



**CHAMBAL FERTILISERS
AND CHEMICALS LIMITED**

DRIVING GROWTH THROUGH EXPANSION

Annual Report 2018-19



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DIRECTORS

Saroj Kumar Poddar
Chairman

Shyam Sunder Bhartia
Co-Chairman

Anil Kapoor
Managing Director

Nimesh Nagindas Kampani

Vivek Mehra

Chandra Shekhar Nopany

Radha Singh

Marco Philipppus Ardeshir Wadia

SECRETARY

Rajveer Singh

SENIOR EXECUTIVES

Abhay Baijal
Chief Financial Officer

Abhai Kumar Bhargava
Sr. Vice President - Works

Upendra Rajnarayan Singh
Vice President - Works

Virendra Kumar Gupta
Vice President - Marketing

AUDITORS

Price Waterhouse
Chartered Accountants LLP

COST AUDITORS

K.G. Goyal & Associates

Chambal Fertilisers and Chemicals Limited

(CIN : L24124RJ1985PLC003293)

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

Tel. No. : 0744-2782915; **Fax :** 07455-274130

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BOARD'S REPORT

Dear Members,

Your Board of Directors have pleasure in presenting the 34th Annual Report on the business and operations of the Company together with audited financial statements for the financial year ended March 31, 2019.

1. Standalone Financial Results

(Rs. in Lakhs)

Particulars	Financial Year	
	2018-19	2017-18
Revenue from Operations	1009451.69	746616.60
Other Income	14160.53	15207.67
Total Income	1023612.22	761824.27
Total Expenses	924615.81	689810.80
Profit before Exceptional Items and Tax from Continuing Operations	98996.41	72013.47
Exceptional Items	19727.24	-
Profit before Tax from Continuing Operations	79269.17	72013.47
Tax Expenses	24741.67	24364.10
Profit for the Year from Continuing Operations	54527.50	47649.37
Profit from Discontinued Operations (after tax)	-	367.72
Profit for the Year	54527.50	48017.09
Other Comprehensive Income for the Year (Net of Tax)	(11135.38)	(2126.47)
Total Comprehensive Income for the Year	43392.12	45890.62
Retained Earnings-Opening Balance	198157.08	164699.30
Add:		
Profit for the Year	54527.50	48017.09
Any Other Change	92.97	(24.70)
Less:		
Cash Dividend (including Dividend Distribution Tax)	9533.55	9517.82
Transfer to General Reserve	5000.00	5000.00
Re-measurement Loss on Defined Benefit Plans	83.12	16.79
Retained Earnings- Closing Balance	238160.88	198157.08

2. Operations and New Urea Plant

The Company had two Urea Plants (Gadepan-I and Gadepan-II) at the beginning of the Financial Year 2018-19. The Company has completed the implementation of the new Urea Plant ("Gadepan-III Plant") and commercial production of Urea commenced from Gadepan-III Plant with effect from January 1, 2019. The implementation of such a capital intensive plant with complex technology was very challenging. The management team has rose upto the occasion and completed Gadepan-III Plant within the scheduled time and estimated cost. It is heartening that Gadepan-III Plant has achieved all its efficiency and capacity parameters and running at its full capacity. As on March 31, 2019, the capital investment of the Company in Gadepan-III Plant stood at Rs. 5762.05 Crore.

Gadepan-III Plant is an important milestone in the journey of growth of your Company and its benefits will accrue not only to the Company but the country as a whole. It will go a long way in taking the country towards self-sufficiency in Urea and thereby reducing the dependence of the country on imports. It will also benefit the farming community immensely by increasing the availability of Urea manufactured in the country. The economic benefits of Gadepan-III Plant will also flow in the form of additional revenue to the Government of Rajasthan and the Government of India. Further, the social benefits in the form of new avenues of employment and availability of more resources for corporate social responsibility initiatives of the Company will add to the development and welfare of the community at large.

The cumulative production and sales of Urea from Gadepan-I and Gadepan-II plants was higher in comparison to the previous year. In addition to this, the Urea produced from Gadepan-III plant has augmented the production and sales of Urea of the Company.

Apart from manufacturing Urea, the Company markets other branded Agri-inputs, mainly Di-Ammonium Phosphate (DAP), Muriate of Potash (MOP), NPK Fertilisers, agrochemicals, seeds and micronutrients. There was some decrease in the volumes of DAP, MOP and NPK Fertilisers being marketed by the Company though the performance of some other products such as agrochemicals and seeds has improved.

The implementation of Modified New Pricing Scheme – Stage - III for payment on account of additional fixed cost to Urea Units by the Ministry of Chemicals and Fertilizers, Government of India, has been delayed inordinately. This delay has caused uncertainty in some of the aspects of aforesaid policy. Accordingly, the Company has provided for Rs. 19727.24 Lakhs during the Financial Year ended March 31, 2019, which has been shown as 'Exceptional Items'.

The Company achieved higher revenue and profits during the year under review in comparison to the previous year. This was mainly due to production and sales of Urea from Gadepan-III Plant, higher production and sales of Urea from Gadepan-II Plant and higher prices and better margins in some of the products marketed by the Company. The higher dividend income in comparison to the previous year has also contributed to the increase in profit during the Financial Year 2018-19.

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

3. Dividend

The Board of Directors recommends dividend of Rs. 2.00 per equity share of Rs. 10 each @ 20% (Previous Year - Rs. 1.90 per equity share @19%) for the financial year ended March 31, 2019. The total outgo on this account will be Rs. 10035.22 Lakhs (Previous Year - Rs. 9517.82 Lakhs) including dividend distribution tax of Rs. 1711.06 Lakhs.

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>. The dividend recommended by the Board of Directors is in accordance with the Dividend Distribution Policy of the Company.

4. Consolidated Financial Statements

In pursuance of the provisions of the Companies Act, 2013, the rules framed 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.

5. Corporate Governance Report and Code of Conduct

Your Directors strive to maintain the highest standards of Corporate Governance. The Corporate Governance Report for the Financial Year 2018-19 is attached as **Annexure "C"** to this Report. All the Directors of the Company and senior management personnel have confirmed the compliance of Code of Conduct and Ethics of the Company. 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.

6. Subsidiaries and Joint Venture

The Company had seven subsidiaries and a joint venture as on March 31, 2019, the details of which are given below:

(a) Subsidiaries

(i) CFCL Ventures Limited and its subsidiaries

CFCL Ventures Limited ("CVL") is a subsidiary of your Company in Cayman Islands and it operates business through its subsidiaries, namely, ISGN Corporation ("ISGN, USA") in USA and ISG Novasoft Technologies Limited ("ISGN, India") in India.

ISGN, USA is engaged in designing, developing, marketing and distribution of software products for the 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 ISGN, India, which is having its software development centre in India. ISGN, USA continued its focus in getting new customers from the residential mortgage market in addition to looking at operating efficiencies to reduce its operational cost. The performance of software business remained subdued during the Financial Year 2018-19.

Inuva Info Management Private Limited (Under Liquidation) ("Inuva"), is a subsidiary of ISGN, India. There has been no business activity in Inuva. During the year under review, the shareholders of Inuva had approved its voluntary liquidation in pursuance of the provisions of Insolvency and Bankruptcy Code, 2016 ("Insolvency Code") read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 ("Insolvency Rules"). Accordingly, Inuva is in the process of voluntary liquidation.

(ii) Other Subsidiaries

India Steamship Pte. Limited ("ISS, Singapore"), is a wholly owned subsidiary of the Company in Singapore and India Steamship Limited (Under Liquidation) ("ISS, India"), and Chambal Infrastructure Ventures Limited are wholly owned subsidiaries of the Company in India. During the year under review, there was no business activity in these subsidiaries.

During the year under review, the shareholders of ISS, India had approved its voluntary liquidation in pursuance of the provisions of Insolvency Code read with the Insolvency Rules. ISS, India is in the process of voluntary liquidation. Further, the Board of Directors of ISS, Singapore and the Company as its shareholder had approved the closure and voluntary striking-off the name of ISS, Singapore from the register of Accounting and Corporate Regulatory Authority, Singapore. The process of voluntary striking-off / closure of ISS, Singapore is yet to be completed.

Your Company had also approved voluntary liquidation of its wholly owned subsidiary - India Steamship International FZE ("ISS, UAE") in United Arab Emirates and ISS, UAE was liquidated during the Financial Year 2018-19.

(b) Joint Venture : Indo Maroc Phosphore S. A.-IMACID ("IMACID")

IMACID is a joint venture of your Company in Morocco with Tata Chemicals Limited and OCP, Morocco and each partner is having equal stake in the joint venture (33.33% each). IMACID is engaged in the manufacture of phosphoric acid in Morocco.

The performance of IMACID is summarized below:

Particulars	January 1, 2018 to March 31, 2019	January 1, 2017 to December 31, 2017
Production of Phosphoric Acid (MT)	472,138	409,160
Sales of Phosphoric Acid (MT)	481,808	408,213
Revenue	Moroccan Dirham 3409.55 Million (Rs. 247533.01 Lakhs)	Moroccan Dirham 2279.87 Million (Rs. 150851.90 Lakhs)
Profit after Tax	Moroccan Dirham 482.15 Million (Rs. 35004.36 Lakhs)	Moroccan Dirham 177.98 Million (Rs. 11776.21 Lakhs)

IMACID follows calendar year as its financial year. The financial results of IMACID for the calendar year 2017 had been considered for the purpose of preparation of the consolidated financial statements of the Company for the previous financial year. In order to align

the financial reporting periods, the Company has considered financial results of IMACID for 15 months period ended March 31, 2019 for preparation of its consolidated financial statements for the financial year 2018-19.

The financial performance of IMACID during the period ended March 31, 2019 was much better in comparison to the previous year due to higher production and sales at improved margins.

The Company does not have any material subsidiary as per the provisions of the Listing Regulations.

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. 48 to the Consolidated Financial Statements.

The Company shall place the 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, District Kota, Rajasthan, PIN - 325208.

Save and except voluntary liquidation of ISS, UAE, no other subsidiary, associate or joint venture has been acquired or ceased / sold / liquidated during the year under review.

7. Health, Safety, Quality and Environmental Protection

Your Company firmly believes that health and safety of people is of utmost importance. In order to maintain high standards of safe work practices, your Company has formulated a Health, Safety, Security, Environment & Quality Policy and senior management of the Company periodically reviews and assesses the adherence to the policy.

