 : OTHER INCOME		
Interest on:		
- Fertilisers Bonds	0.01	0.01
- Employees Loans	4.23	5.11
- Income Tax Refunds	410.63	429.17
- Deposits (Gross) (Refer note 29)	34.26	61.53
- Payment from Customers	1400.00	697.68
- Current Investments	1590.06	726.09
- Others	128.05	101.35
Rent Received	251.24	226.55
Foreign Currency Translation Reserve released	322.76	-
Mark to Market Gain on Derivative Transaction	5692.41	1190.47
Insurance Claims Received	856.81	551.44
Liabilities no longer required Written Back	125.35	171.17
Allowance for Doubtful Debts and Advances Written Back (Net)	-	6.42
Fair Value Gain on Financial Instrument at fair value through Profit or Loss	-	810.84
Gain on Sale of Non Current Investments	-	534.00
Gain on Sale of Current Investments	2647.93	2884.94
Fair Value Change of Share Warrants Net Gain	-	0.14
Sale of Scrap	144.56	139.09
Gain on Foreign Exchange Variation (Net)	-	4228.24
Miscellaneous Income	539.78	935.86
	14148.08	**13700.10**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
NOTE 19 : COST OF MATERIALS CONSUMED		
Opening Inventories	762.96	1678.39
Add: Purchases	177992.48	152029.28
Less: Closing Inventories	73.96	762.96
	178681.48	152944.71
NOTE 20 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Closing Inventories		
- Work-in-Progress	567.57	844.23
- Finished Goods	23843.45	20551.37
- Traded Goods	47423.89	55095.86
	71834.91	**76491.46**
Opening Inventories		
- Work-in-Progress	844.23	740.26
- Finished Goods	20551.37	13592.95
- Traded Goods	55095.86	62419.20
	76491.46	**76752.41**
Decrease in Inventories	**4656.55**	**260.95**
NOTE 21 : EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus *	12921.53	12486.59
Contribution to Provident and Other Funds *	877.56	1128.14
Gratuity Expense (refer note 32)	243.28	318.44
Post Retirement Medical Benefits (refer note 32)	34.34	32.20
Workmen and Staff Welfare Expenses	861.10	1010.88
Employee Share Based Payment Expense/ (Reversal) of Employee Share Based Payment Expense (Net) (refer note 36)	0.33	(787.99)
	14938.14	**14188.26**
* Refer note 29		
NOTE 22 : FINANCE COSTS		
Interest (including interest on income tax : Rs.69.03 Lakhs (Previous year : Rs.5.86 Lakhs))*	9210.91	14946.54
Bank Charges and Guarantee Commission *	263.49	556.60
Exchange Differences regarded as an Adjustment to Borrowing Costs	6044.67	9891.99
	15519.07	**25395.13**

* Refer note 29

(Rs. in Lakhs)

Particulars		Year ended March 31, 2018		Year ended March 31, 2017
NOTE 23 : OTHER EXPENSES				
Consumption of Stores and Spares		1669.53		2449.91
Consumption of Packing Materials		6474.96		7611.21
Sub Contracting Expenses		1130.62		1430.86
Power and Fuel		109879.16		95879.77
Catalyst Charges Written Off		704.04		699.70
Rent (refer note 35) *		2744.93		3807.33
Rates and Taxes		82.14		102.48
Insurance *		1377.92		1975.53
Repairs and Maintenance:				
- Plant and Equipment		2071.10		1776.20
- Buildings *		408.50		448.37
- Others		1270.69		1848.83
Ships Bunker Cost		-		984.31
Ships Port Dues		-		964.44
Directors' Sitting Fees (including service tax)		21.92		23.49
Travelling and Conveyance *		973.26		1137.96
Communication Costs		293.52		470.19
Printing and Stationery		43.07		50.37
Legal and Professional Fees *		937.38		1048.22
Auditor's Remuneration				
As auditor:				
- Audit Fee		51.16		125.96
- Tax Audit Fee		11.17		9.07
- Limited Review Fee		21.60		22.76
- Out of Pocket Expenses		8.90		7.69
In other manner:				
- Certification and other services		25.21		34.34
Excise Duty on Decrease in Inventories		(90.16)		43.38
Freight and Forwarding Charges		53848.00		58662.47
Other Selling Expenses		2011.78		422.45
Commission and Brokerage to other than Sole Selling Agents		-		36.99
CSR Expenditure		1118.50		945.83
Depletion of Loose Tools		13.50		8.71
Green Belt Development/ Horticulture Expenses		247.38		248.99
Allowance for Doubtful Advances and Debts		939.97		-
Loss on Foreign Exchange Variation (Net)		5023.16		-
Loss on Disposal of Property, Plant and Equipment (Net)		1270.83		250.32
Bank Charges and Guarantee Commission (other than Financing)		137.14		136.06
Goodwill on Consolidation Written Off (refer note 4)		-		358.72
Irrecoverable Balances Written Off	56.64		1006.47	
Less: Allowance for Doubtful Debts and Advances adjusted out of above	-	56.64	669.88	336.59
Miscellaneous Expenses *		1489.17		1501.69
		196266.69		**185861.19**

* Refer note 29

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
NOTE 24 : EXCEPTIONAL ITEMS		
Capital Expenditure / Advance Written Off {refer note below}	-	410.88
	-	**410.88**

Note:

During the Previous year the subsidiary company of the Parent Company was pursuing since long for various approvals including renewal of Memorandum of Understanding (MoU) with the Government of Odisha for setting up a power project. In view of the in-ordinate delays, the subsidiary company has decided to withdraw the application for extension of MoU and not pursue the power project in Odisha. Accordingly, the subsidiary company has written off an amount of Rs.357.43 Lakhs towards pre-operative expenses and Rs.53.45 Lakhs towards capital advances given for purchase of land.

NOTE 25 : EARNINGS PER SHARE (EPS)		
(i) Continuing Operations		
Profit for the Year as per Consolidated Statement of Profit and Loss	49173.39	38011.08
Add : Loss for the Year attributable to Non-Controlling Interests	343.36	77.01
Profit attributable to Equity Holders of the Parent Company:	**49516.75**	**38088.09**
Calculation of Weighted Average Number of Equity Shares of Rs.10 each		
- Number of Equity 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	416207852	416207852
Basic and Diluted Earnings Per Share (in Rs.)	11.90	9.15
Nominal Value of Equity Shares (in Rs.)	10.00	10.00
(ii) Discontinued operations		
Profit/(Loss) for the Year as per Consolidated Statement of Profit and Loss	367.72	(2114.73)
Add : Loss for the Year attributable to Non-Controlling Interests	-	240.53
Profit/(Loss) attributable to Equity Holders of the Parent Company:	**367.72**	**(1874.20)**
Calculation of Weighted Average Number of Equity Shares 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	416207852	416207852
Basic and Diluted Earnings Per Share (in Rs.)	0.09	(0.45)
Nominal Value of Equity Shares (in Rs.)	10.00	10.00
(iii) Continuing and discontinued operations		
Profit for the Year as per Consolidated Statement of Profit and Loss	49541.11	35896.35
Add : Loss for the Year attributable to Non-Controlling Interests	343.36	317.54
Profit attributable to Equity Holders of the Parent Company:	**49884.47**	**36213.89**
Calculation of weighted average number of Equity Shares		
- Number of Equity 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	416207852	416207852
Basic and Diluted Earnings Per Share (in Rs.)	11.99	8.70
Nominal Value of Equity Shares (in Rs.)	10.00	10.00

26. The Group comprises of the following entities :

Name of the Group Company	Country of Incorporation	Percentage of Ownership as at March 31, 2018	Percentage of Ownership as at March 31, 2017
A. Subsidiaries			
CFCL Ventures Limited (CVL)	Cayman Islands	72.27%	72.27%
Chambal Infrastructure Ventures Limited	India	100.00%	100.00%
India Steamship Pte Limited	Singapore	100.00%	100.00%
India Steamship International FZE, UAE	UAE	100.00%	100.00%
India Steamship Limited	India	100.00%	100.00%
Subsidiaries of CVL			
ISGN Corporation, USA	U.S.A	100.00%	100.00%
ISG Novasoft Technologies Limited, India	India	100.00%	100.00%
Inuva Info Management Private Limited, India *	India	71.00%	71.00%
Step-down Subsidiaries of ISGN Corporation,USA			
ISGN Solutions Inc,USA (sold on 18.05.2016)	U.S.A	-	-
Step-down Subsidiaries of ISGN Solutions			
ISGN Fulfillment Services,Inc.(Pennsylvania) (till 18.05.2016)	U.S.A	-	-
Step-down Subsidiaries of ISGN Fulfillment Services,Inc			
ISGN Fulfillment Agency,LLC # (till 18.05.2016)	U.S.A	-	-
B. Joint Venture			
Indo Maroc Phosphore S.A, (IMACID) Morocco	Morocco	33.33%	33.33%

* dormant subsidiary

These entities were license companies, there were no assets and liabilities in these entities.

27. Contingent Liabilities (not provided for)

(i) (a) In respect of Parent Company : **(Rs. in Lakhs)**

S. No.	Particulars	As at March 31, 2018	As at March 31, 2017
(i)	Demand raised by Service Tax, Sales Tax and Income Tax (IT) authorities being disputed by the Parent Company *	760.76	1236.15
(ii)	Penalty levied by FERA Board under appeal before the Calcutta High Court	1.30	1.30
(iii)	Various labour cases	Amount not ascertainable	Amount not ascertainable
(iv)	Other claims against the Parent Company not acknowledged as debts	7.81	12.05

* Brief description of liabilities under (i) above : **(Rs. in Lakhs)**

1.	**Income Tax :**		
	Demand raised by IT authorities on account of various disallowances for AY 2009-10 including penalties	52.71	505.39
	Demand raised by IT authorities on account of various disallowances for AY 2010-11	289.48	323.96
	Demand raised by IT authorities on account of various disallowances for AY 2011-12	66.58	71.15
	Demand raised by IT authorities on account of various disallowances for AY 2012-13	154.22	154.22
2.	**Sales Tax :**		
	(a) Demand raised by Asstt. Commissioner of Commercial Taxes, Patliputra Circle, Patna for financial year 2013-14	-	103.15
	(b) Demand raised by sales tax authorities, Uttar Pradesh for financial years 2011-12 and 2012-13	-	20.23
	(c) Demand raised by Uttar Pradesh Commercial Tax, Tribunal Bench, Agra, Uttar Pradesh on levy of VAT on SSP for financial year 2012-13	17.99	-
	(d) Demand raised by sales tax authorities, Uttar Pradesh for financial year 2014-15 on levy of VAT	121.73	-

Particulars	As at March 31, 2018	As at March 31, 2017
3. Service Tax :		
(a) Service tax demand received on account of wrong availment of exemption from the payment of service tax for the period 2008-09 upto June, 2012 (including penalty and interest)	31.22	31.22
(b) Demand (including penalty) plus interest at the appropriate rate raised in respect of service tax not paid on payments made in foreign currency to foreign parties, treating all such payments as taxable, which is being contested by the Shipping Division of the Parent Company	26.83	26.83
Total	**760.76**	**1236.15**

(v) The Parent Company had received a Tax demand of Rs.352.34 Lakhs (Previous year: Rs.352.34 Lakhs) 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 13th July, 2001. However, in the event of the Parent Company having to pay the above, it is reimbursable by Fertiliser Industry Coordination Committee (FICC) / Government of India under Subsidy Scheme.

(vi) 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, 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 FICC under Subsidy Scheme.

(vii) 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, 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 FICC under Subsidy Scheme.

(viii) 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 August 31,2001. 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 Lakhs (Previous year: Rs.7380.36 Lakhs) 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 on the basis of the stay order the Parent Company is of the view 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 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 (i) to (viii) above and hence no provision is considered necessary against the same.

