

**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 at least 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 <sup>§</sup>	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 Philipppus 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 Philipppus 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 Bajjal	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
<b>Total</b>	<b>150,000</b>

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 <sup>5</sup>	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](http://www.chambalfertilisers.com) and intranet site - [www.chambal.in](http://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	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Marco Philippus Ardeshir Wadia as an Independent Director of the Company.</li> <li>2. Re-appointment of Ms. Radha Singh as an Independent Director of the Company.</li> <li>3. Approval to make offer or invitation for subscription of non-convertible debentures, on private placement basis.</li> </ol>
September 22, 2016	<ol style="list-style-type: none"> <li>1. Approval to make offer or invitation for subscription of non-convertible debentures, on private placement basis.</li> <li>2. Approval for conversion of loans into equity shares of the Company as per strategic debt restructuring scheme of Reserve Bank of India.</li> </ol>
September 15, 2015	<ol style="list-style-type: none"> <li>1. Approval for payment of commission to Non-executive Directors.</li> <li>2. Approval for adoption of new Articles of Association of the Company.</li> <li>3. Approval of revised CFCL Employees Stock Option Scheme 2010 ("ESOS 2010") and implementation of ESOS 2010 through CFCL Employees Welfare Trust.</li> <li>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.</li> <li>5. Approval to make offer or invitation for subscription of non-convertible debentures, on private placement basis.</li> </ol>

- 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](http://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](http://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](http://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](http://www.chambalfertilisers.com)). The object of the Code is to conduct the Company's business ethically and with responsibility, integrity, fairness, transparency and honesty. 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 33<sup>rd</sup> 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.	<b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	500085
2.	<b>National Stock Exchange of India Limited (NSE)</b> 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.

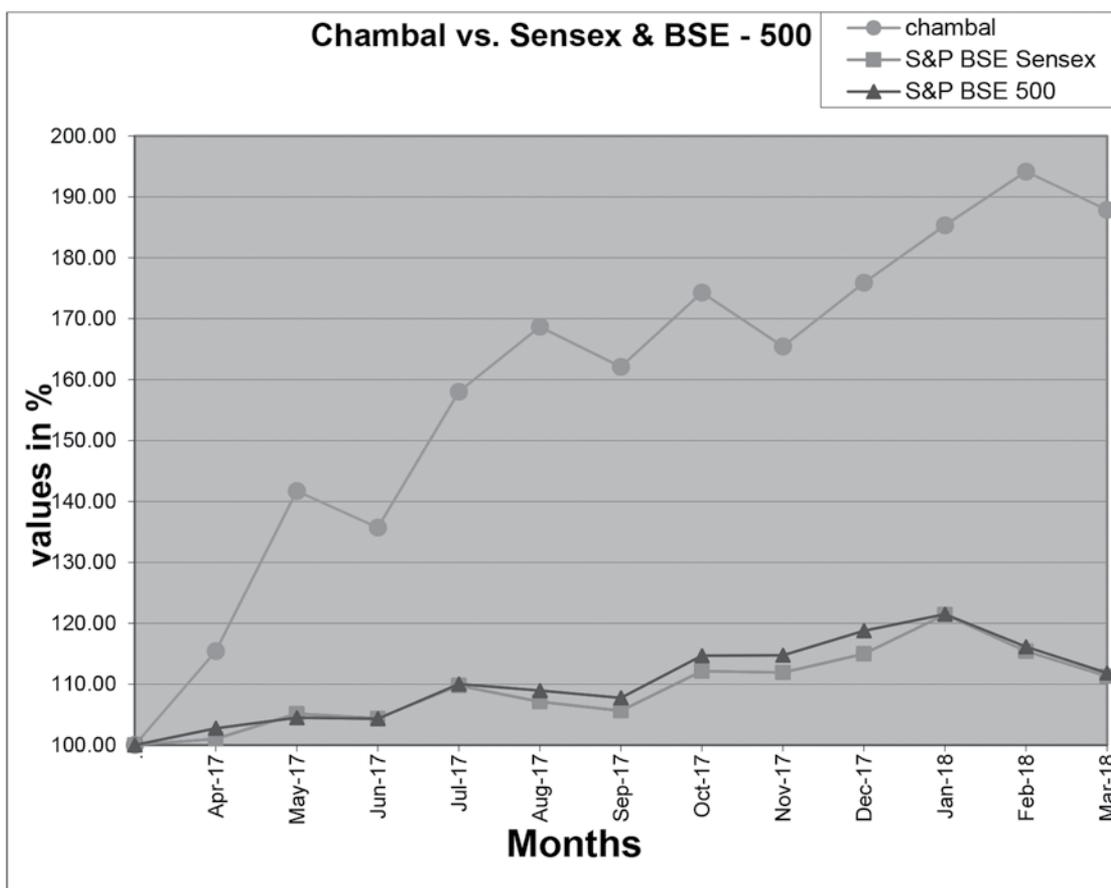
### 17.7 Market Price Data

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](mailto: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](mailto:isc@chambal.in)

Website : [www.chambalfertilisers.com](http://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
	<b>Total</b>	<b>1,29,149</b>	<b>100.00</b>	<b>41,62,07,852</b>	<b>100.00</b>

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

Saroj Kumar Poddar  
Chairman

Place : New Delhi  
Date : May 10, 2018

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**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

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**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

**Place : New Delhi**  
**Date : May 10, 2018**

**Anupam Dhawan**  
Partner  
**Membership No: 084451**