Your Company has established an Integrated Management System based on OHSAS-18001:2007, ISO-14001:2015 and ISO-9001:2015 and it has also adopted Process Safety Management and guidelines of British Safety Council.

The details of various activities and achievements of the Company in the areas of health and hygiene, safety, environment protection and quality management are as under:

(a) Health & Hygiene

The Company believes that healthy and hygienic work environment not only benefits the workforce but it also increases their productivity and works as a retention tool. There is a system in place in the Company for health assessment and occupational disease monitoring of employees and contractor workforce through periodic medical examinations and hygiene monitoring at work place.

The health centre at Gadepan provides services round the clock to employees, their families, contractor workforce and villagers in the vicinity of the plants. Apart from regular doctors and trained nursing staff, specialist doctors like child specialist, eye specialist, dental surgeon, gynecologist, etc. visit the health centre. There are three ambulances available on round the clock basis at Gadepan. The Company also facilitates employees to consult a Company affiliated doctor to ensure the well-being of the employees.

The Company continuously strives to maintain a neat and clean work place and adequate resources are made available to ensure hygienic working environment. The Company organizes periodic training and awareness programs related to health and hygiene through external experts. Various health camps and campaigns like pulse polio vaccination, blood donation, immunization programme for children and swine flu vaccination drives are also organized from time to time.

(b) Safety Management

There is a robust safety management system in place in your Company to ensure highest levels of safety of all the employees, contractor workforce as well as equipment and machinery. Gadepan-III Plant has some advanced safety features such as control room air conditioner system had been designed to handle leakage of Ammonia and some critical areas of the plant are equipped with automatic flooding system in case of fire.

The Company has taken various safety measures to prevent any mishap and respond to any accident that may occur in the fastest and most appropriate manner, like 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, a cross functional team reviews the jobs from safety perspective and ensures that all recommended actions to prevent hazards are taken. 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. To encourage safety awareness, schemes of "Near-Miss" & "Make-to Good" reporting are in place.

In order to create more awareness on Safety & Environment, your Company organizes various programmes throughout the year like National Safety Week, Road Safety Week, Fire Services Day, World Environment Day, Chemical Disaster Prevention Day, etc. involving employees, their families and contractor workforce.

Your Company has a well-defined "Onsite Disaster Management Plan" and 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 provides help to all neighboring villages around Gadepan through district administration in case of any fire emergency.

(c) Environment Management

Environmental sustainability is paramount to any industry and your Company is conscious of its responsibility towards the impacts of its operations on the environment including with respect to resource consumption, waste generation and emissions to the atmosphere. The Company's investors, suppliers, customers, local communities as well as government and regulatory agencies are vital stakeholders in its efforts towards establishment of environment friendly manufacturing that minimizes waste and pollution.

The Company has a mechanism in place to ensure that all the environmental parameters are maintained within the permissible limits and a dedicated Environment Management Cell continuously monitors the environmental compliances.

The new Urea plant of the Company is more energy efficient and consumes less natural resources. The Company has also installed a reverse osmosis-zero liquid discharge plant for treatment of effluent, which has also resulted in less fresh water intake from the river. In

order to treat the Urea contaminated effluent, stripping unit with hydrolyser has also been installed in new Urea plant. Your Company has installed Bio-Methanation plant to handle the kitchen waste of plant canteens and bio-gas is being utilized in the kitchen facility of guest house at Gadepan.

The Company maintains a dense green belt at its Gadepan campus which is also a habitat to many species of birds. Regular plantation is done in the complex to provide a soothing and healthy environment for people to live and work. Only treated waste water is used in maintaining the green belt through irrigation network spread all over the complex. Use of polythene bags is strictly prohibited in the Gadepan campus.

(d) Quality Management

Your Company is ISO 9001:2015 certified and quality is given very high priority. The quality assurance is ensured at all stages of manufacturing processes, maintenance and support services. The Company sources the products marketed by it from reputed suppliers and quality parameters are checked regularly. The quality reviews are regularly conducted and feedback from end users is accorded high value. The Company has a well-equipped laboratory at Gadepan with high quality instruments like high performance liquid chromatography, ion chromatograph, etc. for monitoring of critical quality parameters.

(e) Achievements

Your Company regularly participates in national and international benchmarking surveys and awards for independent assessment and opportunity for continual improvement. One of the Urea manufacturing plants of the Company (Gadepan – I plant) won the Fertilizer Association of India Best Production Performance Award 2018 for a Nitrogenous Fertilizer Plant. The Company was also conferred with Environment Protection Award 2018 for a Nitrogenous Fertilizer Plant - Runner Up by Fertilizer Association of India.

8. Corporate Social Responsibility ("CSR")

As a part of long term strategy for sustainable development, your Company is working mainly in the areas of Education including Technical & Vocational Education, Rural Development, Healthcare, Employability and Empowerment and Soil Health. The CSR initiatives of the Company are directed towards upliftment of the society, especially the vulnerable and marginalized members of the society.

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

a) Pre-primary & School Education

A comprehensive school education program is being driven by the Company through 42 government schools and 41 Aanganwadi centers of District Kota and Baran in Rajasthan. The education program is creating an ecosystem for more than 7500 students to experience and receive quality academic support. With the aim to increase the outreach of the education program, additional 5 government aanganwadi centers and 5 government schools were adopted during the Financial Year 2018-19. Girl child education is one of the key target areas of education project. During the year under review, enrollment of girls in the adopted Government schools has reached to 53%. Digitalization of the education system in adopted schools is one of the major initiatives in recent years. During the Financial Year 2018-19, additional smart interactive classes were set up in 6 schools, taking the total number to 21 schools. The computer education is also given utmost importance in the adopted schools where students are learning to operate computer from class 1st itself.

Apart from delivering quality educational services, the Company is also focusing on overall development of the said schools and Aanganwadis such as infrastructure development, teachers' training, free coaching to meritorious students for higher education entrance exams, sports promotion, extra-curricular activities, etc. During the Financial Year 2018-19, 15 libraries were set up in adopted schools and the Company also facilitated installation of Reverse Osmosis Unit with water cooler facility in 10 adopted Government schools.

CFDAV School is being run in collaboration with DAV College Trust and Management Society and over 65% students in this school are from nearby villages.

In 24th State Level Bhamashah Awards – 2018, the Company was conferred with Commendation Letter - Shiksha Vibhushan by the Government of Rajasthan for its contribution in the field of education in District Kota, Rajasthan.

b) Technical and Vocational Education

Your Company has adopted five Government Industrial Training Institutes (ITIs) i.e. ITI Sangod (2011-12), ITI Sultanpur (2014-15), ITI Baran (2015-16), ITI Jhalawar (2015-16) and ITI Khanpur (2017-18). The renovation and maintenance of the exterior of ITI Khanpur was completed during the year under review. The management of the Company is closely involved in the running of these ITIs to ensure the quality of education and availability of requisite infrastructure to the students. Total 1371 seats are being offered to rural youth under 10 different trades in the aforesaid ITIs.

To promote digital learning, smart interactive classes were installed and digital methods were adopted to provide training to youth. Encouraged with the Digital India Mission, ITI Sangod has developed its own Android Application. To improve employability options of trainees, additional certification courses are also being offered to students in the areas such as Fire and Safety, Occupational Health and First Aid and Spoken English & Personality Development. During the year under review, the Company has received commendation letter from the Government of Rajasthan for its contribution as industrial partner in development of aforesaid ITIs.

c) Rural Development

Your Company believes that the process of inclusion can be accelerated through infrastructure development. The Company has continued to contribute towards building quality infrastructure facilities in the rural areas near its plants at Gadepan. In order to develop 'Gadepan' as model village, pond renovation, cement concrete roads, storm water drain construction and plantation activities were completed during the year under review. To encourage community to avoid usage of polythene, various community sensitization drives were organized in the villages. For proper disposal of waste, a solid waste management system is being developed in the Gadepan Gram Panchayat.

Your Company has constructed community places such as Shed, boundary wall, playground, etc. and provided bore wells and submersible pumps in nearby villages during the year.

d) Health Care

The health care initiatives aim to provide access to quality essential health services to rural population. The awareness campaigns,

health care camps, etc. are a process in continuum. To create awareness amongst school students and trainees of ITIs, the students were trained on various health topics like First Aid training, Nutritional Awareness sessions, Menstrual Health & Hygiene and Physical Activity. The healthcare facilities were also extended in the remote villages of Tehri and Dehradun districts in Uttarakhand.

e) Employability and Empowerment

In order to promote micro finance and self-help initiatives amongst women folks, 39 Self Help groups are operating in 8 villages. Further, 10 small village level livelihood clusters have been started to support various income generation activities of women. The Company has also facilitated augmentation of garment production house facility during the year under review to provide livelihood to 25 marginalized women.

The Company is also facilitating the rural community to avail benefits of various social security schemes such as pension, Ujjwala Yojana, Pradhan Mantri Jan Dhan Yojana, Jeevan Jyoti Beema Yojana, Jeevan Suraksha Yojana, etc.

f) Soil Health

The Company is providing support to the farmers to adopt modern agriculture practices. Under soil health initiatives, the Company is running two agriculture development laboratories in Agra and Gadepan and three mobile soil testing vans in Rajasthan and Uttar Pradesh. Based on the soil test and analysis, necessary advice is being provided to the farmers to ensure optimum usage of farming inputs and ensuring maximum farm produce.

The composition and terms of reference of Corporate Social Responsibility Committee are given in the Corporate Governance Report. The Annual Report on Corporate Social Responsibility 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 "G"** 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.1258.55 Lakhs. As against this, the Company had spent Rs. 1265.94 Lakhs on CSR projects / programs during the Financial Year 2018-19.

9. 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. Aditya Narayan (DIN: 00012084), ceased to be a Director of the Company upon completion of his tenure on September 18, 2018.

Mr. Vivek Mehra (DIN: 00101328) was appointed as an Independent Director of the Company at the Annual General Meeting ("AGM") held on September 18, 2018 to hold office for a term of 5 (five) consecutive years from September 18, 2018 to September 17, 2023.

Mr. Shyam Sunder Bhartia (DIN: 00010484) is due for retirement at the forthcoming AGM and has offered himself for re-appointment.

All the Independent Directors have submitted declarations that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013, the rules framed thereunder 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, Company Secretary are Key Managerial Personnel of the Company. During the year, there was no change in the Key Managerial Personnel.

Four meetings of the Board of Directors were held during the financial year 2018-19.

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

A certificate obtained by the Company from a company secretary in practice, confirming that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority, is enclosed as **Annexure "F"** to this Report.