(b) In respect of Subsidiaries :

Claims lodged / suits filed against Subsidiary of the Parent Company by customers are as given below. In addition, the subsidiary Company 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 subsidiary 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 are as below:

ISG Novasoft Technologies Limited (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Income tax demands, under appeal [refer Note (i) below] USD 3,730,046 Previous Year USD 2,336,830	2431.24	1515.55
Others [refer Note (ii) below] USD 257,748 Previous Year USD 259,105	168.00	168.04

(i) In respect of ISGN India, the tax authorities have made various adjustments relating to transfer pricing and other disallowances to taxable income for various assessment years i.e. 2007-2008 to 2014-15.

(ii) These include deposits placed by ISGN India with the High Court of Chennai, India towards an employee claim against it pending at the court.

The Group is contesting aforesaid demands and the management, based on external advise, believes that its position will likely be upheld in the appellate process. No expense has been accrued in the consolidated financial statements for the aforesaid demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations. The Group does not expect any reimbursements in respect of the above contingent liabilities.

(ii) Contingent Assets (not recognised for) in respect of Parent Company: (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Un-utilised cenvat credit	320.07	393.40

The Shipping Division (now discontinued) of the Parent Company have been claiming cenvat credit in the service tax returns. However, the division has not recognised such service tax credit receivable in the financial statements due to uncertainty in utilisation of the same.

28. Capital Commitments: (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account (net of advances)	133996.41	352405.55

29. Capitalisation of Expenditure

The Group has capitalised the following expenses of revenue nature to the cost of Capital work-in-progress (CWIP). Consequently expenses disclosed under the respective notes are net of amounts capitalised by the Group. The break up of expenditure is as follows :

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Opening balance	13284.49	6010.33
Add : Expenditure during the year		
Salaries, wages and bonus	681.08	320.60
Contribution to provident and other funds	32.73	16.33
Travelling and conveyance	81.63	86.94
Legal and professional fees	9.85	91.79
Interest **	12557.44	3233.11
Other finance costs	372.83	35.63
Bank charges	90.69	59.69
Construction of enabling asset - Anicut	1380.12	3696.06
Insurance	226.82	584.87
Rent	7.49	5.70
Repairs and Maintenance - Buildings	-	11.73
Start up and Commissioning Expense	320.07	-
Miscellaneous expenses	35.89	72.16
Total expenditure	**29081.13**	**14224.94**
Less: Interest income	(173.61)	(267.32)
Add: Current tax	60.08	92.39
Less: Deferred tax	(60.08)	(92.39)
Net expenditure	**28907.52**	**13957.62**
Less: Allocated to property, plant and equipment ***	(397.66)	(315.70)
Less: Capital expenditure written off (refer note 24)	-	(357.43)
Capitalisation of expenditure (pending for allocation) *	**28509.86**	**13284.49**

* includes Rs.28506.31 Lakhs (Previous year:Rs.12927.47 Lakhs) related to upcoming urea manufacturing plant under the New Investment Policy 2012.

** Interest comprises of:

(i) Rs.8314.32 Lakhs (Previous year : Rs.2560.39 Lakhs) on specific borrowings taken for upcoming urea manufacturing plant under the New Investment Policy 2012; and

(ii) Rs.4243.12 Lakhs (Previous year : Rs.672.72 Lakhs) on general borrowings for upcoming urea manufacturing plant and other qualifying assets using the weighted average interest rate applicable during the year which is 6.24% p.a.

*** represents interest expense capitalised during the year on qualifying assets.

30. **Segment Information**

Operating Segment

The Managing Director and Chief Financial Officer of the Parent Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators.

The Group'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, Shipping and Software & others. A description of the types of products and services provided by each reportable segment is as follows:

Fertilisers and other Agri-inputs segment includes manufacturing of urea & Single Super Phosphate and marketing of Fertilisers and other Agri-Inputs .

Shipping segment included transportation of crude oil and liquid products through vessels owned and/ or hired. The Shipping Division of the Parent Company has been classified as held for sale and discontinued operations on March 31, 2017. Information about this discontinued segment is provided in note 48(A)(i).

'***Software & others segment'*** includes software business, power & infrastructure activities of the Group.

(Rs. in Lakhs)

Particulars	Fertilisers and other Agri-inputs		Shipping		Software & others		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Revenue								
External revenue (including other operating revenue)	746616.60	743083.19	-	2464.66	7990.42	11813.67	754607.02	757361.52
Inter segment revenue	-	-	-	-	-	-	-	-
Total revenue	**746616.60**	**743083.19**	**-**	**2464.66**	**7990.42**	**11813.67**	**754607.02**	**757361.52**
Income/ (expense)								
Depreciation and amortisation expense	6174.89	(6020.38)	-	-	2249.90	(3063.15)	8424.79	(9083.53)
Segment profit/ (loss)	**80162.65**	**75548.75**	**(25.93)**	**(1285.35)**	**(263.49)**	**1514.32**	**79873.23**	**75777.72**
Total assets	**895599.18**	**695758.71**	**931.86**	**771.15**	**11071.32**	**12140.03**	**907602.36**	**708669.89**
Total liabilities	**59646.17**	**47978.00**	**235.44**	**27.52**	**3683.61**	**3807.08**	**63565.22**	**51812.60**
Other disclosures								
Capital expenditure	257821.30	121046.68	-	-	2404.51	3010.62	260225.81	124057.30

Reconciliations to amounts reflected in the financial statements

Reconciliation of profit

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Segment profit	**79873.23**	**75777.73**
Reconciliation items:-		
Interest income	3567.24	2020.94
Mark to market gain on derivative transaction	5692.41	1190.47
Fair value gain on financial instrument at fair value through profit or loss	-	810.84
Gain on sale of investments	2647.93	3418.94
Other expenses (net of other income)	(6406.59)	(984.96)
Depreciation and amortisation expense	(113.95)	(136.68)
Finance costs	(15519.07)	(25395.13)
Share of profit of a joint venture	3925.40	271.59
Exceptional items (refer note 24)	-	(410.88)
Profit before tax from continuing operations	**73666.60**	**56562.86**

Reconciliation of assets (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Segment operating assets	**907602.36**	**708669.89**
Property, plant and equipment	248.27	455.27
Investment in a joint venture	20705.60	17355.22
Non-current investments	2.48	2.48
Bank balances on unpaid dividend accounts	1240.75	1218.66
Deposits with banks	201.65	661.28
Deferred tax assets (net)	128.62	35.19
Income tax assets (net)	7565.92	7915.12
Deferred transaction cost on borrowings	1626.76	4178.31
Derivative financial assets	15.80	503.60
Prepaid Expenses	1500.43	2059.86
Other unallocable assets	7075.93	1292.49
Assets classified as held for sale {refer note 48(B)}	40.35	61366.51
Total assets	**947954.92**	**805713.88**

Reconciliation of liabilities

Segment operating liabilities	**63565.22**	**51812.60**
Long-term borrowings	351603.77	143198.38
Deferred tax liabilities (net)	21314.25	18334.44
Short-term borrowings	256299.07	318589.73
Current maturities of long term borrowings	32.21	70.77
Unclaimed statutory liabilities	1240.75	1218.66
Derivative financial liabilities	7.94	5633.49
Other unallocable liabilities	12072.02	11124.91
Liabilities classified as held for sale {refer note 48(A)(ii)}	-	51634.19
Total liabilities	**706135.23**	**601617.17**

Information about geographical areas

The following table provides an analysis of the Group's revenue from external customers in respect of continuing operations by geography in which the customer is located, irrespective of the origin of the goods:

(Rs. in Lakhs)

Particulars	2017-18	2016-17
India	746616.60	743083.19
Outside India	7990.42	14278.33
Total revenue as per consolidated statement of profit and loss	**754607.02**	**757361.52**

The Group has common Property, plant and equipment (PPE) and intangible assets for producing goods/ providing services in India and Outside India. Hence, separate figures for PPE & intangible assets / additions to PPE & intangible assets have not been furnished.

Information about major customers

Revenue from single customer i.e. Government of India amounted to Rs.395631.20 Lakhs (Previous year : Rs.367154.43 Lakhs) arising from the Fertilisers and other Agri-inputs segment.

31. Related Party Transactions

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures', names of the related parties, related party relationship, transactions and outstanding balances where control exists and with whom transactions have taken place during reported periods are:

Related Party Name and Relationship

(a) Key Management Personnel

S.No.	Name	Designation
1.	Mr. Saroj Kumar Poddar	Chairman
2.	Mr. Shyam Sunder Bhartia	Non-Executive Director
3.	Mr. Chandra Shekhar Nopany	Non-Executive Director
4.	Mr. Kashi Nath Memani	Independent - Non Executive Director (till September 15, 2017)
5.	Mr. Nimesh N. Kampani	Independent - Non Executive Director (w.e.f. September 15, 2017)
6.	Ms. Radha Singh	Independent - Non Executive Director
7.	Mr. Marco Philippus Ardeshir Wadia	Independent - Non Executive Director
8.	Mr. Aditya Narayan	Independent - Non Executive Director
9.	Mr. Anil Kapoor	Managing Director
10.	Mr. Abhay Baijal	Chief Financial Officer
11.	Mr. Rajveer Singh	Company Secretary

Transaction with the related parties- (Rs. in Lakhs)

Nature of Transactions	Year ended March 31, 2018		Year ended March 31, 2017	
Remuneration Paid *		**640.16**		**575.30**
Mr. Anil Kapoor	473.91		424.47	
Mr. Abhay Baijal	111.06		101.52	
Mr. Rajveer Singh	55.19		49.31	
Interest Income on Loan given		**0.12**		**0.13**
Mr. Anil Kapoor	0.12		0.12	
Mr. Rajveer Singh	-		0.01	

(Rs. in Lakhs)

Nature of Transactions	As at March 31, 2018		As at March 31, 2017	
Outstanding Balances as at the year end		**2.15**		**2.15**
Loan Receivable				
Mr. Anil Kapoor	2.15		2.15	

* Key management personnel are covered under the Parent Company's Group Gratuity Scheme along with other employees of the Parent Company. The gratuity, leave liability, post retirement medical benefits, long service award scheme and settlement allowance 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, post retirement medical benefits, long service award scheme and settlement allowance liability for Key management personnel can not be ascertained separately, except for the amount actually paid.

Key Management Personnel - (other than disclosed above) (Rs. in Lakhs)

Nature of Transactions	Year ended March 31, 2018		Year ended March 31, 2017	
Director Commission		**30.00**		**30.00**
Mr. Saroj Kumar Poddar	5.00		5.00	
Mr. Chandra Shekhar Nopany	5.00		5.00	
Mr. Kashi Nath Memani	2.29		5.00	
Mr. Nimesh N. Kampani	2.71		-	
Ms. Radha Singh	5.00		5.00	
Mr. Marco Philippus Ardeshir Wadia	5.00		5.00	
Mr. Aditya Narayan	5.00		5.00	
Sitting fees		**20.85**		**20.45**
Mr. Saroj Kumar Poddar	2.00		1.50	
Mr. Chandra Shekhar Nopany	2.60		3.25	
Mr. Kashi Nath Memani	0.75		1.75	
Mr. Nimesh N. Kampani	1.25		-	
Ms. Radha Singh	5.10		5.10	
Mr. Marco Philippus Ardeshir Wadia	4.80		4.65	
Mr. Aditya Narayan	4.35		4.20	

(Rs. in Lakhs)

Nature of Transactions	As at March 31, 2018		As at March 31, 2017	
Outstanding Payable at the year end		**27.00**		**27.00**
Mr. Saroj Kumar Poddar	4.50		4.50	
Mr. Chandra Shekhar Nopany	4.50		4.50	
Mr. Kashi Nath Memani	2.44		4.50	
Mr. Nimesh N. Kampani	2.06		-	
Ms. Radha Singh	4.50		4.50	
Mr. Marco Philippus Ardeshir Wadia	4.50		4.50	
Mr. Aditya Narayan	4.50		4.50	

Key Management Personnel interests in the Employees Stock Option Scheme 2010 (ESOS)

Share Options held by Key Management Personnel under the ESOS to purchase equity shares of the Parent Company from CFCL Employees Welfare Trust have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise Price (in Rs.)	As at March 31, 2018 Number Outstanding	As at March 31, 2017 Number Outstanding
September 16, 2010	2019- 2023	73.50	283,000	283,000

No share options have been granted to the members of the Board of Directors (except for Managing Director). For further details on ESOS, refer note 36.