10. Internal Financial Controls

The Company has internal financial controls commensurate to the size and nature of its business. The Company has policies and procedures in place for ensuring orderly and efficient conduct of its business and operations 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.

11. 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. The Remuneration Policy, *inter-alia*, includes the appointment criterion & qualification requirements, process for appointment & removal, retirement policy, remuneration structure, etc. of the Directors including Managing Director and Whole Time Director(s), 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 criterion 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 Whole Time Director(s) 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.

The Remuneration Policy has been amended with effect from April 1, 2019. Apart from certain changes of clarificatory nature, the Remuneration Policy was amended mainly to the effect that Nomination and Remuneration Committee shall also recommend to the Board of Directors, all remuneration in whatever form payable to the Directors, KMPs and senior management personnel of the Company and the Board of Directors shall take into consideration the recommendations of Nomination and Remuneration Committee while considering the appointment and remuneration of Directors, KMPs and senior management personnel.

The remuneration Policy of the Company is available at the website of the Company at the weblink <http://www.chambalfertilisers.com/pdf/REMUNERATION-POLICY.pdf>.

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

- a) Your Company has not issued any shares during the Financial Year 2018-19.
- b) No significant and material orders have been passed by the regulators or courts or tribunals or statutory and quasi-judicial bodies impacting the going concern status and Company's operations in future.
- c) All Related Party Transactions entered during the financial year 2018-19, were on arm's length basis and in the ordinary course of business. No material Related Party Transactions (i.e. 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 in Form MGT-9 is attached as **Annexure "H"** to this Report which is also available on the website of the Company at the weblink <https://www.chambalfertilisers.com/annualreturns/>. A Copy of annual return of the Company is also available on the aforesaid weblink.
- 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, Chairman of the Company 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, security provided and investments made, if any, under Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.
- g) During the year, the auditors, 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.
- i) The Company has complied with the provisions relating to the constitution of Internal Complaints Committees under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- j) There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year 2018-19 and the date of this report.

13. 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, 2019 and of the profit and loss of the Company for the year ended March 31, 2019;
- 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 operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

14. Auditors 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, had 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.

The maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is required by the Company in respect of production of fertilisers and accordingly such accounts and records are made and maintained by the Company.

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 2019-20. 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.

15. Secretarial Audit

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 2018-19. The Secretarial Audit Report issued by the aforesaid Secretarial Auditor is attached as **Annexure "I"** to this Report.

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

16. 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 new Urea plant of the Company is energy efficient in comparison to the existing plants. 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.

17. Risk Management

Your Company has developed and implemented a Risk Management Policy. The Risk Management Committee of the Company 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.

18. 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 2018-19.

19. Particulars of employees

Your Company believes that human resource is vital to the growth and sustainability of an organization. Your Company maintains very healthy work environment, promotes the culture of entrepreneurship at all levels in the organization and encourages the employees to contribute their best. 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.

20. 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 grant of stock 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 stock 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 2018-19. 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 13,35,900 equity shares of the Company as on March 31, 2019 (16,96,900 equity shares as on March 31, 2018), being 0.32% 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 and the concerned shares are transferred 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 2018-19.

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-2019.pdf>. The disclosures in respect of ESOS 2010 are also given in the notes to the Financial Statements.

21. Business Responsibility Report

In pursuance of the provisions of the Listing Regulations, the Business Responsibility Report for the financial year 2018-19 describing the initiatives taken by the Company from environmental, social and governance perspective forms part of the Annual Report.

22. 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 2019-20.

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

23. Acknowledgements

The Board of Directors places 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 appreciation of the services rendered by each and every employee with utmost commitment and dedication.

For and on behalf of Board of Directors

Place : New Delhi
Date : May 16, 2019

Saroj Kumar Poddar
Chairman

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

1. Industry Structure and Developments

A) Urea

The Company has commenced commercial production of Urea from its new plant at Gadepan ("Gadepan-III Plant") with effect from January 1, 2019. The new plant has a capacity of 1.34 Million MT of Urea per annum. With the new Urea plant coming on stream, the Company now has three Urea manufacturing plants at Gadepan, District Kota, Rajasthan.

Urea plays a vital role in food grain production in India. The Urea Industry is backbone of Indian agriculture with manufacturers from public, co-operative and private sectors. The demand of Urea is met through indigenous manufacturing and imports as the country does not have sufficient manufacturing capacity of Urea. The implementation of New Investment Policy - 2012 ("NIP-2012") for Urea by the Government of India is changing the landscape of Urea manufacturing in India. In addition to Gadepan-III Plant, there are a few more Urea plants under implementation which are expected to come on stream in next 1-3 years. With the commissioning of these plants, the country is likely to be self-sufficient in Urea production.

Urea production in the country during the Financial Year 2018-19 was 23.90 million MT against 24.02 million MT during the previous year. The country imported 7.45 million MT of Urea during the Financial Year 2018-19 as against 5.97 million MT of Urea imported during the previous year. The Company's Gadepan-III Plant has produced 0.38 million MT of Urea during the Financial Year 2018-19 resulting into reduction in imports to that extent. The Financial Year 2019-20 will be the first full year of production of Urea from Gadepan-III Plant which shall enable the country to reduce its imports of Urea. The Urea sales in the country during the Financial Year 2018-19 was 31.72 million MT against the Urea sales of 30.31 million MT during the previous year – an increase of 4.65%. The imported Urea was 23.49% of the total Urea sales in the country. The price of imported Urea was around USD 272 per MT in April 2018 which went upto USD 353 per MT in November 2018. The price of imported Urea started declining thereafter and came down to USD 290 per MT in the last quarter of the Financial Year 2018-19.

B) Other Products

In addition to manufacture of Urea, the Company also markets other agri-inputs like Di-ammonium Phosphate (DAP), Muriate of Potash (MOP), NPK Fertilisers, agrochemicals, seeds, sulphur, micro-nutrients, complex fertilisers and city compost. The Company facilitates availability of fertilisers, seeds and agrochemical products to farmers under one roof. In order to ensure that the best quality products are available to the farmers in India, the Company sources the products from reputed domestic and international producers. Over the years, the Company has established reliable supply channels to ensure availability of quality products on a sustainable basis.

DAP, MOP and NPK fertilisers are covered under the Nutrient Based Subsidy ("NBS") policy of the Government of India where subsidy is paid by the Government of India based on the different nutrients in these fertilisers. NBS has created a level playing field by providing freedom in terms of pricing and supply. The Company had utilised its brand and logistic strength to expand its DAP and MOP business and established itself as a force to reckon with in these products.

The demand of DAP in the country is met through imports and domestic production whereas the country is fully dependent upon imports for MOP. The demand of NPK fertilisers is met mostly through indigenous production and some quantity is imported. The agrochemicals market is dominated by some large multinational organisations and domestic technical grade agrochemical producers. The technical grade agrochemicals are then formulated for agricultural use by themselves or by downstream formulators. Seeds, sulphur, complex fertilisers and micro-nutrients markets are dominated by small manufacturers and suppliers.

The total sales of DAP in the country during the Financial Year 2018-19 was 9.50 million MT as against 8.98 million MT during the previous year registering a growth of around 5.79%. The total production of DAP during the financial year 2018-19 was around 3.90 million MT whereas 6.60 million MT of DAP was imported in the country. MOP imports in the country during the Financial Year 2018-19 were 4.21 million MT as against 4.74 million MT during the previous year.

The price of DAP has shown an upward trend in international market in the first quarter of the Financial Year 2018-19 and thereafter declined towards the end of the year. The price of DAP was around USD 418 per MT CFR India in April 2018 which went up to USD 435 per MT CFR India in August 2018. The price of DAP started moving downward thereafter and came down to USD 397 per MT CFR India in March 2019.

C) Developments in Government Policies

The Government of India had fully implemented Direct Benefit Transfer ("DBT") for payment of subsidy on fertilisers with effect from April 1, 2018. Under the DBT scheme, the farmers purchase the fertilisers at subsidised rates and the transactions are recorded in Point of Sale ("POS") machines under Fertiliser Monitoring System of the Government of India. The Government of India releases the subsidy to fertiliser companies against weekly subsidy bills generated digitally and submitted online. The subsidy bills are raised based on the sale of fertilisers to the farmers as recorded online through POS machines, thereby linking the subsidy payment to actual sale of fertilisers. The DBT system has now stabilised and more than 2,50,000 outlets are successfully selling subsidized fertilisers through POS machines. DBT system enables continuous monitoring of inventory till the retailers' end and has provided a real time stocks and sales visibility. Further, the submission of subsidy claims and processing thereof has also become efficient under the DBT system.

2. Opportunities and Threats

The successful implementation of Gadepan- III Plant shall enable the Company to achieve substantial increase in the top-line and bottom-line. The production capacity of Urea of the Company has increased by around 63% with the addition of Gadepan-III Plant. It has offered an opportunity to the Company to expand its marketing territory and also increase the volumes in the existing territory. Further, increase in production and sales volumes shall make the operations more cost effective by achieving the economies of scale.

Over the years, the Company has established its position in the DAP and MOP segment of fertiliser business. With new Urea capacity addition and established brand, the Company has an opportunity to expand its marketing territory to boost the sale of its products.

The indigenous Urea capacity addition in the coming years will reduce the demand-supply gap thereby increasing the competition in the market place. However, with continuous focus on cost and customer satisfaction, the Company shall be able to deal with this challenge successfully. The monsoon variations, volatility in the global prices of fertilisers and variation in the foreign exchange rates are few challenges for the DAP and MOP business and the Company takes these factors into consideration while making its marketing strategy.

3. Risks and Concerns

The Fertiliser Industry is highly regulated and dependent upon subsidy policies of the Government of India. Gadepan-III Plant is under NIP-2012 which is effective for 8 years from the start of production. The changes in such policies may sometimes adversely affect the Company.

Further, 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 plants in the country.

The short provision of funds in the Union Budget for fertiliser subsidy has become a regular feature. The budget allocation of the Government of India for fertiliser subsidy is normally over by the third quarter of the Financial Year and the fertiliser companies have to wait for subsidy till the next financial year. The delay in payment of subsidy by the Government of India increases the finance cost of the Company. The interest burden due to delay in payment of subsidy and change in subsidy policy may impact the profitability of the Company.

4. Outlook

The new Urea capacity addition through Gadepan-III Plant shall augur well for the Company as it will benefit the Company on different counts such as increase in sales volumes, cost efficiency due to optimum resource utilisation and economy of scale. The new capacity additions would narrow the demand-supply gap by replacing imported Urea. However, with the strength of its brand and marketing network with reliable supply channels, the outlook in Urea, DAP and MOP remains positive. As far as other products are concerned, there are challenges in terms of availability of new products, intense competition in the market place and presence of large players in agrochemical segment. The Company continuously reviews its portfolio of products and makes necessary changes in its marketing strategy to align it with the market dynamics. However, the focus of the Company shall be on Urea, DAP and MOP which are major contributors to its top-line and bottom-line.

5. Operational and Financial Performance

The operational and financial performance is summarized below:

Particulars	Financial Year	
	2018-19	2017-18
Urea Production (MT in Lakhs)	25.04*	20.94
Urea Sales (MT in Lakhs)	25.91	20.74
SSP Production (MT in Lakhs)	NIL	0.44
SSP Sales (MT in Lakhs)	0.05	0.65
Sales including other Agri-inputs (Rs. in Lakhs)	1009424.25	746601.65
Profit before Interest, Depreciation, Exceptional Items and Tax from Continuing Operations (Rs. in Lakhs)	135438.85	93311.72

*including 3.83 Lakh MT of Urea (which includes 0.47 lakh MT of trial production) manufactured in Gadepan-III Plant.

The production of Urea was higher on account of production from Gadepan – III Plant which has commenced commercial production with effect from January 1, 2019 and better performance of Gadepan –II Plant of the Company. 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 branded marketed products was Rs. 384722.30 Lakhs during the financial year 2018-19 in comparison to Rs. 346539.53 Lakhs in the previous year. The sales of various products were as under:

Product	Financial Year	
	2018-19	2017-18
DAP (MT in Lakhs)	7.99	8.69
MOP (MT in Lakhs)	2.16	2.56
Other Fertilisers (MT in Lakhs)	0.42	0.71
Agrochemicals (Net) – (Rs. in Lakhs)	20447.85	17413.06
Seeds (Net) – (Rs. in Lakhs)	4700.44	4250.26

The increase in revenue from branded marketed products was contributed mainly by DAP due to higher prices of DAP towards beginning of the year and increase in revenue from agrichemicals and seeds. The volatility in the prices of DAP has affected its sales volumes to some extent. Further, there was substantial increase in the price of MOP in comparison to the previous year which has resulted into some demand destruction. In view of this, there was an overall decline in volumes of MOP in the country in comparison to the previous year which has also impacted MOP sales volumes of the Company. Despite reduction in volumes, the Company has strategically spread its procurements to achieve better margins in these products.

The Company has gained some lost ground in the agrochemicals and seeds business and achieved higher turnover in comparison to the previous year. However, the performance of other fertilisers remained subdued.

Gadepan-III Plant has contributed to the overall performance of the Company during the Financial Year 2018-19. In addition to this, higher production and sales from Gadepan-II Plant, better margins in some of the products marketed by the Company and higher dividend income has also contributed to the higher profitability of the Company in comparison to previous year.

6. Key Financial Ratios and details of significant changes therein (i.e. change of 25% or more in comparison to the previous financial year)

Sr. No.	Key Financial Ratio	Financial Year 2018-19	Financial Year 2017-18
1.	Debtors Turnover Ratio	2.75	2.70
2.	Inventory Turnover Ratio	8.36	8.02
3.	Interest Coverage Ratio	5.03	5.80
4.	Current Ratio	1.12	1.25
5.	Debt Equity Ratio	2.64	1.94
6.	Operating Profit Margin (%)*	12.07	11.42
7.	Net Profit Margin (%)*	6.58	6.30

*Calculated without considering the impact of Exceptional Items.

There was significant change in Debt Equity Ratio (36.08%) in comparison to the previous financial year, which is largely attributable to significant increase in borrowings due to the following reasons:

- (a) Natural gas is the main input for production of Urea. There was an increase in price of natural gas and INR-USD exchange rates. This has resulted into higher input cost and higher subsidy outstanding with the Government of India. In view of this, there was an increase in the working capital borrowings of the Company.
- (b) The Company has availed additional borrowings during the Financial Year 2018-19 for financing of Gadepan-III Plant.

7. Details of change in Return on Net Worth as compared to the previous financial year and explanation thereof

The Return on Net Worth is calculated by dividing Profit after Tax for the year by average net worth during the year. The Return on Net Worth during the Financial Year 2018-19 was 17.76% in comparison to 17.67% during the Financial Year 2017-18.

There was no significant change in the Return on Net Worth in comparison to previous financial year despite increase in profitability of the Company on account of additional production and sales of Urea from Gadepan-II Plant, production and sales of Urea from Gadepan-III Plant, better margins in some of the products marketed by the Company and higher dividend income as the gains on account of the above factors were largely off-set by exceptional items of Rs. 19727.24 Lakhs.

8. Material Developments in Human Resources/ Industrial Relations

The efficient operation of its three fertiliser plants with least possible downtime is of utmost importance to the Company. In addition to this, running the allied operations and support functions with efficiency and in cost effective manner plays vital role in the sustainability of the Company.

A highly experienced and qualified team of personnel enables the Company in achieving its objectives. The recruitment and retention of qualified and experienced workforce is critical for maintaining the talent pool in the Company. The Company continuously works towards ensuring that appropriate recruitment, retention and training plans are in place to maintain its talent pool.

The Company selects technical personnel from premier institutes in addition to lateral hiring wherever required. 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 Company had organized series of training programs during the year to reinforce and strengthen performance driven culture in the organization. The health, safety and well-being of employees are of paramount importance. Therefore, awareness is ensured through regular trainings and engagement activities round the year.

The project team comprising of professionals having technical expertise and experience was instrumental in successful commissioning of Gadepan-III Plant. The recruitment for Gadepan-III Plant has already been completed and the personnel in the project team became part of operations team post commissioning of Gadepan-III Plant.

The permanent employee strength of Company was 1060 as on March 31, 2019. 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 & 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 and 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
Date : May 16, 2019

Saroj Kumar Poddar
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
Date : May 16, 2019

Saroj Kumar Poddar
Chairman

Annexure "C" to Board's Report
CORPORATE GOVERNANCE REPORT

1. Company's Philosophy

The Company believes in maintaining high standards of corporate governance and conducting its business with responsibility, integrity, fairness and transparency. The Company has always focused on good corporate governance practices and organizational excellence to increase employee and customer satisfaction and long term value creation for shareholders without compromising on ethical standards.

The Company believes that corporate governance is not limited to merely creating checks and balances. The corporate governance goes beyond the practices enshrined in the laws and encompasses the basic business ethics and values that need to be adhered. The corporate governance aligns the interests of individuals, organisation and society and integrates all the participants involved in the process. The Company believes in leveraging its resources to translate opportunities into reality and inculcate dynamism and entrepreneurship at all levels in the organisation.

2. Board of Directors

As on March 31, 2019, 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 independent woman director. The composition of Board of Directors is 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 the deliberations and decisions of the Board of Directors 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 prescribed under Section 149(6) of the Companies Act, 2013, rules framed thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). It is confirmed that in the opinion of the Board of Directors, the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company. The Company had 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. Aditya Narayan ceased to be Director of the Company upon completion of his tenure on September 18, 2018. During the Financial Year 2018-19, no independent Director had resigned before the expiry of his tenure. The shareholders of the Company, at the Annual General Meeting ("AGM") held on September 18, 2018, had appointed Mr. Vivek Mehra (DIN:00101328) as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years from September 18, 2018 to September 17, 2023.

The Company has obtained a certificate from a company secretary in practice confirming that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority. A copy of the said certificate is attached as **Annexure "F"** to the Board's Report.

Mr. Shyam Sunder Bhartia (DIN: 00010484), Director is retiring by rotation at the forthcoming AGM scheduled to be held on September 28, 2019 and is eligible and has offered himself 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.

In pursuance of the Listing Regulations, the list of core skills / expertise/ competencies identified by the Board of Directors as required by it in the context of the Company's business and sector for it to function effectively is as under:

- Corporate Governance and Legal Compliance
- Accounting and Finance
- Leadership and General Management
- Industry Experience

The aforesaid skills / expertise / competencies are available with the Board of Directors of the Company.

3. Meetings and Attendance

The meetings of the Board of Directors are generally held at the Corporate Office of the Company at "Corporate One", 1st Floor, 5, Commercial Centre, Jasola, New Delhi - 110025. The meetings of the Board of Directors are scheduled in such a manner that it coincide with the announcement of quarterly/annual financial results. Additional Board meetings are convened depending upon the business requirements. As and when required, the resolutions are also passed by circulation as permitted by law. During the Financial Year 2018-19, four Board meetings were held on May 10, 2018, July 24, 2018, October 29, 2018 and January 31, 2019. 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 2018-19 and AGM, number of other directorships and membership of the Committees of the Boards of other Indian public limited companies as on March 31, 2019, 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	3	11	0	0
Mr. Shyam Sunder Bhartia	NED/PG	No	4	14	0	2
Mr. Anil Kapoor	MD	Yes	4	3	0	0
Mr. Nimesh Nagindas Kampani	NED/ID	No	3	10	1	4
Mr. Vivek Mehra (Appointed with effect from 18.09.2018)	NED/ID	Not Applicable	2	7	0	4
Mr. Aditya Narayan (Ceased to be director on 18.09.2018)	NED/ID	No	2	Not Applicable	Not Applicable	Not Applicable
Mr. Chandra Shekhar Nopany	NED/PG	No	4	8	2	0
Ms. Radha Singh	NED/ID	Yes	4	2	0	3
Mr. Marco Philippus Ardeshir Wadia	NED/ID	Yes	4	12	4	4

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

Notes:

- Other Directorships given above excludes directorships in foreign companies.
- 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.
- 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.