(b) Post Employment Benefit Plans

CFCL Employees Provident Fund
Chambal Fertilisers and Chemicals Limited Senior Staff Superannuation Fund
CFCL Employees Group Gratuity Trust
India Steamship Staff Provident Fund
India Steamship Staff Gratuity Insurance Scheme

Transaction with the Related Parties- (Rs. in Lakhs)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
Contribution (accrual basis)		**860.04**		**465.27**
- CFCL Employees Provident Fund	368.25		328.37	
- Chambal Fertilisers and Chemicals Limited Senior Staff Superannuation Fund	57.37		113.23	
- CFCL Employees Group Gratuity Trust	427.71		5.99	
- India Steamship Staff Provident Fund *	6.71		17.68	

Outstanding Balances as at year end- (Rs. in Lakhs)

Nature of Transactions	As at March 31, 2018		As at March 31, 2017	
Other current liabilities		**37.67**		**35.80**
- CFCL Employees Provident Fund	31.13		27.55	
- Chambal Fertilisers and Chemicals Limited Senior Staff Superannuation Fund	6.54		8.25	

* included in discontinued operations in the statement of profit and loss in respect of Shipping Division of the Parent Company {refer note 48(A)}.

(c) Joint Venture

Indo Maroc Phosphore S.A. (IMACID), Morocco (Rs. in Lakhs)

Particulars	2017-18		2016-17	
Reimbursement of expenses received		**18.05**		**37.08**
	18.05		37.08	

(Rs. in Lakhs)

Nature of Transactions	As at March 31, 2018		As at March 31, 2017	
Outstanding Balances as at the year end		**7.25**		**11.49**
Other Receivables	7.25		11.49	

32. Gratuity and other post-employment benefit plans: (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017 *
Gratuity Plan - (Liability) *	(347.64)	(603.46)
Provident Fund - Asset */ **	312.31	345.81
Post retirement medical benefits plan - (Liability)	(320.82)	(297.61)

* Nil (Previous year Rs.177.07 Lakhs)included in 'Liabilities directly associated with assets classified as held for sale' in respect of Shipping Division of the Parent Company classified as held for sale and discontinued operations (refer note 48(A)(i)).

*/ ** Plan asset of Rs.312.31 Lakhs {Previous year Rs.345.80 Lakhs (including Rs.197.83 Lakhs pertaining to Shipping Division of the Parent Company classified as held for sale and discontinued operations) has not been recognised in the financial statements, as the surplus of the trust, is distributable among the beneficiaries of the provident fund trust.

a) Gratuity

(i) In case of Fertiliser Division of the Parent Company, the Parent Company has a defined benefit gratuity plan. Benefit is being paid as under-

(A) In case of retirement or death while in service of the Parent Company, the gratuity will be payable as under:

i) Completed continuous service of 5 years and above upto 20 years – gratuity equivalent to 15 days last drawn salary for each completed year of service.

ii) Completed continuous service of above 20 years – gratuity equivalent to 15 days last drawn salary for first 20 years and 20 days last drawn salary for each completed year of service after 20 years.

(B) In case of resignation or termination, where the employee has completed 5 years of continuous service with the Parent Company, gratuity equivalent to 15 days last drawn salary for each completed year of service shall be payable.

The Scheme is funded with insurance companies in the form of a qualifying insurance policies. The fund has the form of a trust and it is governed by the Board of Trustees.

(ii) In case of Shipping Division of the Parent Company, the Parent Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure @15 to 30 days 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 division. The fund has the form of a trust and it is governed by the Board of Trustees.

(iii) In case of Software subsidiaries of the Group, the subsidiary has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure @15 days salary (last drawn salary) for each completed year of service. Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

b) Post Retirement Medical Benefit Plan

The Fertiliser Division of the Parent Company has post retirement medical benefit schemes in the nature of defined benefit plan which is unfunded.

c) Provident Fund

The Parent Company has set up provident fund trust, which are managed by the Parent Company. 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 for measurement of provident fund liabilities and there is no shortfall as at March 31, 2018.

The Boards of Trustees of Gratuity Trust and Provident Fund Trust of the Parent Company are responsible for the administration of the respective plan assets of Parent Company and for the definition of the investment strategy. The Board of Trustees reviews the level of funding and investment and such a review includes the asset-liability matching strategy and investment risk management policy.

The Board of Trustees decides the contribution based on the results of the review. Generally, they aim to have a portfolio mix of equity instruments and debt instruments. Investments of Provident Fund Trusts are being governed by the rules issued by the Ministry of Labour, Government of India for Employee Provident Fund exempted establishment.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funding status and amounts recognised in the balance sheet for the respective plans:

Changes in the Defined Benefit Obligation and Fair Value of Plan Assets as at March 31, 2018: (Rs. in Lakhs)

Particulars	As at April 1, 2017	Service Cost **	Net Interest Expense	Sub-total included in Profit or Loss*	Benefits Paid	Return on Plan Assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in Demographic Assumptions	Actuarial changes arising from changes in Financial Assumptions	Experience Adjustments	Subtotal included in OCI	Settlement/ Transfer In	Contributions by Employer	Effects of Exchange rate changes	As at March 31, 2018
		Cost charged to Consolidated Statement of Profit and Loss				Remeasurement Gains/(Losses) in OCI								
(A) Gratuity plan: */ **														
Defined benefit Obligation	(2943.97)	(210.22)	(119.60)	(329.82)	115.24	-	-	28.16	(30.72)	(2.56)	-	-	12.86	(3148.25)
Fair Value of plan assets	2340.51	-	173.55	173.55	(103.98)	(39.86)	-	1.03	-	(38.83)	-	429.38	(0.02)	2800.61
Benefit (Liability)	**(603.46)**	**-**	**-**	**(156.27)**	**11.26**	**-**	**-**	**-**	**-**	**(41.39)**	**-**	**429.38**	**12.84**	**(347.64)**
(B) Post Retirement Medical Benefits Plan:														
Defined Benefit Obligation	(297.61)	(11.72)	(22.62)	(34.34)	8.41	-	-	7.07	(4.35)	2.72	-	-	-	(320.82)
Fair Value of Plan Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit (Liability)	**(297.61)**	**-**	**-**	**(34.34)**	8.41	**-**	**-**	**-**	**-**	**2.72**	**-**	**-**	**-**	**(320.82)**

Changes in the Defined Benefit Obligation and Fair Value of Plan Assets as at March 31, 2017: (Rs. in Lakhs)

Particulars	As at April 1, 2016	Service Cost **	Net \ Interest Expense	Sub-total included in Profit or Loss*	Benefits Paid	Return on Plan Assets (excluding amounts included in net interest expense)	Actuarial changes Arising from changes in Demographic Assumptions	Actuarial changes arising from changes in Financial Assumptions	Experience Adjustments	Subtotal included in OCI	Settlement/ Transfer In	Contributions by Employer	Effects of Exchange Rate changes	As at March 31, 2017
		Cost charged to consolidated statement of profit and loss				Remeasurement gains/(losses) in OCI								
(A) Gratuity Plan: */ **														
Defined benefit Obligation	(2643.19)	(320.19)	(207.66)	(527.84)	345.70	-	23.47	-	(178.50)	(155.03)	38.57	-	(2.18)	(2943.97)
Fair Value of Plan Assets	2313.30	-	193.59	193.59	(270.78)	49.88	0.44	-	-	50.32	(38.57)	93.03	(0.37)	2340.51
Benefit (Liability)	**(329.89)**	**-**	**-**	**(334.25)**	**74.92**					**(104.71)**		**93.03**	**(2.55)**	**(603.46)**
(B) Post Retirement Medical Benefits Plan:														
Defined Benefit Obligation	(267.96)	(10.77)	(21.44)	(32.20)	8.06	-	-	-	(5.51)	(5.51)	-	-	-	(297.61)
Fair Value of Plan Assets	-	-	-	-	-	-	-	-	-	-		-	-	-
Benefit Liability)	**(267.96)**	**-**	**-**	**(32.20)**	**8.06**	**-**	**-**	**-**	**-**	**(5.51)**	**-**	**-**	**-**	**(297.61)**

* Rs.87.01 Lakhs (Previous year : Rs.15.82 Lakhs) included in discontinued operations in the statement of profit and loss in respect of Shipping Division of the Parent Company {refer note 48(A)(i)}.

** including past service cost of Nil (Previous year : Rs. 104.70 Lakhs) in respect of Fertiliser Division of the Parent Company.

Provident Fund:

Changes in the Defined Benefit obligation and Fair Value of Plan Assets as at March 31, 2018 and March 31, 2017:

(Rs. in Lakhs)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Defined benefit obligation	Fair value of plan assets	Benefit asset	Defined benefit obligation	Fair value of plan assets	Benefit asset
Opening Balance	**(11147.57)**	**11493.38**	**345.81**	**(10401.36)**	**10829.20**	**427.84**
Service Cost	(374.96)	-	(374.96)	(346.05)	-	(346.05)
Net Interest Expense	(829.96)	42.72	(787.24)	(832.11)	866.33	34.22
Benefits Paid	836.24	(836.24)	-	1453.97	(1453.97)	-
Return on Plan Assets (excluding amounts included in Net Interest Expense)	-	969.89	969.89	-	112.23	112.23
Actuarial Changes arising from changes in Financial Assumptions	-	-	-	(1.48)	-	(1.48)
Experience Adjustments	(216.15)	-	(216.15)	(227.01)	-	(227.01)
Settlement/ Transfer In	(2.91)	2.91	-	(21.95)	21.95	-
Contributions by Plan Participant / Employees	(856.40)	856.40	-	(771.60)	771.60	-
Contributions by Employer	-	374.96	374.96	-	346.05	346.05
Closing Balance	**(12591.71)**	**12904.02**	**312.31**	**(11147.57)**	**11493.37**	**345.81**

The Group expects to contribute Rs.193.51 Lakhs (Previous year : Rs.195.42 Lakhs) and Rs.482.71 Lakhs (Previous year : Rs.422.49 Lakhs) to gratuity trust and provident fund respectively in the next financial year in respect of continuing operations of the Group.

The principal assumptions used in determining gratuity, provident fund and post-employment medical benefit obligations for the Group's plans are shown below:

Particulars	March 31, 2018	March 31, 2017
	%	%
Discount rate:		
Gratuity Plan	7.60 to 7.76	6.30 to 7.60
Provident Fund	7.76	7.60 to 8.00
Post Retirement Medical Benefits	7.76	7.60
Future Salary Increase:	-	
Gratuity Plan	7.00 to 7.50	7.00 to 7.50
Medical Cost Escalation Rate:	-	
Post Retirement Medical Benefits Cost Increase	3.00	3.00
Life Expectation for:	-	
Post Retirement Medical Benefits	-	
Male	17.20	17.25
Female	21.60	21.60

A quantitative sensitivity analysis for significant assumptions as at March 31, 2018 is shown below:

Gratuity Plan of the Group:

Particulars	Year ended March 31, 2018		Year ended March 31, 2018	
Assumption	**Discount Rate**		**Future Salary Increase**	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Lakhs)	(137.06)	137.98	139.36	(137.36)

Provident Fund of the Parent Company:

Particulars	Year ended March 31, 2018	
Assumption	Discount Rate	
Sensitivity Level	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Lakhs)	(1.53)	1.61

Post retirement medical benefits plan for fertiliser division of the Parent Company:

Particulars	Year ended March 31, 2018		Year ended March 31, 2018	
Assumption	Medical Cost Escalation Rate		Discount Rate	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on defined benefit obligation (Rs. in Lakhs)	(23.80)	24.41	24.78	(23.98)

Sensitivities due to mortality & withdrawals are not material and hence impact of change is not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

A quantitative sensitivity analysis for significant assumptions as at March 31, 2017 is shown below:

Gratuity plan for the Group:

Particulars	Year ended March 31, 2017		Year ended March 31, 2017	
Assumption	Discount Rate		Future Salary Increase	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Lakhs)	(125.72)	135.02	137.35	(128.33)

Provident Fund of the Parent Company:

Particulars	Year ended March 31, 2017	
Assumption	Discount Rate	
Sensitivity Level	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Lakhs)	(1.56)	1.64

Post retirement medical benefits plan for fertiliser division of the Parent Company:

Particulars	Year ended March 31, 2017		Year ended March 31, 2017	
Assumption	Discount Rate		Medical Cost Escalation Rate	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Lakhs)	23.76	(22.94)	(22.08)	23.18

Sensitivities due to mortality & withdrawals are not material and hence impact of change is not calculated. Sensitivities as to rate of inflation, rate of increase of pensions payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 14.10 years (Previous year : 14.43 years).