Names of the other listed entities in which Directors of the Company are directors and category of directorships as on March 31, 2019, are as follows:

S. No.	Name of the Company	Category of Directorship
Mr. Saroj Kumar Poddar		
1.	Texmaco Infrastructure & Holdings Limited	Non-Executive Chairman
2.	Texmaco Rail & Engineering Limited	Executive Chairman
3.	Zuari Agro Chemicals Limited	Non-Executive Chairman
4.	Zuari Global Limited	Non-Executive Chairman
Mr. Shyam Sunder Bhartia		
1.	Jubilant Foodworks Limited	Non-Executive Chairman
2.	Jubilant Life Sciences Limited	Non-Executive Chairman
Mr. Nimesh Nagindas Kampani		
1.	Apollo Tyres Limited	Independent Director
2.	Britannia Industries Limited	Independent Director
3.	Deepak Nitrite Limited	Independent Director
4.	JM Financial Limited	Non-Executive Chairman
Mr. Vivek Mehra		
1.	DLF Limited	Independent Director
2.	HT Media Limited	Independent Director
3.	Jubilant Life Sciences Limited	Independent Director
Mr. Chandra Shekhar Nopany		
1.	Avadh Sugar & Energy Limited	Non-Executive Director
2.	Ganges Securities Limited	Non-Executive Director
3.	Magadh Sugar & Energy Limited	Non-Executive Chairman
4.	New India Retailing & Investment Limited	Non-Executive Chairman
5.	Ronson Traders Limited	Non-Executive Director
6.	SIL Investments Limited	Non-Executive Chairman
7.	Sutlej Textiles and Industries Limited	Executive Chairman
Ms. Radha Singh		
1.	LT Foods Limited	Independent Director

S. No.	Name of the Company	Category of Directorship
Mr. Marco Philippus Ardeshir Wadia		
1.	Gobind Sugar Mills Limited	Independent Director
2.	Josts Engineering Company Limited	Independent Director
3.	Stovec Industries Limited	Independent Director
4.	Zuari Agro Chemicals Limited	Independent Director
5.	Zuari Global Limited	Independent Director

Mr. Anil Kapoor, Managing Director of the Company, is not a director in any other listed entity.

4. Board Agenda

The calendar of Board meetings is shared by the Company with members of the Board of Directors 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 committees with specific terms of reference to ensure timely and effective working of the Board of Directors and the Company in addition to comply with the provisions of the Companies Act, 2013, Rules framed thereunder, Listing Regulations and other applicable regulations, guidelines, circulars and notifications of Securities and Exchange Board of India ("SEBI"). The committees operate as empowered bodies of the Board of Directors. There are eight Committees of the Board of Directors, which have been delegated adequate powers to discharge their roles & responsibilities and 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 and 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 is 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 terms of reference of the Audit Committee, *inter-alia*, include oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, recommending the appointment, remuneration and terms of appointment of auditors of the Company 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 the 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 including omnibus approval for related party transactions, 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, formulation, in consultation with the internal auditor, the scope, functioning, periodicity and methodology for conducting the internal audit, discussion with internal auditors of any significant findings and follow up thereon, reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors, discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern, look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors, reviewing the functioning of whistle blower mechanism, approval of appointment of Chief Financial Officer, reviewing the financial statements, in particular, the investments made by the unlisted subsidiary, reviewing the utilization of loans and/ or advances from/investment by the Company in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances / investments and reviewing compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and to verify that the systems for internal control are adequate and are operating effectively.

The Audit Committee is also required to review the management discussion and analysis of financial condition and results of operations, statement of significant related party transactions, management letters / letters of internal control weaknesses issued by the statutory auditors, internal audit reports, appointment, removal and terms of remuneration of the chief internal auditor and such other matters / information as prescribed under applicable law.

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.

(ii) **Composition:**

The Audit Committee comprises of four Independent Directors. All members of the Committee are financially literate and Mr. Nimesh Nagindas Kampani and Mr. Vivek Mehra, being Chartered Accountants, have accounting and financial management expertise. 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 Audit Committee met four times during the year on May 09, 2018, July 23, 2018, October 29, 2018 and January 31, 2019 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	4
Mr. Nimesh Nagindas Kampani	Member	Independent Director	2
Mr. Vivek Mehra [†]	Member	Independent Director	1
Mr. Aditya Narayan [§]	Member	Independent Director	2
Ms. Radha Singh	Member	Independent Director	4

[†]Appointed as Member of the Committee w.e.f. October 29, 2018.

[§]Ceased to be Member of the Committee on September 18, 2018.

5.2 Corporate Social Responsibility Committee

(i) **Terms of reference:**

The terms of reference of the Corporate Social Responsibility 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 of Directors 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 Corporate Social Responsibility Committee comprises of three Directors. The Committee met twice during the financial year 2018-19 on May 09, 2018 and January 31, 2019 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. Chandra Shekhar Nopany*	Chairman	Non-executive Director	2
Mr. Anil Kapoor**	Member	Managing Director	1
Ms. Radha Singh	Member	Independent Director	2

[§]Ceased to be Member of the Committee on May 11, 2018.

*Designated as Chairman of the Committee w.e.f. May 11, 2018.

**Appointed as Member of the Committee w.e.f. May 11, 2018.

5.3 Nomination and Remuneration Committee

(i) **Terms of reference:**

The terms of reference of the Nomination and Remuneration 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 of Directors a policy relating to the remuneration of the Directors, key managerial personnel and other employees of the Company, formulation of criteria for evaluation of performance of Directors including Independent Directors and the Board of Directors, specifying the manner for effective evaluation of performance of the Board of Directors, its committees and individual Directors of the Company to be carried out either by the Board of Directors or by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance, devising a policy on diversity of Board of Directors, identifying 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 of Directors their appointment and removal, recommending to the Board of Directors all remuneration, in whatever form, payable to senior management of the Company and determining whether to extend or continue the term of appointment of an Independent Director of the Company, on the basis of the report of performance evaluation of Independent Directors of the Company.

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

(ii) **Composition:**

The Nomination and Remuneration Committee comprises of three Directors. The Committee met three times during the financial year 2018-19 on May 9, 2018, July 24, 2018 and January 31, 2019 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	3
Mr. Chandra Shekhar Nopany	Member	Non-executive Director	3
Mr. Marco Philippus Ardeshir Wadia	Member	Independent Director	3

5.4 Stakeholders Relationship Committee

(i) **Terms of reference:**

The terms of reference of the Stakeholders Relationship 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 includes resolving the grievances of the security holders of the Company, issue of duplicate certificates for securities of the Company, deciding the dates of book closure/ record date in respect of shares and other securities issued by the Company, review of measures taken for effective exercise of voting rights by shareholders, review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent of the Company, review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company and approve, from time to time, issue of new share certificates, transfer / transmission of shares to Investor Education and Protection Fund Authority or any other statutory body or authority, as may be applicable, and all other matters allied or incidental thereto, in pursuance of the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

In order to provide quick service to investors and expedite the process of transfers, the Board of Directors had 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 Stakeholders Relationship Committee comprises of three Directors. The Committee met four times during the financial year 2018-19 on May 09, 2018, July 23, 2018, October 29, 2018 and January 31, 2019 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	4
Mr. Anil Kapoor	Member	Managing Director	4
Mr. Marco Philippus Ardeshir Wadia	Member	Independent Director	4

(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' complaints received and solved during the year:**

The Company had 1,18,328 investors as on March 31, 2019. During the year under review, the status of investor complaints was as follows:

Opening Balance	No. of Investors Complaints		
	Received	Solved	Pending
0	393	392	1*

*since redressed

5.5 Banking and Finance Committee

(i) **Terms of reference:**

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

(ii) **Composition:**

The Banking and Finance Committee comprises of four Directors. The Committee met twice during the financial year 2018-19 on February 18, 2019 and March 12, 2019 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	2
Mr. Anil Kapoor	Member	Managing Director	2
Mr. Vivek Mehra*	Member	Independent Director	2
Mr. Aditya Narayan [§]	Member	Independent Director	Not Applicable
Mr. Chandra Shekhar Nopany	Member	Non-executive Director	NIL

*Appointed as Member of the Committee w.e.f. October 29, 2018.

[§] Ceased to be Member of the Committee on September 18, 2018.

5.6 Project Monitoring Committee

(i) **Terms of reference:**

The Project Monitoring 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 Project Monitoring Committee comprises of three Directors. The Committee met once during the year on July 23, 2018 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

[§] Ceased to be Member of the Committee on September 18, 2018.

5.7 Risk Management Committee

(i) **Terms of reference:**

The terms of reference of the Risk Management Committee are in accordance with the provisions of the Listing Regulations. It discharges such other functions as may be delegated by the Board of Directors from time to time. The terms of reference of the Committee include review of all business risks, finalise the Risk Management Policy, monitor and review risk management plan of the Company including cyber security and dealing with and handling all other matters as may be prescribed in the Risk Management Policy of the Company.

(ii) **Composition:**

The composition of the Risk Management Committee meets the requirement of Listing Regulations although the requirement regarding constitution of Risk Management Committee was not applicable to the Company till March 31, 2019. The Risk Management Committee comprises of three Directors. The Committee met three times during the year on May 09, 2018, October 29, 2018 and January 31, 2019 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	1
Mr. Anil Kapoor	Member	Managing Director	3
Mr. Vivek Mehra*	Member	Independent Director	1
Mr. Aditya Narayan [§]	Member	Independent Director	1
Mr. Abhay Bajjal [#]	Member	Chief Financial Officer	2
Mr. Rajveer Singh [#]	Member	Company Secretary	2

*Appointed as Member of the Committee with effect from October 29, 2018.

[§] Ceased to be Member of the Committee on September 18, 2018.

[#] Ceased to be Members of the Committee on October 29, 2018.

5.8 Strategy Committee

(i) **Terms of reference:**

The terms of reference of the Strategy 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 of Directors suitable option(s) pertaining to any of these businesses.

(ii) **Composition:**

The Strategy Committee comprises of three Directors. No Committee meeting was held during the Financial Year 2018-19. 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

[§] Ceased to be Member of the Committee on September 18, 2018.

6. Details of remuneration paid to Directors during the Financial Year 2018-19

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	3,10,73,351	1,54,00,000	44,27,078	23,74,259

- (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	1,50,000

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, 2019 and 1,39,000 stock options are outstanding.

6.2 Non - Executive Directors

The Company paid sitting fee for attending the meetings of the Board of Directors and its committees 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 of Directors.

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 shall not 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 2018-19 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 commission payable to the Directors are as follows:

S. No.	Name of the Director	Sitting Fee Paid (Rs.)	Commission payable for the Financial Year 2018-19 (Rs.)
1.	Mr. Saroj Kumar Poddar	1,50,000	5,00,000
2.	Mr. Nimesh Nagindas Kampani	2,00,000	5,00,000
3.	Mr. Aditya Narayan*	1,80,000	2,32,877
4.	Mr. Chandra Shekhar Nopany	2,90,000	5,00,000
5.	Ms. Radha Singh	4,50,000	5,00,000
6.	Mr. Vivek Mehra ⁵	1,70,000	2,67,123
7.	Mr. Marco Philippus Ardeshir Wadia	4,05,000	5,00,000

* Ceased to be Director on September 18, 2018, ⁵ Appointed as Director with effect from September 18, 2018

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 of Directors 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, individual Directors and the Chairman of the Company. The Nomination and Remuneration Committee ("NRC") had finalized the proformas / questionnaires containing different parameters to evaluate the performance of Board of Directors and its committee(s), individual Directors and the Chairman 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.