Investment Pattern in Plan Assets:

Particulars	Gratuity		Provident fund	
	2017-18	2016-17	2017-18	2016-17
Investments with insurers/ Government securities/ Equity shares/ Equity oriented mutual funds (%)	100%	100%	100%	100%

Maturity Profile of Defined benefit obligation: **(Rs. in Lakhs)**

Particulars	Within the next 12 months	Between 2 and 5 years	Between 5 and 10 years	Beyond 10 Years
March 31, 2018				
Gratuity Fund	421.79	608.25	758.62	1359.59
Provident Fund	2527.71	1703.00	2312.00	6049.00
Post Retirement Medical Benefits Plan	10.36	51.53	67.42	191.51
March 31, 2017				
Gratuity Fund	227.40	701.95	674.88	1339.74
Provident Fund	1872.00	1358.00	2239.00	5678.57
Post Retirement Medical Benefits Plan	9.29	46.45	63.74	178.13

Contribution to Defined Contribution Plans : (Rs. in Lakhs)

Particulars	2017-18	2016-17
Pension Fund *	136.47	134.88
Superannuation Fund**	57.37	113.23
National Pension Scheme***	38.36	19.44

* Nil (Previous year : Rs.5.66 Lakhs) included in discontinued operations in the consolidated statement of profit and loss in respect of Shipping Division of the Parent Company {refer note 48(A)(i)}.

** Nil (Previous year : Rs.14.31 Lakhs) included in discontinued operations in the consolidated statement of profit and loss in respect of Shipping Division of the Parent Company {refer note 48(A)(i)}.

*** In respect of Fertiliser Division of the Parent Company.

33. Rights, preference and restrictions attached to redeemable preference shares

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 CFCL Ventures Limited (CVL), a subsidiary of the Parent Company, 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 CVL.

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, CVL 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 CVL 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 CVL 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 CVL 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.

34. Subsidies

(a) Nitrogenous Fertilizers are under the Concession Scheme including freight as per the New Urea Policy 2015 and Uniform Freight Policy. 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.

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

Current year's subsidy income of Urea is inclusive of (Rs.593.87 Lakhs) (Previous year : Rs.647.54 Lakhs) being the subsidy income, pertaining to earlier years, but determined during the year.

(b) Subsidy on traded fertilisers (other than Gypsum) has been accounted for as per concession rates based on Nutrient Based Subsidy Policy as notified by the Government of India.

(c) Subsidy on City Compost has been accounted as notified by the Government of India.

35. Leases

(i) Assets taken on Lease

(a) The lease payment made during the year amounts to Rs.83.89 Lakhs (Previous year : Rs.95.10 Lakhs), out of which Rs.64.68 Lakhs (Previous year : Rs.57.07 Lakhs) has been adjusted against Principle and Rs.19.21 Lakhs (Previous year : Rs.38.04 Lakhs) has been shown as interest expense. 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 is as follows: (Rs. in Lakhs)

Period	As at March 31, 2018			As at March 31, 2017		
	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	34.41	32.21	2.20	91.70	70.77	20.93
Payable after one year but not more than five years	-	-	-	38.67	36.17	2.50
Payable after more than 5 years	-	-	-	-	-	-

(b) The Group has entered into Operating Lease Agreements for the premises which are non- cancellable. The lease payments recognized in the consolidated statement of profit and loss during the year amounts to Rs.1254.05 Lakhs (Previous year: Rs. 2128.55 Lakhs) {including (i) Nil (Previous year : Rs.308.09 Lakhs) in discontinued operations in the consolidated statement of profit and loss in respect of Shipping Division of the Parent Company (refer note 48(A)(i)); and (ii) Nil (Previous year : Rs.261.48 Lakhs) in discontinued operations in the consolidated statement of profit and loss in respect of KPO business of subsidiary (refer note 48(A)(ii))}. 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 is as follows:

(Rs. in Lakhs)

Period	Minimum Lease Payments	
	As at March 31, 2018 *	As at March 31, 2017*
Payable within one year*	822.33	1073.73
Payable after one year but not more than five years	1871.78	3437.81
Payable after more than five years	133.95	329.79

* included NIL (Previous year : Rs. 47.60 Lakhs) in respect of Shipping Division of the Parent Company classified as held for sale and discontinued operations.

(c) The lease payments, other than cases covered in point no. (b) above i.e. non - cancellable leases, recognized in the consolidated statement of profit and loss during the year amounts to Rs.1490.88 Lakhs (Previous year : Rs.2248.35 Lakhs). 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.

(ii) Assets given on Lease

The Group has leased out one of its office premises under non cancellable operating lease arrangements for a term of 52 months and is obligated to receive under non-cancellable lease for office premises. Future minimum lease payments receivable are as follows:

(Rs. in Lakhs)

Period	Minimum Rentals Receivable	
	As at March 31, 2018	As at March 31, 2017
Receivable within one year	240.40	232.23
Receivable after one year but not more than five years	353.09	590.53
Receivable after more than five years	-	-

Rental income for such operating leases recognized in the consolidated statement of profit and loss for the year ended March 31, 2018 is Rs.251.24 Lakhs (Previous year: Rs. 214.16 Lakhs).

36. Share Based Payments

Employees Stock Option Scheme (ESOS)

The shareholders of the Parent Company had approved CFCL Employees Stock Option Scheme, 2010 on August 27, 2010 which was amended by the shareholders on September 13, 2013. Consequent upon promulgation of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("ESOP Regulations"), the shareholders of the Parent Company had approved the revised CFCL Employees Stock Option Scheme, 2010 (ESOS) on September 15, 2015 in compliance with the ESOP Regulations. As per the ESOS 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 ESOP Regulations, 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-2010	22-Jan-2011	10-May-2011	17-Oct-2011	11-May-2012
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*	8 years from the date of vesting	8 years from the date of vesting	8 years from the date of vesting	8 years from the date of vesting	8 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 options have been summarized below :

Particulars	2017-18	2016-17
	No. of options	No. of options
Outstanding at the beginning of the year	25,40,400	26,77,400
Granted during the year	-	-
Forfeited during the year	40,000	50,000
Exercised during the year	7,43,500	5,500
Expired during the year	-	81,500
Outstanding at the end of the year	17,56,900	25,40,400
Exercisable at the end of the year	-	24,95,400
Weighted average remaining contractual life (in years)	1.29	2.29
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 as under :

Tranche	Weighted average fair value of options (in Rs.)	Range of exercise price (in Rs.)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (in Rs.)
1.	31.38	73.50	1,485,000	1.15	73.50
2.	32.86	76.85	124,900	1.37	76.85
3.	38.44	82.90	70,000	1.56	82.90
4.	45.06	101.10	38,000	1.84	101.10
5.	34.97	69.40	39,000	2.27	69.40

The expense recognised for ESOS during the year is shown in the following table: (Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Expense arising from equity-settled share-based payment transactions	0.33	8.83
Total expense arising from share-based payment transactions	**0.33**	**8.83**

Stock Options Granted

The weighted average fair value of stock options granted is Rs.32.54 (Previous year : Rs.32.54). 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	37.12%	37.30%	37.46%	38.09%	37.94%
Life of the Options Granted (vesting and exercise period) in years	1.15	1.37	1.56	1.84	2.27
Average Risk-Free Interest Rate	7.71%	7.72%	7.73%	7.76%	7.79%
Expected Dividend Yield	3.45%	3.45%	3.45%	3.45%	3.45%

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 Limited over a period prior to the date of grant, corresponding with the expected life of the options.

In financial year 2010-11, CFCL Employees Welfare Trust ("ESOP Trust") was constituted, *inter alia*, for the purpose of subscribing or acquiring equity shares of Parent Company from the Parent Company or Secondary market, to hold the shares and to allocate or transfer these shares to eligible employees of the Parent Company from time to time on the terms and conditions specified under the Employee Stock Option Scheme. The Board of Directors at its meeting held on May 8, 2010 had approved grant of financial assistance upto Rs.3,000 Lakhs by the Parent Company to ESOP Trust in such manner and on such terms as agreed between the trustee(s) of the ESOP Trust and Managing Director of the Parent Company for the purpose of subscribing or acquiring shares of the Parent Company. ESOP Trust is holding 16,96,900 equity shares (Previous year : 2,247,902 equity shares) of the Parent Company which were purchased from the open market.

Subsidiary Company

The Board of Directors of CFCL Technologies Limited (CTL) (merged with CFCL Ventures Limited w.e.f. December 20, 2016) approved the 2007 Share Option Plan ('Plan') administered by compensation committee of its Board of Directors of CTL 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 60,81,498 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. The fair valuation has been done using the Black-Scholes valuation model. The stock options vest equally over a period of 4 years and the exercise period is 10 years from the date of grant.

During the period ended March 31, 2017, ISGN Corporation has entered into Stock Purchase Agreement (SPA) on January 28, 2016 with Firstsource Group USA, Inc. for sale of its entire shareholding in ISGN Solution Inc. As per the SPA, notice of the termination of employee stock options was delivered to option holders and written confirmation from such option holders consenting to the termination was obtained. Therefore, options given to employees of subsidiaries engaged in knowledge process outsourcing business were forfeited on execution of this SPA.

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 of the subsidiary company. Upon the aforesaid forfeiture the cost in relation to such forfeited options amounting to Rs. 796.82 lakhs was reversed in the consolidated statement of profit and loss during the period ended March 31,2017.