As per the Performance Evaluation Policy of the Company, the evaluation of performance of the Board as a whole, Committees of the Board of Directors, individual Directors and Chairman of the Company was carried out for the Financial Year 2018-19. The Independent Directors in their separate meeting carried out the evaluation of the Board of Directors as a whole, Chairman of the Company and Non-Independent Directors. The Independent Directors have briefed the Board of Directors about performance evaluation by Independent Directors of the Company.

Based on the responses to the questionnaires received from the Directors and considering the evaluations carried out by Independent Directors, the Board of Directors 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, violation of the Company's "Code of Conduct and Ethics" or leak of Unpublished Price Sensitive Information of the Company. The Directors and employees are not only encouraged but required to report their genuine concerns and grievances under the Whistle Blower 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 2018-19, there were no materially significant transactions with related parties 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. Fees paid to Auditors and firms / entities in its network

The details of total fee paid/payable by the Company and its subsidiaries on a consolidated basis for the Financial Year 2018-19 to M/s. Price Waterhouse Chartered Accountants LLP, Auditors and all entities in the network firm/ network entities of which the auditor is a part, are as under:

Particulars	Amount* (Rs. in Lakhs)
Audit Fee (including limited review of quarterly results)	44.00
Tax Audit Fee	5.60
Fees for issue of various certificates	27.13
Other services	8.62
Out of Pocket expenses	6.83
Total	92.18

*The above fees is exclusive of taxes.

12. Credit Ratings

The details of the Credit Ratings assigned to the Company as on March 31, 2019 are as under:

Type of Facility/ Programme	Amount (Rs. in Crore)	Credit Rating by CRISIL Limited	Credit Rating by ICRA Limited
Commercial Paper Programme	3000.00 (Refer Note 1 below)	CRISIL A1+	[ICRA] A1+
Bank Loan Facilities (Long Term Rating)	6148.56	CRISIL AA/Stable (Refer Note 2 below)	-
Bank Loan Facilities (Short Term Rating)	4175.00	CRISIL A1+	-
Fixed Deposits	-	FAA+/Stable (Refer Note 3 below)	-

Notes:

- CRISIL Limited and ICRA Limited has enhanced the rating amount from Rs. 2200 Crore to Rs. 2500 Crore vide their respective letters dated May 2, 2018. CRISIL Limited and ICRA Limited has further enhanced the rating amount from Rs. 2500 Crore to Rs. 3000 Crore vide their respective letters dated June 11, 2018.
- CRISIL Limited has upgraded the Long Term Rating for the Bank Loan Facilities of the Company from CRISIL AA-/ Positive to CRISIL AA/ Stable vide its letters dated January 22, 2019 and January 23, 2019.
- CRISIL Limited has upgraded the credit rating for fixed deposits of the Company from FAA/Positive to FAA+/Stable vide its letter dated January 22, 2019, although the Company does not have any fixed deposits.

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

13.1 Commodity Risk

(i) Risk Management Policy of the Company with respect to commodities

SEBI vide its circular dated November 15, 2018 pertaining to disclosure regarding commodity risk has prescribed that all listed entities shall make uniform disclosures regarding commodity risk and hedging activities in the Corporate Governance Report section of the Annual Report. The disclosure pertaining to exposure and commodity risks may apply only for those commodities where the exposure of the Company in the particular commodity is material. As per the Risk Management Policy of the Company approved by the Board of Directors, for the purpose of the above disclosure, the exposure of the Company in a particular commodity shall be considered material if the total expenditure on such commodity exceeds 10% of the total expenses of the Company, as per the last audited financial statements of the Company.

As per the above policy, the Company is having material exposure in following commodities:

- Di-Ammonium Phosphate; and
- Natural Gas.

The mitigating factors in respect of commodity risk are described below in para 13.1(iii) hereof.

(ii) **Exposures of the Company to aforesaid commodities and commodity risks faced by the Company throughout the Financial Year 2018-19**

a. Total exposure of the Company to aforesaid commodities – Rs. 743,428.31 Lakhs

b. Exposure of the Company to the aforesaid commodities is as under:

Commodity Name	Exposure in INR towards the particular commodity (Rs. in Lakhs)	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic Market		International Market		
			OTC	Exchange	OTC	Exchange	
Di-Ammonium Phosphate	2,91,255.36	9,81,736 MT	NIL	NIL	NIL	NIL	NIL
Natural Gas	4,52,172.95	1,592.09 Million Standard Cubic Meters	NIL	NIL	NIL	NIL	NIL

(iii) **Commodity Risks faced by the Company during the Financial Year 2018-19 and how they have been managed**

Di-Ammonium Phosphate (DAP) is a fertiliser imported by the Company for supply in its marketing territory. The prices of DAP may fluctuate due to demand-supply scenario, outage of plants, fluctuation in prices of raw materials, etc. The Company takes following steps to mitigate the risks pertaining to fluctuation in prices of DAP:

(a) Dynamic sourcing strategy and review of demand and supply on regular basis;

(b) No long term commitments; and

(c) Constant review of market conditions including costing of competitors.

The Company did not enter into any transactions to hedge the risk pertaining to fluctuation in prices of DAP.

Natural Gas is the major raw material for manufacture of Urea. The prices of Natural Gas are linked to international crude oil prices and it varies with the fluctuation in the prices of crude oil, demand supply pattern, etc. The Company is not affected by price volatility of natural gas as the cost of natural gas is pass through under the subsidy policies of Government of India for manufacture of Urea. The Company did not enter into any transaction for hedging the fluctuations in the prices of natural gas.

13.2 Foreign Exchange Risk

The foreign exchange risk of the Company arises mainly out of import of fertilisers and foreign currency borrowings.

The major part of the long term borrowings of the Company comprises of External Commercial Borrowings/ Foreign Currency Term Loans availed for financing of new Urea plant of the Company. The repayment of these borrowings will commence during the Financial Year 2019-20. The payment of subsidy on Urea produced and sold from new Urea plant is governed by New Investment Policy – 2012 of the Government of India. The revenue of the Company from new Urea Plant is linked to US Dollars in terms of New Investment Policy 2012. Accordingly, the Company has natural hedge against fluctuation of foreign exchange rates and did not enter into transactions to hedge foreign exchange risk in respect of aforesaid foreign currency borrowings.

In order to mitigate the foreign exchange risk in respect of imported fertilisers, the Company continuously monitors its foreign exchange exposure and hedges its foreign exchange risk in this regard, to the extent considered necessary, through forward contracts and option structures. As on March 31, 2019, the major portion of foreign exchange exposure of the Company in respect of imported fertilisers was hedged by the Company through foreign exchange hedging transactions. The details of foreign currency risk and hedging activities are also given in the Notes to Financial Statements.

14. Shareholding of Directors as on March 31, 2019

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

15. General Body Meetings

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

Financial year	Date	Time	Location
2017-18	18.09.2018	1030 hours	Registered Office of the Company at Gadepan, District Kota, Rajasthan, PIN-325 208
2016-17	15.09.2017	1030 hours	
2015-16	22.09.2016	1030 hours	

- 15.2 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 18, 2018	Approval of the borrowing powers/limits of the Board of Directors of the Company
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.

- 15.3 Shareholders' approval through postal ballot was not sought for any matter during the financial year 2018-19. 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.

16. Disclosures

- 16.1 No penalties or strictures have been imposed on the Company by stock exchanges or SEBI or any other statutory authority in any matter related to capital markets during the last three years, for non-compliance by the Company.
- 16.2 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 have been submitted to the concerned stock exchanges.
- 16.3 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-for-determining-Material-Subsidiary.pdf>
- 16.4 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>
- 16.5 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-Prog-Indep-Directors-2018-19.pdf>
- 16.6 The Company has complied with the mandatory requirements relating to Corporate Governance as prescribed in the Listing Regulations.
- 16.7 The Company has adopted the following discretionary requirements under Regulation 27(1) of the Listing Regulations relating to:
- Maintenance of the office of Non-Executive Chairman at the Company's expense.
 - Unmodified audit opinion on financial statements of the Company.
- 16.8 All the recommendations made by the Committees of the Board of Directors were accepted by the Board of Directors.
- 16.9 No complaint was filed with the Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the financial year ended March 31, 2019. Further, no complaint was pending with the Company as at the beginning and end of the Financial Year 2018-19 under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

17. Means of Communication

- 17.1 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.
- 17.2 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.
- 17.3 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 of Directors, 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, etc.
- 17.4 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.
- 17.5 Management Discussion and Analysis Report forms part of the Board's Report.

18. 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 of Conduct and Ethics 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 2018-19 is enclosed as **Annexure "D"** to Board's Report.

19. General Shareholders' Information

19.1 34th Annual General Meeting

Venue : Registered Office at Gadepan, District Kota, Rajasthan - 325208

Time : 1030 hours

Day & Date : Saturday, September 28, 2019

19.2 Financial Year : April to March

19.3 Tentative Financial Calendar

Event	Date
Audited Annual Results (Financial Year 2018-19)	May 16, 2019
Mailing of Annual Report	August 2019
First Quarter Results	Early August 2019
Half Yearly Results	Early November 2019
Third Quarter Results	Early February 2020
Audited Annual Results (Financial Year 2019-20)	May 2020

19.4 Book Closure

The register of members and share transfer books of the Company shall remain closed from Tuesday, September 10, 2019 to Thursday, September 12, 2019 (both days inclusive).

19.5 Dividend Payment Date: October 3, 2019

19.6 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 2019-20 to BSE and NSE.

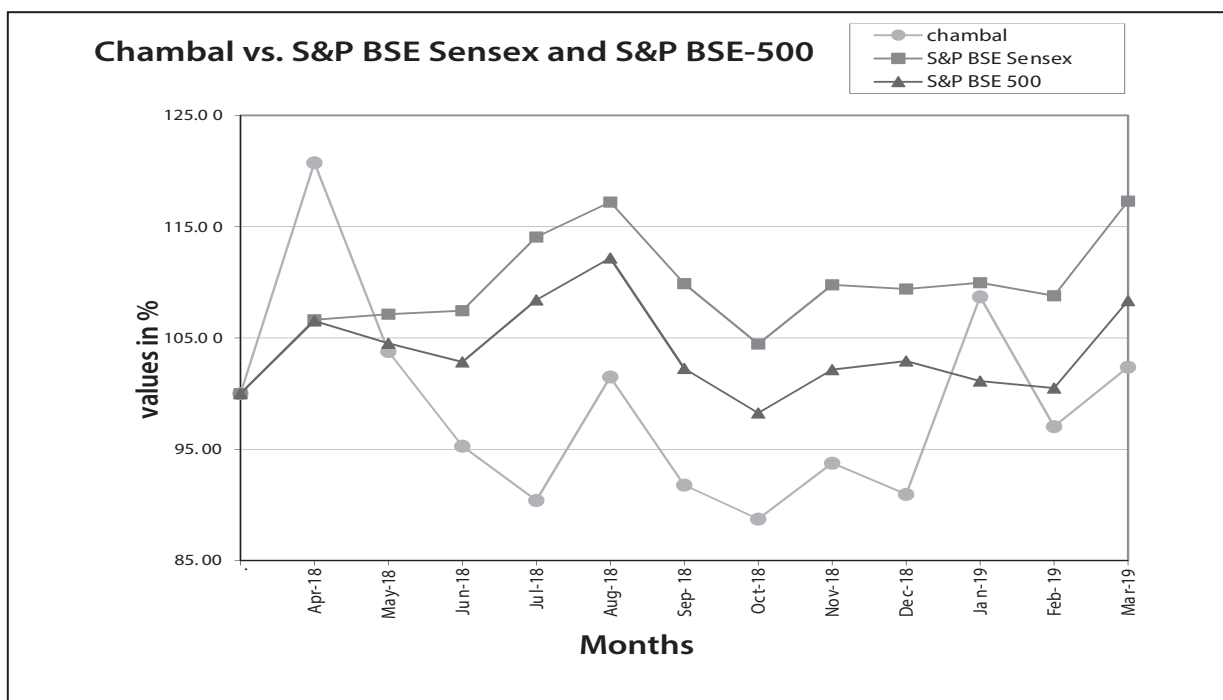
19.7 Market Price Data

High and low of market prices of the Company's equity shares traded on BSE and NSE during the financial year 2018-19 were as follows:

(Amount in Rs.)

Month	BSE		NSE	
	High	Low	High	Low
April, 2018	209.45	161.35	209.35	162.10
May, 2018	203.70	155.10	202.30	155.15
June, 2018	172.20	150.40	172.25	150.10
July, 2018	157.50	131.80	157.75	135.10
August, 2018	174.90	136.50	174.80	136.00
September, 2018	173.50	144.90	174.00	145.00
October, 2018	152.00	128.25	152.50	128.10
November, 2018	155.50	140.00	155.60	140.05
December, 2018	161.00	138.55	160.85	138.35
January, 2019	179.35	146.35	179.95	146.55
February, 2019	180.00	155.00	181.75	154.35
March, 2019	173.50	156.85	174.00	156.45

19.8 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, 2018.

19.9 Registrar & Transfer Agents and Share Transfer System

M/s. Zuari Finserv Limited is your Company's Share Transfer Agent. The communications regarding shares, dividends, change of address, etc., may be addressed to:

M/s. Zuari Finserv 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. In pursuance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, except in case of transmission or transposition of shares, the processing of requests for effecting transfer of shares held in physical form is not allowed with effect from April 1, 2019. SEBI vide its press release dated March 27, 2019 clarified that the transfer deed(s) once lodged prior to deadline of April 1, 2019 and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of April 1, 2019.

19.10 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

19.11 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, 2019, about 95.76% of the share capital of the Company was held in dematerialised form.

19.12 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, 2019 (in Rs.)	Due date for transfer to Investor Education and Protection Fund ("IEPF")
2011-2012	1,58,62,638.38	15.10.2019
2012-2013	1,77,71,337.07	14.10.2020
2013-2014	1,80,32,765.85	19.10.2021
2014-2015	1,92,82,955.65	18.10.2022
2015-2016	1,95,35,489.87	25.10.2023
2016-2017	2,04,46,468.58	15.10.2024
2017-2018	1,48,14,029.70	21.10.2025

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, 2019, the Company has transferred unpaid dividend of Rs. 1,40,13,644 for the Financial Year 2010-11 to IEPF. The Company has also transferred 4,25,376 equity shares to the demat account of IEPF Authority in respect of which the dividend has been unpaid/ unclaimed for the last seven years. 39,26,788 equity shares of the Company were lying in the demat Account of IEPF Authority as on March 31, 2019.

19.13 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, 2018	352	1,50,080
Number of shareholders who approached Company for transfer of shares from Unclaimed Suspense Account during the Financial Year 2018-19	3	1,220
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the Financial Year 2018-19	3	1,220
Shares transferred to IEPF during the Financial Year 2018-19	41	12,372
Aggregate Number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2019	308	1,36,488

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.

19.14 Distribution of Shareholding

The distribution of shareholding as on March 31, 2019 was as follows:

S. No	No. of Equity Shares held	No. of Share Holders	Percentage of total Shareholders	No. of Shares held	Percentage of total shares
1	1 to 500	1,02,183	86.36	1,76,07,540	4.23
2	501 to 1000	9,240	7.81	81,07,242	1.95
3	1001 to 5000	5,518	4.66	1,22,19,450	2.94
4	5001 to 10000	738	0.62	54,98,726	1.32
5	10001 to 100000	524	0.44	1,38,66,100	3.33
6	100001 to 500000	62	0.05	1,51,58,094	3.64
7	500001 & above	63	0.05	34,37,50,700	82.59
	Total	1,18,328	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.

19.15 Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity - NIL**19.16 Location of the Plants**

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

For and on behalf of Board of Directors

Saroj Kumar Poddar
Chairman

Place : New Delhi
Date : May 16, 2019

**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 of the Company during the financial year 2018-19.

Place : New Delhi
Date : May 16, 2019

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, 2019, 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
Chartered Accountants

Place : New Delhi
Date : May 16, 2019

Prमित Agrawal
Partner
Membership No: 099903
UDIN : 19099903AAAAAL3411

**Annexure "F" to Board's Report
CERTIFICATE**

[Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Chambal Fertilisers and Chemicals Limited
(CIN: L24124RJ1985PLC003293)
Gadepan, District Kota, Rajasthan, PIN-325208

We have examined the relevant registers, records, forms and returns maintained / filed by **Chambal Fertilisers and Chemicals Limited** (CIN L24124RJ1985PLC003293) having its Registered Office at **Gadepan, District Kota, Rajasthan, PIN – 325208** (hereinafter referred to as "the Company") and notices and disclosures received from the Directors of the Company and produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including verification of Director Identification Number status at the portal www.mca.gov.in) as considered necessary by us and explanations furnished to us by the Company, we hereby certify that none of the Directors on the Board of the Company as on March 31, 2019 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

For RMG & Associates
Company Secretaries

Place : New Delhi
Date : May 16, 2019

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

Annexure "G" 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.	<p>The Company has formulated a Corporate Social Responsibility Policy ("CSR Policy") which outlines the guiding principles and mechanism for undertaking socially useful programs for benefit of the community in and around its area of operations and other parts of the country.</p> <p>The Company, <i>inter-alia</i>, aims to:</p> <p>(a) Work towards improving the quality of life by making the communities self-reliant in areas within which it operates;</p> <p>(b) Promote sustainable farming practices to boost crop productivity in rural India through its soil testing facilities and other advisory services; and</p> <p>(c) 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.</p> <p>The Corporate Social Responsibility ("CSR") projects and programs of the Company cover wide spectrum of activities in the areas of Education including Technical & Vocational Education, Rural Development, Health care, Employability & Empowerment and Soil Health. The CSR Projects / Programs of the Company in the area of Education are focused on providing quality education to the children in and around its plants including improvement of standard of education and infrastructure development in Government schools and Industrial Training Institutes adopted by the Company. The Company also works towards skill development and vocational training in order to enhance the employability of rural youth and making them self-reliant. Under Rural Development initiative, the Company's CSR Projects / Programs are aimed at sustainable development of village infrastructure for well-being of the community at large.</p> <p>Under the Health care initiative, the Company helps the community through medical facilities including door step delivery of medical care services in remote areas, preventive health care, awareness campaigns, general and specialized health camps, etc.</p> <p>In order to achieve gender equality and promote income generating activities for the marginalized section of women, the Company supports Women Self Help Groups. Farming community, especially small and marginalized landholders, are supported through soil testing laboratories, mobile soil testing vans and advisory services to ensure optimum use of agriculture inputs.</p> <p>CSR Policy of the Company includes the details of projects / programs to be undertaken by the Company, in compliance with the provisions of the Companies Act, 2013. The CSR Policy is placed on the Company's website and can be accessed at the web-link: http://www.chambalfertilisers.com/pdf/Chambal-CSR-Policy.pdf</p>
2.	The Composition of the CSR Committee	<p>Mr. Chandra Shekhar Nopany - Chairman Mr. Anil Kapoor - Member Ms. Radha Singh - Member (Mr. Shyam Sunder Bhartia ceased to be Chairman and member of the Committee with effect from May 11, 2018)</p>
3.	Average net profit of the company for last three financial years	Rs. 62927.58 Lakhs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs. 1258.55 Lakhs
5.	Details of CSR spent during the Financial Year	
	a) Total amount to be spent for the Financial Year	Rs. 1258.55 Lakhs
	b) Total amount spent for the Financial Year	Rs. 1265.94 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 2018-19