The following table details the Movement of Options under the Plan mentioned above:

Particulars	For the period from April 01, 2017 to March 31, 2018		For the period from January 01, 2016 to March 31, 2017	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Options Outstanding at the beginning	-	-	3,814,847	1.10
Options Granted	-	-	-	
Option Forfeited	-	-	3,814,847	1.09
Options Lapsed	-	-	-	
Options Outstanding at the end	-	-	-	
Options Exercisable	-	-	-	

37. Interest in Other Entities:

(a) Interest in Joint Venture

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. The Group's interest in IMACID is accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the joint venture, based on its Ind AS financial statements and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised balance sheet as at : (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Current Assets, including Cash and Cash Equivalents- Rs.36765.23 Lakhs (Previous year : Rs.17353.99 Lakhs)	66968.47	47196.42
Non-Current Assets	28676.62	32815.61
Current Liabilities, including Trade Payables- Rs.31082.08 Lakhs (Previous year : Rs.27259.36 Lakhs)	33528.29	27946.37
Non-Current Liabilities	-	-
Equity	**62116.80**	**52065.66**
Proportion of the Group's Ownership	**33.33%**	**33.33%**
Carrying amount of the Investment	**20705.60**	**17355.22**

Reconciliation to Carrying amount of the Investment in Joint Venture

Particulars	Rs. in Lakhs
Carrying amount of the Investment as on March 31, 2017	17355.22
Less: Dividend Received from Joint Venture during the year	982.59
Add: Share of Profit of Joint Venture for the year	3925.40
Add: Exchange Differences on Translation for the year	407.57
Carrying amount of the Investment as on March 31, 2018	**20705.60**

Summarised Statement of Profit and Loss of the Joint Venture : (Rs. in Lakhs)

Particulars	Year ended 2017-18	Year ended 2016-17
Income		
Revenue	150851.90	140419.38
Other income	1716.88	1248.41
Total Revenue	**152568.78**	**141667.79**
Expenses:		
Cost of Materials Consumed	93446.30	96318.86
Changes in Inventories of Work-in-Process and Finished Goods	993.97	1391.79
Employee Benefits Expense	5187.57	5709.28
Financial Costs	-	6.39
Other Expenses	38901.71	38903.25
Depreciation and Amortisation Expense	3284.48	4266.73
Total Expenses	**141814.03**	**146596.30**
Profit/ (Loss) before Exceptional Item and Tax	**10754.75**	**(4928.51)**
Exceptional Item - Income	3865.19	6486.55
Profit after Exceptional Item and before Tax	**14619.94**	**1558.04**
Tax Expense:		
Current Tax	2843.73	743.26
Profit for the year	**11776.21**	**814.78**
Group's Share of Profit for the year	**3925.40**	**271.59**
Dividend received from Joint Venture	**982.59**	**2101.46**

The Group has no contingent liabilities or capital commitments relating to its interest in IMACID as at March 31, 2018, March 31, 2017. The joint venture has no other contingent liabilities as at March 31, 2018, March 31, 2017. The joint venture has capital commitment of Rs.2098.37 Lakhs as at March 31, 2018 (Previous year : Rs.2238.26 Lakhs).

(b) Non- controlling interest (NCI)

Financial information of a subsidiary company that has material non-controlling interest is provided below:

Proportion of equity interest held by non-controlling interest:

Particulars	Country of incorporation and operation	As at March 31, 2018	As at March 31, 2017
CFCL Ventures Limited	Cayman Islands	27.73%	27.73%

Information regarding non-controlling interest (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Accumulated balances of material non-controlling interest		
CFCL Ventures Limited	(8735.83)	(8256.85)
(Loss) allocated to material non-controlling interest:		
CFCL Ventures Limited	(478.98)	(570.02)

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit and loss: (Rs. in Lakhs)

Particulars	For the period April 1, 2017 to March 31, 2018	For the period January 1, 2016 to March 31, 2017
Income		
Revenue	7990.42	11813.67
Other income	414.07	341.34
Total Revenue	**8404.49**	**12155.01**
Expenses:		
Employee Benefits Expense	3501.30	3473.01
Financial Costs	853.38	1493.94
Other Expenses	2906.64	3736.73
Depreciation and Amortisation Expense	2249.90	3063.15
Total Expenses	**9511.22**	**11766.83**
Profit/ (loss) before exceptional item and tax	**(1106.73)**	**388.18**
Exceptional item - expense	-	-
Profit/ (loss) after exceptional item and before tax	**(1106.73)**	**388.18**
Tax Expense:		
Current Tax	219.53	342.88
Deferred tax charge/ (credit)	(90.13)	4.71
Income tax expense	**129.40**	**347.59**
Profit/ (loss) for the year from continuing operations	**(1236.13)**	**40.59**
(Loss) for the year from discontinued operation (net of Income Tax)	**-**	**(1185.55)**
Other Comprehensive Income (net of Income Tax)	**(322.22)**	**(1545.18)**
Total comprehensive income	**(1558.35)**	**(2690.14)**
(Loss) allocated to non-controlling interest	(342.83)	(317.54)
OCI allocated to non-controlling interest	(89.37)	(428.54)
Exchange differences on translation of foreign operation allocated to non-controlling interest	(46.78)	176.06
Total comprehensive income allocated to non-controlling interest	**(478.98)**	**(570.02)**
Dividends paid to non-controlling interest	-	-

Summarised balance sheet: **(Rs. in Lakhs)**

Particulars	As at March 31, 2018	As at March 31, 2017
Financial assets and other current assets (current)	3079.71	4178.08
Goodwill, other intangible assets and other non-current assets (non-current)	7726.28	8242.99
Borrowings, trade and other payables (current)	14870.25	14926.52
Interest-bearing borrowings and other non-current liabilities (non-current)	91518.62	91032.70
Total equity	**(95582.86)**	**(93538.15)**
Attributable to:		
Non-controlling interest	(8735.83)	(8265.85)

Summarised cash flow information: **(Rs. in Lakhs)**

Particulars	Period ended April 1, 2017 to March 31, 2018	Period ended January 1, 2016 to March 31, 2017
Operating activities	1311.59	1627.81
Investing activities	(1971.02)	2862.54
Financing activities	(782.00)	(4000.22)
Net increase/ (decrease) in cash and cash equivalents	**(1441.43)**	**490.13**

38. Figures pertaining to the subsidiaries have been re-classified wherever considered necessary to bring them in line with the Parent Company's financial statements.

39. Fair values

The management assessed that fair value of financial assets and liabilities approximates their carrying amount.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

(i) Derivative financial instruments - The fair value of foreign exchange forward contracts is determined using the foreign exchange spot and forward rates at the balance sheet date. The fair value of foreign currency option contracts is determined using the Black Scholes valuation model. The derivatives are entered into with the banks / counterparties with investment grade credit ratings.

(ii) Security deposits / Employee loans - The fair value of security deposits / employee loans approximates the carrying value and hence, the valuation technique and inputs have not been given.

(iii) Floating rate borrowings / Finance lease obligation - The fair values of the Parent Company's interest bearing borrowings are determined by using discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2018 was assessed to be insignificant.

(iv) The carrying amount of bank deposits, trade receivables, cash and cash equivalents, investment at amortised cost, other current financial assets, trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.

(v) The fair value of investments carried at fair value through profit and loss is determined using income and market approach.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis has not been performed as the amount is not material.

40. Fair value measurements

(i) Financial instruments by category

(Rs. in Lakhs)

Particulars	As at March 31, 2018			As at March 31, 2017		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
-Preference shares	-	-	-	-	-	-
-Equity shares	2.00	-	-	2.00	-	-
-Government Securities	-	-	0.26	-	-	0.26
-Bonds & Debentures	-	-	0.22	-	-	0.22
Loans	-	-	124.72	-	-	155.88
Security deposits	-	-	1298.61	-	-	888.18
Trade receivables	-	-	253469.27	-	-	303619.88
Cash and cash equivalents	-	-	6291.94	-	-	10944.07
Bank balances other than above	-	-	1474.52	-	-	2271.62
Derivative financial assets	15.80	-	-	503.60	-	-
Other receivables	-	-	22951.00	-	-	12268.64
Total financial assets	**17.80**	**-**	**285610.54**	**505.60**	**-**	**330148.75**
Financial liabilities						
Borrowings - Floating rate	-	-	315648.47	-	-	107386.19
Finance lease obligation	-	-	32.21	-	-	106.94
Borrowings - Fixed rate	-	-	256299.07	-	-	318589.73
Redeemable preference shares	35955.30	-	-	35776.02	-	-
Trade payables	-	-	31973.35	-	-	24057.41
Derivative financial liabilities	7.94	-	-	5633.49	-	-
Payable for capital goods	-	-	21663.30	-	-	18012.58
Others	0.40	-	15293.62	0.40	-	13330.98
Total financial liabilities	**35963.64**	**-**	**640910.02**	**41409.91**	**-**	**481483.83**

(ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures - fair value measurement hierarchy for assets as at March 31, 2018:

(Rs. in Lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value:					
Foreign currency option contracts	31.03.2018	15.80	-	15.80	-
Assets for which fair values are disclosed (refer note 41)					
Investment in equity instruments	31.03.2018	2.00	-	-	2.00
Government securities	31.03.2018	0.26	-	0.26	-
Bonds & debentures	31.03.2018	0.22	-	0.22	-
Employee loans	31.03.2018	93.78	-	93.78	-
Security deposits	31.03.2018	802.92	-	802.92	-

There have been no transfers between level 1, level 2 and level 3 during the period.

Quantitative disclosures - fair value measurement hierarchy for liabilities as at March 31, 2018: (Rs. in Lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Liabilities measured at fair value					
Derivative financial liability	31.03.2018	7.94	-	7.94	-
Liabilities for which fair values are disclosed (refer note 41)					
Redeemable preference shares	31.03.2018	35955.30	-	-	35955.30
Warrants	31.03.2018	0.40	-	-	0.40
Floating rate borrowings	31.03.2018	315648.47	-	315648.47	-
Finance lease obligation	31.03.2018	32.21	-	32.21	-
Trade and other payables	31.03.2018	18.74	-	18.74	-

There have been no transfers between level 1, level 2 and level 3 during the period.

Quantitative disclosures - fair value measurement hierarchy for assets as at March 31, 2017: (Rs. in Lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value:					
Foreign currency option contracts	31.03.2017	503.60	-	503.60	-
Assets for which fair values are disclosed (refer note 41)					
Investment in equity instruments	31.03.2017	2.00	-	-	2.00
Government securities	31.03.2017	0.26	-	0.26	-
Bonds & debentures	31.03.2017	0.22	-	0.22	-
Employee loans	31.03.2017	123.61	-	123.61	-
Security deposits	31.03.2017	827.01	-	827.01	-

There have been no transfers between level 1, level 2 and level 3 during the period.

Quantitative disclosures - fair value measurement hierarchy for liabilities as at March 31, 2017: (Rs. in Lakhs)

Particulars	Fair value measurement using				
	Date of Valuation	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Liabilities measured at fair value					
Derivative financial liability	31.03.2017	5633.49	-	5633.49	-
Liabilities for which fair values are disclosed (refer note 41)					
Redeemable preference shares	31.03.2017	35776.02	-	-	35776.02
Warrants	31.03.2017	0.40	-	-	0.40
Floating rate borrowings	31.03.2017	107386.19	-	107386.19	-
Finance lease obligation	31.03.2017	106.94	-	106.94	-
Trade and other payables	31.03.2017	190.25	-	190.25	-

There have been no transfers between level 1, level 2 and level 3 during the period.

41. Interest on income tax refund has been recognized, 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).

42. The current tax is net of tax on dividend received from a foreign subsidiary to the extent of dividend distribution tax on dividend distributed to shareholders of the Parent Company as per the provisions of Section 115-O of the Income Tax Act,1961.

43. The Parent Company has, during the year, accounted for income tax credit of Nil (Previous year : Rs.52.75 Lakhs) against income tax paid on profits by its subsidiary - M/s India Steamship Pte. Ltd. Singapore in proportion to the dividend received from the said subsidiary. The income tax credit is available in line with Article 25(2) of the Double Taxation Avoidance Agreement between India and Singapore.

44. Income Tax Expense

The major components of income tax expense are:

Profit or loss section (Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(i) Continuing operations		
Current income tax:		
Current income tax charge	21379.46	16823.89
Less: Capitalisation of current tax (refer note 29)	(60.08)	(92.39)
Adjustments in respect of current income tax of earlier years	107.10	(69.65)
Deferred tax:		
Relating to origination and reversal of temporary differences	2842.41	1797.54
Add: Capitalisation of deferred tax (refer note 29)	60.08	92.39
Add: Deferred tax reclassified from SOCIE	164.24	-
Income tax expense reported in the statement of profit and loss for continuing operations (i)	**24493.21**	**18551.78**
(ii) Discontinued operations		
Current Income tax:		
Current income tax charge	(20.39)	509.56
Deferred tax:		
Relating to origination and reversal of temporary differences	539.10	(7997.25)
Income tax expense reported in the statement of profit and loss for discontinued operations (ii)	**518.71**	**(7487.69)**
Total income tax expense reported in the statement of profit and loss (i + ii)	**25011.92**	**11064.09**

Other Comprehensive Income (OCI) section

Tax related to items recognised in OCI:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net (gain)/ loss on re-measurement of defined benefit plans	(12.33)	(47.00)
Net (gain)/ loss on translation of foreign operation	-	(42.67)
Net (gain)/ loss on effective portion of exchange differences on hedging instruments - Current Tax	(640.82)	-
Net (gain)/ loss on effective portion of exchange differences on hedging instruments - Deferred Tax	(482.80)	-
Income tax charged/ credited to OCI	(1135.95)	(89.67)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Accounting profit before tax from continuing operations	73666.60	56562.86
(Loss) before tax from discontinued operations	886.43	(9602.42)
Accounting profit before income tax	**74553.03**	**46960.44**
At India's statutory income tax rate of 34.608% (Previous year : 34.608%)	25801.31	16252.07
Adjustments in respect of current income tax of earlier years	107.10	(69.65)
	25908.41	**16182.42**
Tax effects of amount which are not deductible (taxable) in calculating taxable income-		
Fair value gain on investment at fair value through profit or loss	-	(280.62)
CSR expenditure	263.94	171.25
Weighted deduction u/s 35AD of Income Tax Act, 1961	-	(45.70)
Deduction u/s 32AC of Income Tax Act, 1961	-	(836.29)
Differences in tax rate as per finance act 2018	208.78	-
Dividend income from specified foreign subsidiary company to the extent of dividend distribution tax on dividend distributed to shareholders of the Parent Company as per the provision of Section 115-O of the Income Tax Act,1961	(28.03)	(233.66)
Income tax credit availed in line with the Article 25(2) of the Double Taxation Avoidance Agreement between India and Singapore	-	(52.75)
Realisation of short term capital loss to reduce the current tax expense	(5570.31)	(998.42)
Realisation of long term capital loss to reduce the current tax expense	-	(184.81)
Deferred tax asset recognised on unused short term capital loss to be realised against the short term capital gain on sale of ships of Shipping Division of the Parent Company	4604.43	(4604.43)
Share of profit of a joint venture (equity accounted)	(1358.51)	(93.99)
Losses of subsidiary companies for which no deferred tax is recognised	301.86	885.60
Tax on Foreign subsidiary companies levied as different tax rates	219.53	384.69
Tax effects of dividend income from subsidiary companies/ joint venture, eliminated in the consolidated financial statements	198.05	597.30
Goodwill on consolidation written off	-	124.15
Other non-deductible expenses	263.77	49.35
At the effective income tax rate of 33.55% (Previous year : 23.56%)	**25011.92**	**11064.09**
Income tax expense reported in the consolidated statement of profit and loss	24493.21	18551.78
Income tax attributable to a discontinued operations	518.71	(7487.69)
	25011.92	**11064.09**

Deferred tax

Deferred tax relates to the following: (Rs. in Lakhs)

Particulars	Consolidated Balance Sheet		Consolidated statement of profit and loss	
	As at March 31, 2018	As at March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Deferred income tax liabilities				
Property, plant and equipment (including other intangible assets)	21503.10	24945.34	(3442.24)	(832.72)
Interest income from Income tax refund, VAT refund etc. accrued in the books, to be offered to tax in the year of realisation	163.86	-	163.86	-
Effects of expenditure allowed under Income Tax Act, 1961 but to be charged in the statement of profit and loss in subsequent year	2360.26	-	2360.26	-
Total deferred income tax liabilities	**24027.22**	**24945.34**	**(918.12)**	**(832.72)**
Deferred income tax assets				
Effects of expenditure debited to statement of profit and loss in the current year/ earlier years but allowable in subsequent year	620.10	740.10	(120.00)	637.00
Derivatives at fair value through profit or loss	-	22.62	(22.62)	(101.70)
Allowance for doubtful debts and advances	648.23	346.69	301.54	54.53
Leave encashment	957.27	887.65	69.62	89.05
Gratuity	120.82	164.97	(44.15)	84.15
Carry forward of short term capital loss	-	4604.43	(4604.43)	4604.43
Deferred tax on cash flow hedge	482.80		482.80	
Re-measurement gain/ (loss) on defined benefit plans	12.37	43.87	(31.50)	47.00
Exchange differences on translation of foreign operations	-	(164.24)	164.24	42.65
Foreign currency translation difference		-	1.45	(0.46)
Deferred tax income	-	-	**(2884.93)**	**6289.37**
Total deferred income tax assets	**2841.59**	**6646.09**	-	-
Net deferred tax liabilities	**21185.63**	**18299.25**	-	-

Reflected in the balance sheet as follows: (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax assets	(128.62)	(35.19)
Deferred tax liabilities	21314.25	18334.44
Net deferred tax liabilities	**21185.63**	**18299.25**

Reconciliation of deferred tax liabilities (net):

Opening balance	18299.25	24589.08
Tax (income)/ expense during the year recognised in profit or loss	3440.14	(6107.32)
Tax (income) during the year recognised in OCI	(495.13)	(89.66)
Tax (income) during the year recognized in 'Capital-work-in-progress' (refer note 29)	(60.08)	(92.39)
Foreign currency translation difference	1.45	(0.46)
Closing balance	**21185.63**	**18299.25**

During the year ended March 31, 2018 and March 31, 2017, the Parent Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Parent Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence, DDT paid is charged to equity.

The Group has long term/ short term capital losses, to the tune of Rs.51440.71 Lakhs (Previous year: Rs.54264.58 Lakhs) that are available for offsetting for six to eight years against future taxable profits (long term/ short term) of the Parent Company.

Deferred tax assets have not been recognised in respect of above losses in the year 2016-17 as there are no other tax planning opportunities or other evidence of recoverability in the near future.

45. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations. The Group also holds investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The senior management oversees the management of these risks. The management of these risks is carried out by a finance department under policies approved by the Board of Directors. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board of Directors reviews overall risks periodically.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, investments, other receivables, other payables and derivative financial instruments. The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations, provisions and other non-financial assets and liabilities of foreign operation.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Rs. in Lakhs)

Particulars	Increase/ decrease in basis points	Effect on profit before tax
March 31, 2018		
USD Borrowings	+50	(142.24)
USD Borrowings	-50	142.24
INR Borrowings	+50	(8.63)
INR Borrowings	-50	8.63
March 31, 2017		
USD Borrowings	+50	(129.02)
USD Borrowings	-50	129.02

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates to short term borrowings taken against the Parent Company's import of traded fertilisers and long term foreign currency borrowing taken for new Urea project.

The Group manages its foreign currency risk on short term borrowings by usually taking option and forward contracts.

During the financial year, the Group has adopted hedge accounting on foreign currency risk associated with highly forecasted sale transaction from new Urea project which is being hedged through foreign currency borrowings. Hedge accounting is applied to remove the accounting mismatch between the hedging instrument and hedged item. The effective portion of the change in the fair value of the hedging instrument is deferred into cash flow hedge reserve through OCI and will be recognised in profit or loss when the hedge item affects profit or loss.

Foreign currency sensitivity

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows.

For the year ended March 31, 2018 **(Rs. in Lakhs)**

Currency	Financial Assets		Financial liabilities				Net Exposure to foreign currency
	Receivable from subsidiary companies / joint venture	Other receivables	Trade payables	Bank Loan	Derivative Financial liabilities	Interest accrued but not due on borrowings	
USD	2.00	12.88	1.46	5,965.68	1,165.06	10.83	(7128.15)
EURO	-	0.18	-	-	-	-	0.18
For the year ended March 31, 2017							
USD	5.28	11.27	83.14	3582.22	1557.07	4.24	(5210.12)
SGD	9.70	1.29					10.99
AUD		0.25					0.25
EURO		0.01					0.01
AED		0.05					0.05
KW		0.03					0.03
MYR		0.06					0.06
GBP		0.02					0.02
NOK		0.01					0.01
CAD		0.01					0.01
YUAN (CNY)		1.45					1.45

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of various currencies with INR, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

For the year ended : **(Rs. in Lakhs)**

Particulars	Effect on Profit before Tax for the year ended March 31, 2018	Effect on Profit before Tax for the year ended March 31, 2017	Effect on Other Comprehensive Income ended March 31, 2018	Effect on Other Comprehensive Income ended March 31, 2017
USD Sensitivity				
INR/USD increase by 5%	(652.12)	(4626.84)	15084.66	-
INR/USD decrease by 5%	652.12	6813.32	(15084.66)	-
SGD Sensitivity				
INR/SGD increase by 5%	(0.06)	(1.96)	-	-
INR/SGD decrease by 5%	0.06	1.96	-	-
AUD Sensitivity				
INR/AUD increase by 5%	-	(0.65)	-	-

(Rs. in Lakhs)

Particulars	Effect on Profit before Tax for the year ended March 31, 2018	Effect on Profit before Tax for the year ended March 31, 2017	Effect on Other Comprehensive Income ended March 31, 2018	Effect on Other Comprehensive Income ended March 31, 2017
INR/AUD decrease by 5%	-	0.65	-	-
EURO Sensitivity				
INR/EURO increase by 5%	(0.74)	(0.03)	-	-
INR/EURO decrease by 5%	0.74	0.03	-	-
AED Sensitivity				
INR/AED increase by 5%	-	0.28	-	-
INR/AED decrease by 5%	-	(0.28)	-	-
KW Sensitivity				
INR/KW Increase by 5%	-	(0.38)	-	-
INR/KW decrease by 5%	-	0.38	-	-
MYR Sensitivity				
INR/MYR increase by 5%	-	(0.05)	-	-
INR/MYR decrease by 5%	-	0.05	-	-
GBP Sensitivity				
INR/GBP increase by 5%	-	(0.10)	-	-
INR/GBP decrease by 5%	-	0.10	-	-
NOK Sensitivity				
INR/NOK increase by 5%	-	(0.03)	-	-
INR/NOK decrease by 5%	-	0.03	-	-
CAD Sensitivity				
INR/CAD increase by 5%	-	(0.02)	-	-
INR/CAD decrease by 5%	-	0.02	-	-
YUAN (CNY) Sensitivity				
INR/YUAN increase by 5%	-	(0.71)	-	-
INR/YUAN decrease by 5%	-	0.71	-	-

Impact on Hedging Activities

Disclosure of effects of hedge accounting on Financial Position and Financial Performance:

(a) **Financial Position** (Rs. in Lakhs)

March 31,2018									
Type of Hedge & Risks	Nominal Value		Carrying amount of Hedging Instrument		Maturity Date	Hedge Ratio*	Weighted Average Strike Price/Rate	Changes in Fair value of Hedging Instrument	Change in the value of Hedged Item used as the basis for recognising Hedge Effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash Flow Hedge-									
Foreign Exchange Risk:									
Foreign Currency Loans	-	298148.47	-	298148.47	30.09.2027	1:1	USD 1 : INR 64.48	3233.30	(3233.30)

* The entire amount of Foreign Currency Loans taken for upcoming urea manufacturing plant has been designated as hedging instrument against highly probable forecasted revenue being hedged item from upcoming Urea manufacturing plant, therefore the hedge ratio is 1:1.

(b) Financial Performance (Rs. in Lakhs)

March 31,2018				
Type of Hedge	**Change in the value of the Hedging Instrument recognised in Other Comprehensive Income**	**Hedge ineffectiveness recognised in Profit or Loss**	**Amount reclassified from Cash Flow Hedging Reserve to Profit or Loss**	**Line item affected in Statement of Profit and Loss because of the reclassification**
Cash Flow Hedge				
Foreign Exchange Risk	(3233.30)	-	-	Not Applicable

Movements in Cash Flow Hedging Reserve (Rs. in Lakhs)

Risk Category	Foreign Currency Risk	Total
Derivative Instruments		
Cash Flow Hedging Reserve		
As at April 01, 2017	-	-
Add: Changes in Foreign Currency Loans	(3233.30)	**(3233.30)**
Less: Amounts reclassified to profit or loss	-	-
Less: Current Tax relating to above	640.82	**640.82**
Less: Deferred Tax relating to above	482.80	**482.80**
As at March 31, 2018	**(2109.68)**	**(2109.68)**

c) Commodity price risk

The Group's operating activities require the ongoing purchase of natural gas and other imported fertilisers.

(i) Natural gas being an international commodity is subject to price fluctuation on account of the change in the crude oil prices, demand supply pattern of natural gas and exchange rate fluctuations. The Group is not affected by the price volatility of the natural gas as under the Urea pricing formula, the cost of natural gas is pass through if the consumption of natural gas is within the permissible norms for manufacture of Urea.

(ii) The Parent Company deals in imported fertilisers (i.e. DAP, MOP and NPK), which are imported by the Parent Company and sold in the domestic market. The import prices of these goods are governed by international prices. There is a price and material availability risk, which may not be in line to meet the domestic market requirement. The risk is also with domestic manufacturers whose costing is based on majorly imported raw materials and small value-add. However, a dynamic alignment of procurement to sales and constant review of market conditions and competitors costing help in mitigating the impact.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

a) Trade receivables

The Group receivables can be classified into two categories, one is from the customers into the market and second one is from the Government of India in the form of subsidy. As far as Government portion of receivables are concerned, credit risk is Nil. For market receivables from the customers, the Group extends credit to customers in normal course of business. The Group considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Group monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Group has also taken security deposits from its customers, which mitigate the credit risk to some extent.

b) **Financial instruments and cash deposits**

In respect of Parent Company, credit risk from balances with banks and financial institutions is managed by the Parent Company's finance department. Credit risk arising from investment in mutual funds, bonds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies. The Parent Company does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

In respect of a subsidiary company, credit risk on cash and cash equivalents is limited as the subsidiary company keeps deposits in banks with high credit ratings assigned by international and domestic credit rating agencies.

(iii) **Liquidity risk**

The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Group relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/ long term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

(Rs. in Lakhs)

Particulars	Less than 1 Year	1-2 Years	2-3 Years	3-5 Years	> 5 years	Total
As at March 31, 2018						
Borrowings	256299.07	24202.45	50572.23	104140.98	140277.45	575492.18
Redeemable preference shares	-	-	-	-	35955.30	35955.30
Finance lease obligation	32.21	-	-	-	-	32.21
Trade and other payables	53636.65	-	-	-	-	53636.65
Other financial liabilities	15301.96	-	-	-	-	15301.96
	325269.89	**24202.45**	**50572.23**	**104140.98**	**176232.75**	**680418.30**
As at March 31, 2017						
Borrowings	318589.73	-	6486.80	32936.14	69312.01	427324.68
Redeemable preference shares	-	-	-	-	35776.02	35776.02
Finance lease obligations	70.77	36.17	-	-	-	106.94
Trade and other payables	41879.74	190.25	-	-	-	42069.99
Other financial liabilities	18964.88	-	-	-	-	18964.88
	379505.12	**226.42**	**6486.80**	**32936.14**	**105088.03**	**524242.51**

46. Capital management

The Group's objective while managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefit for other stakeholder. The Group will maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return the capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Group is as follows: **(Rs. in Lakhs)**

Particulars	As at March 31, 2018	As at March 31, 2017
Equity share capital	41620.79	41620.79
Other equity	208934.73	170732.77
Debts (Long term and Short term both)*	607902.84	461788.11
Total	**858458.36**	**674141.67**

*The Parent Company is setting up brownfield Ammonia Urea expansion project namely Gadepan III ('Project') to produce 13.40 Lakhs MT of Urea. The above debt includes Rs.298148.47 Lakhs towards the Project, which is scheduled to commence production in the next Financial Year 2018-19. Majority of the balance debt is towards working capital requirement.

Under the terms of the borrowings facilities pertaining to Project, the Parent Company is required to comply with certain financial covenants from financial year 2019 -20 onwards.

47. Distribution made and proposed

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cash dividend on equity shares declared and paid:		
Final dividend (for the year ended on March 31, 2017 @ Rs.1.90 per share)	7907.95	7908.01
Dividend distribution tax (DDT) on final dividend	1609.87	1609.89
Total	**9517.82**	**9517.90**
Proposed dividend on equity shares:		
Dividend (for the year ended on March 31, 2018 @ Rs.1.90 per share and March 31, 2017: @ Rs.1.90 per share)	7907.95	7908.00
DDT on dividend	1609.87	1609.89
Total	**9517.82**	**9517.89**

Proposed dividend on equity shares is subject to approval at the annual general meeting and is not recognised as a liability (including DDT thereon) as at March 31, 2018 and March 31, 2017.

48. (A) Discontinued Operations

The segment wise break up of the discontinued operations of the Group as shown on the face of consolidated statement of profit and loss is as under:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Profit/ (loss) before tax		
(i) Shipping Division	886.43	(8453.97)
(ii) Software (KPO) Division	-	(1148.45)
Total	**886.43**	**(9602.42)**
(b) Income Tax expense/ (credit)		
(i) Shipping Division	518.71	(7524.79)
(ii) Software (KPO) Division	-	37.10
Total	**518.71**	**(7487.69)**
(c) Profit/ (loss) after tax		
(i) Shipping Division	367.72	(929.18)
(ii) Software (KPO) Division	-	(1185.55)
Total	**367.72**	**(2114.73)**

Parent Company

(i) Shipping business

As at March 31, 2017, the management of the Parent Company was actively seeking a buyer for the sale of all the 4 (four) ships of the Shipping Division of the Parent Company . During the year, the Parent Company has entered into agreements for sale of all the ships. Therefore, the associated assets and liabilities of the Shipping Division of the Parent Company were consequently presented as held for sale in financial statements for the year ended March 31, 2017. The division was classified as 'discontinued operations' as per Ind AS 105. The last ship owned by the Parent Company was delivered to the buyer in September 07, 2017. The disposal is consistent with the Group's long term policy to focus its activities on the Fertiliser and other Agri inputs business.

The financial information relating to the discontinued operation is set out below.

(a) Financial performance and cash flow information (Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue	6856.81	29644.58
Less: Expenses	5567.72	21791.13
Less: Finance costs	355.47	1763.91
Less: Depreciation and amortisation expense	47.19	4198.56
Less: Impairment loss on ships	-	10344.95
Profit/ (loss) before tax	**886.43**	**(8453.97)**
Tax expense / (credit)	518.71	(7524.79)
Profit/ (loss) from discontinued operations	**367.72**	**(929.18)**

The net cash flows attributable to the discontinued operations are as below- (Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Operating activities	3224.37	9171.38
Investing activities	55916.56	14462.56
Financing activities	(59276.27)	(23388.35)
Net cash inflows/ (outflows)	**(135.34)**	**245.59**

(b) The carrying amounts of the major categories of assets and liabilities of the discontinued operations are as follows-
(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Property, plant and equipment (Ships) **	-	56275.98
Inventories	-	1064.59
Trade receivables (net of allowance for doubtful debts of Nil , Previous year: Rs.41.13 Lakhs)	-	2705.31
Cash and cash equivalents	-	252.56
Other bank balances	-	0.15
Others assets (net of allowance for doubtful advances of Nil , Previous year: Rs.193.12 Lakhs)	-	924.68
Total assets classified as held for sale	-	**61223.27**
Borrowings *	-	48980.40
Trade payables	-	2119.43
Other liabilities	-	534.35
Total liabilities directly associated with assets classified as held for sale	-	**51634.18**
Net assets	-	**9589.09**

**** Information of Property, plant and equipment classified as 'Assets held for sale'** (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Net book value transfer from property, plant and equipment (refer note 3)	-	80263.42
Carrying amount of fair valuation loss (refer note 3)	-	(11703.48)
Impairment loss (refer note above)	-	(10344.95)
Foreign currency translation reserve	-	(1939.01)
	-	**56275.98**

Write-down of property, plant and equipment and intangible assets

During the previous year immediately before the classification of Shipping Division of the Parent Company as discontinued operations, the recoverable amount was estimated for certain items of property, plant and equipment and intangible assets and a write-down of Rs.127.73 Lakhs was recognised to reduce the carrying amount of the assets in the disposal group to their fair value less costs to sell. This was recognised in discontinued operations in the statement of profit and loss.

Allowance for doubtful debts and advances

During the previous year immediately before the classification of Shipping Division of the Parent Company as a discontinued operation, the recoverable amount was estimated for trade and other receivables and an allowance of Rs.215.85 Lakhs was recognised to reduce the carrying amount of these assets in the disposal group to their net realisable value. This was recognised in discontinued operations in the statement of profit and loss.

Subsidiary company

(ii) KPO business of software division

Subsidiaries of the Parent Company had entered into 2 agreements on January 28, 2016, i.e. a stock purchase agreement for the sale of ISGN Solutions Inc. and its subsidiaries for an amount of USD 125.57 Lakhs (Rs.8358.82 Lakhs) and a Slump Sale Agreement for the sale of a portion of ISG Novasoft Technologies Limited for an amount of USD 4.56 Lakhs (Rs. 306.24 Lakhs). These agreements have been entered with Firstsource Group USA, Inc and Firstsource Process Management Services Limited respectively for the sale of the Group's Knowledge Process Outsourcing (KPO) business. The net consideration received on the aforesaid sale by the Group is Rs. 7708.23 Lakhs net of cash and cash equivalent of Rs. 956.83 Lakhs, being part of the sale consideration retained by the group.

The KPO business has been reported as a 'discontinued operation' and the associated assets and liabilities of the KPO business were consequently presented as held for sale in financial statements for the year ended March 31, 2016.

The above arrangements were concluded effective March 31, 2016. Accordingly, the Group has consolidated the KPO business operations for 3 months i.e. from January 01, 2016 to March 31, 2016.

The financial information relating to the discontinued operation is set out below.

(a) **Financial performance and cash flow information** **(Rs. in Lakhs)**

Particulars	For the period from January 01, 2016 to March 31, 2016
Revenue	8031.10
Less: Expenses	9205.33
Less: Finance costs	11.78
Less: Depreciation and amortisation	31.99
Total expenses	**9249.10**
(Loss) before tax	**(1218.00)**
Tax expense/ (credit)	18.20
Deferred tax charge	-
(Loss) after tax	**(1236.20)**
Profit on sale of KPO business before tax	69.55
Income tax expense on profit	18.90
Profit on sale of KPO business after tax	**50.65**
(Loss) from discontinued operation	**(1185.55)**

The net cash flows attributable to the discontinued operation are as below- (Rs. in Lakhs)

Particulars	For the period ended March 31, 2016
Operating activities	(1357.37)
Investing activities	5772.69
Financing activities	(11.38)
Net cash inflows/ (outflows)	**4403.94**

(b) The carrying amounts of the major categories of assets and liabilities of the discontinued operations are as follows: (Rs. in Lakhs)

Particulars	As at March 31, 2016
Property, plant and equipment	362.95
Trade receivables	2342.43
Cash and cash equivalents	1028.48
Others assets	3034.37
Total assets	**6768.23**
Trade payables	2402.65
Other liabilities	1986.91
Total liabilities	**4389.56**
Net assets	**2378.67**

48. (B) Assets classified as held for sale (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Property, plant and equipment classified as held for sale :	-	
- Plant and equipment *	40.35	143.24
(b) Assets of discontinued operations {refer note 48(A) above}:	-	
- Shipping Division	-	61223.27
Total	40.35	61366.51

* net of loss of Rs.14.18 Lakhs (Previous year : 17.68 Lakhs) for write down of the asset of property, plant and equipment.

49. With effect from April 01, 2017, the Parent Company has re-assessed residual value and useful lives of certain plant and equipment of Fertiliser and other Agri-inputs division of the Parent Company. According to the management, the revised residual value and useful lives of such plant and equipment properly reflects the carrying value and period over which the same is expected to be used. In view of these change, depreciation for the year ended March 31, 2018 is lower by Rs.786.00 Lakhs.

50. The Parent Company is in the process of setting up a new Urea plant namely Gadepan III ('Project') under the New Investment Policy 2012 (amended) at its existing plant location at Gadepan, Kota (Rajasthan) and the contracts for the Project has been awarded on a Lumpsum Turnkey (LSTK) basis. The milestone based payments are being made to the LSTK contractors for the purpose of accomplishment of the Project. The entire amount paid to LSTK contractor for the Project on the basis of achievement of milestones of Rs.359322.79 Lakhs as at March 31, 2018 (Previous year : Rs.148681.38 Lakhs) is included under 'Capital work-in-progress'.

51. Additional information pursuant to Schedule III of Companies Act, 2013, "General instructions for the preparation of consolidated financial statements" for financial year 2017-18 and 2016-17

		2017-18							
S. No.	Name of the entity	Net Assets, i.e., total assets minus to talliabilities		Share in profit / (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (Rs. in Lakhs)	As % of consolidated profit or loss	Amount (Rs. in Lakhs)	As % of consolidated OCI	Amount (Rs. in Lakhs)	As % of consolidated Total Comprehensive Income	Amount (Rs. in Lakhs)
	Parent Company								
	Chambal Fertilisers and Chemicals Limited	107.76	260595.98	93.91	46523.86	76.56	(1719.03)	94.73	44804.83
	Indian Subsidiaries								
1.	India Steamship Limited	0.01	32.84	0.00	1.37	-	-	0.00	1.37
2.	Chambal Infrastructure Ventures Limited	0.15	369.07	0.01	6.58	-	-	0.01	6.58
3.	ISG Novasoft Technologies Limited	3.25	7862.83	(7.13)	(3533.14)	-		(7.47)	(3533.14)
4.	Inuva Info Management Private Limited - Subsidiary of 'ISGNTL'	0.01	16.41	(0.03)	(14.88)			(0.03)	(14.88)
	Foreign Subsidiaries -								
1.	India Steamship Pte. Limited ("ISS Pte.")	0.01	35.51	(0.01)	(5.09)	0.02	(0.35)	(0.01)	(5.44)
2.	India Steamship International FZE	0.00	6.75	(0.04)	(18.53)	0.01	(0.26)	(0.04)	(18.79)
3.	CFCL Ventures Limited (CVL)	(11.90)	(28788.87)	0.48	239.89	17.37	(390.01)	(0.32)	(150.12)
4.	ISGN Corporation	(4.25)	(10280.60)	5.58	2759.01	-		5.84	2759.01
	Non-controlling interests in subsidiary								
	CFCL Ventures Limited	(3.61)	(8735.83)	(0.69)	(343.36)	6.04	(135.62)	(1.01)	(478.98)
	Interests in joint venture (as per equity method)								-
	Indo Maroc Phosphore S.A, Morocco	8.57	20705.60	7.92	3925.40	-	-	8.30	3925.40
	Total	**100.00**	**241819.69**	**100.00**	**49541.11**	**100.00**	**(2245.27)**	**100.00**	**47295.84**

		2016-17							
S. No.	Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (Rs. in Lakhs)	As % of consolidated profit or loss	Amount (Rs. in Lakhs)	As % of consolidated OCI	Amount (Rs. in Lakhs)	As % of consolidated Total Comprehensive Income	Amount (Rs. in Lakhs)
	Parent Company								
	Chambal Fertilisers and Chemicals Limited	109.57	223619.24	106.25	38139.94	(18.21)	99.46	108.17	38239.40
	Indian Subsidiaries								
1.	India Steamship Limited	0.02	31.47	0.00	1.28	-	-	0.00	1.28
2.	Chambal Infrastructure Ventures Limited	0.18	362.50	(1.16)	(416.49)	-	-	(1.18)	(416.49)
3.	ISG Novasoft Technologies Limited	0.46	941.21	(15.61)	(5601.63)	(4.69)	25.60	(15.77)	(5576.03)
4.	Inuva Info Management Private Limited - Subsidiary of 'ISGNTL'	0.02	31.28	-	-				-
	Foreign Subsidiaries								-
1.	India Steamship Pte Limited ("ISS Pte.")	0.24	491.26	(0.15)	(53.06)	(4.10)	22.38	(0.09)	(30.68)
2.	India Steamship International FZE	0.12	252.37	(3.40)	(1222.20)	(5.69)	31.07	(3.37)	(1191.13)
3.	CFCL Ventures Limited (CVL)	(13.50)	(27548.80)	2.42	868.95	86.46	(472.20)	1.12	396.75
4.	ISGN Corporation	(1.56)	(3182.19)	5.17	1856.03	-	-	5.25	1856.03
5.	ISGN Solutions, Inc ("ISGN")	-	-	(4.48)	(1608.13)	-	-	(4.55)	(1608.13)
6.	ISGN Fulfillment Services, Inc. #	-	-	-					-
7.	ISGN Fulfillment Agency, LLC #	-	-	-					-
8.	ISGN Fulfillment Services, Inc. (Pennsylvania)	-	-	11.08	3977.61	-	-	11.26	3977.61
	Non-controlling interests in subsidiary								-
	CFCL Ventures Limited	(4.05)	(8256.85)	(0.88)	(317.54)	46.23	(252.48)	(1.61)	(570.02)
	Interests in joint venture (as per equity method)								-
	Indo Maroc Phosphore S.A, Morocco	8.50	17355.22	0.76	271.59	-	-	0.77	271.59
	Total	**100.00**	**204096.71**	**100.00**	**35896.35**	**100.00**	**(546.17)**	**100.00**	**35350.18**

These entities being license companies, there were 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.

52. Disclosure required under Section 186 (4) of the Companies Act, 2013

Particulars of Investments made: **(Rs. in Lakhs)**

Name of the Investee	Investment made during the financial year		Outstanding balance as at	
	2017-18	2016-17	March 31, 2018	March 31, 2017
Investment made in corporate bonds	265751.01	343134.42	-	-

53. Changes in Financial Liabilities arising from Financing activities **(Rs. in Lakhs)**

Particulars	March 31, 2017	Receipt	Repayment	Foreign Exchange Variation (Net)	Foreign Currency Translation	Transaction cost & Others	March 31, 2018
Long term borrowings	156365.16	207639.14	(48577.28)	2819.04	(487.80)	(2109.79)	315648.47
Short term borrowings	184170.58	-	(26101.87)	-	-	-	158068.71
Buyers credit	123589.79	221505.80	(260213.75)	2267.92	-	-	87149.76
Line of credit	10830.79	249.81		-		-	11080.60
Redeemable preference shares	35776.02			-	179.28	-	35955.30
Finance lease obligation	106.94	-	(64.68)	-	-	(10.05)	32.21
Total	**510839.28**	**429394.75**	**(334957.58)**	**5086.95**	**(308.52)**	**(2119.84)**	**607935.05**

54. Disclosure on Specified Bank Notes (SBNs):

The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 has not been made since the requirement does not pertain to financial year ended March 31, 2018. Corresponding amounts as appearing in the audited financial statements for the financial year ended March 31,2017 are as under:

(Rs. in Lakhs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	2.66	0.69	3.35
(+) Permitted receipts	-	17.02	17.02
(-) Permitted payments	-	(14.29)	(14.29)
(-) Amount deposited in Banks	(2.66)	(0.01)	(2.67)
Closing cash in hand as on 30.12.2016	-	3.41	3.41

55. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Property, Plant and Equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

b) Income Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has Rs.51440.71 Lakhs (Previous year: Rs.54264.58 Lakhs) of carried forward tax losses on long term / short term capital losses. These losses majorly relate to the loss on voluntary liquidation of a subsidiary of the Parent Company and merger of a subsidiary of the Parent Company with its wholly owned subsidiary and will expire in 5 to 7 years and may be used to offset taxable income arising in the future. At present, the Group does not have any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward. If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by Rs.14318.82 Lakhs (Previous year: Rs.15177.32 Lakhs). Further details on taxes are disclosed in note 44 to the financial statements.

c) Defined Benefit Plans

The cost of the defined benefit gratuity plan, post-employment medical benefits and other defined benefit plans and the present value of the obligation of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for defined benefit plans, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on the expected future inflation rates. Further details about the defined benefit plans are given in note 32 to the financial statements.

d) Revenue

The Parent Company's revenue includes subsidy claims, part of which are pending notification / final implementation by 'Fertiliser Industry Coordination Committee' (FICC), Government of India. As per management estimates, there is reasonable certainty based on Government of India policy and past experience that claims will be notified in due course. On issuance of notification by FICC, Government of India, the adjustments, if any , to revenue are not expected to be significant.

e) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets wherever possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Further disclosures in this regard are given in note 40.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/ N500016

Anupam Dhawan
Partner

Membership No - 084451

Place : New Delhi
Date : May 10, 2018

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

Anil Kapoor
Managing Director

Saroj Kumar Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Vice President - Legal & Secretary

Place : New Delhi
Date : May 10, 2018

Form - AOC -1

(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

(Rs. in Lakhs)

Sl. No.	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting currency	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	Invest-ments	Turn-over	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Pro-posed Divi-dend	Extent of share - holding (in percentage)
1	Chambal Infrastructure Ventures Ltd., India	02.01.2007	INR	-	940.00	(570.93)	369.57	0.50	-	15.34	8.11	1.54	6.57	-	100.00
2	CFCL Ventures Limited, Cayman Islands	19.03.2007	USD	1 USD = INR 65.18	0.26	(68710.80)	24351.97	93062.50	-	-	(104.59)	-	(104.59)	-	72.27
3	ISGN Corporation, USA (1)	04.09.2007	USD	1 USD = INR 65.18	55.62	(10459.41)	11581.82	21985.61	-	8371.69	(1362.33)	(14.08)	(1348.25)	-	72.27
4	ISG Novasoft Technologies Limited, India (1)	25.11.2003	INR	-	3623.00	(2809.00)	1314.00	500.00	-	3620.00	(6852.00)	131.00	(6983.00)	-	72.27
5	Inuva Info Management Pvt. Ltd., India (2)	01.11.2007	INR	-	2.38	14.03	17.87	1.46	-	2.66	(7.38)	7.49	(14.87)	-	51.32
6	India Steamship Pte. Limited, Singapore	08.03.2007	USD	1 USD = INR 65.18	44.55	(9.04)	38.35	2.84	-	0.55	(7.40)	(2.31)	(5.09)	-	100.00
7	India Steamship International FZE, UAE	11.05.2011	USD	1 USD = INR 65.18	4.25	2.50	11.55	4.80	-	1.65	(18.53)	-	(18.53)	-	100.00
8	India Steamship Limited, India	01.04.2011	INR	-	25.00	7.84	33.05	0.21	-	2.11	1.85	0.48	1.37	-	100.00

Notes:
1. Wholly owned subsidiaries of CFCL Ventures Limited, Cayman Islands.
2. ISG Novasoft Technologies Limited, India holds 71% shares in Inuva Info Management Pvt. Ltd., India.
3. Investments exclude Investments in subsidiaries. Profit/(Loss) after taxation does not include Other Comprehensive Income.

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	Date on which the Joint Venture was acquired	Shares of Joint Venture held by the Company on the year end			Description of how there is significant influence	Reason why the Joint Venture is not consolidated	Networth attributable to shareholding as per latest audited Balance Sheet (Rs. in Lakhs)	Profit/(Loss) for the year (Rs. in Lakhs)	
			No. of shares	Amount of Investment in Joint Venture (Rs. in Lakhs)	Extent of Holding (in percentage)				Considered in Consolidation	Not Considered in Consolidation
Indo Maroc Phosphore S.A. Morocco	31.12.2017	20.11.1997	206666	8513.32 *	33.33	Holding more than 20% shares and joint control	Not Applicable	20705.60	3925.40	7850.81

* The fair value of investment in the books of accounts of the Company as on March 31, 2018 is Rs. 28,586.67 Lakhs.

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

Anil Kapoor
Managing Director

Saroj Kumar Poddar
Chairman

Abhay Baijal
Chief Financial Officer

Rajveer Singh
Vice President - Legal & Secretary

Place : New Delhi
Date : May 10, 2018

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