(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) District Kota and Baran, Rajasthan	395.70	(1) 399.00 (2) 16.42	415.42	Direct and KK Birla Memorial Society ("KKBMS")
(b)	CFDAV School, Gadepan		(1) Local Area (2) District Kota, Rajasthan	109.34	(1) 97.73 (2) 4.02	101.75	Direct in collaboration with DAV College Trust and Management Society
(c)	Technical Education (Industrial Training Institutes)		(1) Local Area (2) District Kota, Baran and Jhalawar, Rajasthan	140.58	(1) 145.00 (2) 5.97	150.97	Direct and KKBMS
(d)	Vocational Education Initiatives	Employment Enhancing Vocational Skills	(1) Local Area (2) District Kota and Baran, Rajasthan	10.41	(1) 11.00 (2) 0.45	11.45	Direct and KKBMS
(ii)	Rural Development Initiatives	Rural Development Projects	(1) Local Area (2) District Kota and Baran, Rajasthan	310.31	(1) 276.76 (2) 11.39	288.15	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 and Baran, Rajasthan	48.94	(1) 42.02 (2) 1.73	43.75	Direct and KKBMS
(b)	In Uttarakhand		(1) Other (2) Districts Tehri and Dehradun, Uttarakhand	31.24	(1) 30.00 (2) 1.23	31.23	Direct and KKBMS
(iv)	Employability and Empowerment	Empowerment of Women, reducing inequality faced by socially and economically backward groups	(1) Local Area (2) District Kota and Baran, Rajasthan	67.69	(1) 68.91 (2) 2.84	71.75	Direct and KKBMS
(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)	145.79	(1) 145.48 (2) 5.99	151.47	Direct and KKBMS
Total (i to v)				1260.00	1265.94	1265.94	

***Details of implementing agencies**

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

6.	In case the company has failed to spend the two percent of the average of net profit of the last three financial years or any part thereof, the reasons for not spending the amount	Not Applicable
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The Corporate Social Responsibility Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Anil Kapoor
Managing Director
Place : New Delhi
Date : May 16, 2019

Chandra Shekhar Nopany
Chairman- Corporate Social Responsibility Committee

**Annexure "H" to Board's Report
Form No. MGT-9**

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on March 31, 2019

[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 : 0744-2782915, Fax : 07455-2741340 Email : isc@chambal.in
vi	Whether listed company	Yes
vii	Name Address and Contact details of Registrar and Transfer Agent, if any	M/s Zuari Finserv Limited "Corporate One", 1 st 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	60.88%
2.	Di-ammonium Phosphate	46692	29.35%

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", 1st Floor, 5, Commercial Centre, Jasola, New Delhi – 110 025	U45200DL2007PLC157223	Subsidiary	100	2(87)
2.	India Steamship Limited (Under Liquidation), Gadepan, District Kota, Rajasthan, PIN -325 208 C/o Mr. Hardev Singh (Liquidator), 101, Plot No. 6, LSC, Vardhman Rajdhani Plaza, New Rajdhani Enclave, New Delhi-110092	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.	ISGN Corporation, 1333, Gateway Drive, Suite 1000, Melbourne, FL 32901, USA	Foreign Company	Subsidiary	72.27	2(87)
5.	CFCL Ventures Limited, C/o M & C Corporate Services Limited, PO. Box 309 GT, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands	Foreign Company	Subsidiary	72.27	2(87)
6.	ISG Novasoft Technologies Limited, 128/9, Maruthi Sapphire, 2nd Floor, Madivala Machideva Road, Murgeshpalya, Bengaluru-560017	U72900KA2003PLC050528	Subsidiary	72.27	2(87)
7.	Inuva Info Management Private Limited, (Under Liquidation) Flat No.3B, 3rd Floor, 208, S.P. Mukherjee Road, PS-Tollygunge, Kolkata-700 026 C/o Mr. Satwinder Singh (Liquidator), Vaish Associates, Advocates, 11th Floor, Mohan Dev Building, 13 Tolstoy Marg, New Delhi-110001	U72900WB2001PTC093549	Subsidiary	51.32	2(87)
8.	Indo Maroc Phosphore S.A.-IMACID 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	23124122	0	23124122	5.56	23124232	0	23124232	5.56	0.00
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	217153705	0	217153705	52.17	218801336	0	218801336	52.57	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)	240277827	0	240277827	57.73	241925568	0	241925568	58.13	0.40
(2) Foreign									
a) NRIs – Individuals	2670135	0	2670135	0.64	2670025	0	2670025	0.64	0.00
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)	2670135	0	2670135	0.64	2670025	0	2670025	0.64	0.00
Total Shareholding of Promoters (A) = (A) (1)+(A)(2)	242947962	0	242947962	58.37	244595593	0	244595593	58.77	0.40
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	37335972	29300	37365272	8.98	55235117	29300	55264417	13.28	4.30
b) Banks / FIs	578938	111034	689972	0.17	460403	110734	571137	0.14	(0.03)
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	22079589	0	22079589	5.30	5883376	0	5883376	1.41	(3.89)
g) FIs	0	3200	3200	0	0	3200	3200	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)									
i) Alternate Investment Funds	1201475	0	1201475	0.29	3979232	0	3979232	0.96	0.67
ii) Foreign Portfolio Investors	28454236	0	28454236	6.84	26984501	0	26984501	6.48	(0.36)
Sub-total (B)(1):	89650210	143534	89793744	21.58	92542629	143234	92685863	22.27	0.69
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	11276102	142836	11418938	2.74	11825460	113648	11939108	2.87	0.13
ii) Overseas	300000	2000000	2300000	0.55	300000	0	300000	0.07	(0.48)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	26691737	14927438	41619175	10.00	26171646	12839061	39010707	9.37	(0.63)

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	
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	11051855	130400	11182255	2.69	11329112	130700	11459812	2.76	0.07
c) Others (specify)									
i. Trusts	190359	1000	191359	0.05	192851	1000	193851	0.05	0.00
ii. Hindu Undivided Family	933327	13400	946727	0.23	798414	12700	811114	0.19	(0.04)
iii) Clearing Member	1788711	0	1788711	0.43	1399162	0	1399162	0.34	(0.09)
iv) Non-Resident Indian	1488933	1851761	3340694	0.80	1481564	1686213	3167777	0.76	(0.04)
v) Foreign Nationals	2234887	2905000	5139887	1.23	2309375	2708081	5017456	1.21	(0.02)
vi) Limited Liability Partnership	188808	0	188808	0.05	224633	3600	228233	0.05	0.00
vii) Unclaimed Suspense Account	150080	0	150080	0.04	136488	0	136488	0.03	(0.01)
viii) Investor Education and Protection Fund (IEPF)	3502612	0	3502612	0.84	3926788	0	3926788	0.94	0.10
ix) Employee Benefit Trust	1696900	0	1696900	0.41	1335900	0	1335900	0.32	(0.09)
Sub-total (B)(2):	61494311	21971835	83466146	20.05	61431393	17495003	78926396	18.96	(1.09)
Total Public Shareholding (B)=(B)(1)+(B)(2)	151144521	22115369	173259890	41.63	153974022	17638237	171612259	41.23	(0.40)
C. Shares held by Custodian for GDRs & ADRs	Not Applicable								
Grand Total (A+B+C)	394092483	22115369	416207852	100	398569615	17638237	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 shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Akshay Poddar	2260025	0.54	0	2260025	0.54	0	0
2	Chandra Shekhar Nopany	323775	0.08	0	323775	0.08	0	0
3	Chandra Shekhar Nopany as Karta of C S Nopany	240100	0.06	0	240100	0.06	0	0
4	Chandra Shekhar Nopany (Trustee of Shruti Family Trust)	1000	0.00	0	1000	0.00	0	0
5	Chandra Shekhar Nopany (Trustee of Shekhar Family Trust)	1000	0.00	0	1000	0.00	0	0
6	Jyotsna Poddar	3971866	0.95	0	3971866	0.95	0	0
7	Jyotsna Poddar (Trustee of Jyotsna Poddar Family Trust)	125000	0.03	0	125000	0.03	0	0
8	Nandini Nopany	14702667	3.53	0	14702667	3.53	0	0
9	Saroj Kumar Poddar	706128	0.17	0	706128	0.17	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 shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	
10	Shobhana Bhartia	2726686	0.66	0	2726796	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	0	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	57700	0.01	0	0.01
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	Earthstone Holding (Three) LLP	NIL	NIL	NIL	5000	0	0	0
21	Ganges Securities Limited	704160	0.17	0	704160	0.17	0	0
22	Gobind Sugar Mills Limited	1947	0.00	0	1947	0.00	0	0
23	La Monde Trading & Investments Private Ltd.	15000	0.00	0	15000	0.00	0	0
24	Manavta Holdings Ltd.	3425000	0.82	0	3425000	0.82	0	0
25	Manbhawani Investment Ltd.	4800000	1.15	0	4800000	1.15	0	0
26	Master Exchange & Finance Limited	1601600	0.38	0	1601600	0.38	0	0
27	New India Retailing and Investment Ltd.	581163	0.14	0	581163	0.14	0	0
28	Nilgiri Plantations Limited	4056740	0.97	0	4056740	0.97	0	0
29	Pavapuri Trading and Investment Company Ltd.	100000	0.02	0	100000	0.02	0	0
30	Premium Exchange and Finance Limited	3086500	0.74	0	3086500	0.74	0	0
31	Ricon Commerce Ltd.	150200	0.04	0	150200	0.04	0	0
32	Ronson Traders Ltd.	6829000	1.64	0	6929000	1.66	0	0.02
33	RTM Investment and Trading Co. Ltd.	1946200	0.47	0	1946200	0.47	0	0
34	RTM Properties Ltd.	125000	0.03	0	125000	0.03	0	0
35	SCM Investment & Trading Co. Ltd.	561200	0.13	0	561200	0.13	0	0
36	Shital Commercial Limited	138318	0.03	0	138318	0.03	0	0
37	Shree Vihar Properties Ltd.	700000	0.17	0	700000	0.17	0	0
38	Sidh Enterprises Limited	153500	0.04	0	153500	0.04	0	0
39	SIL Investments Limited	33220918	7.98	0	33343455	8.01	0	0.03
40	SIL Properties Ltd.	100000	0.02	0	100000	0.02	0	0
41	Simon India Limited	2200000	0.53	0	2200000	0.53	0	0
42	Sonali Commercial Ltd.	379350	0.09	0	379350	0.09	0	0
43	Texmaco Infrastructure & Holdings Limited	106864	0.03	0	106864	0.03	0	0
44	Texmaco Rail & Engineering Ltd.	1000000	0.24	0	1000000	0.24	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 shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	
45	The Hindustan Times Limited	53191790	12.78	0	54354384	13.06	0	0.28
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	7724500	1.86	0	0.05
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	242947962	58.37	0.30	244595593	58.77	0.30	0.40

(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, 2018	242947962	58.37		
	Date wise Increase / (Decrease) in Shareholding during the year				
1.	SIL Investments Limited				
	March 27, 2018 – Market Purchase (1,22,537 equity shares purchased on March 27, 2018 which were transferred in its name on April 10, 2019)	122537	0.03	243070499	58.40
2.	Deepshikha Trading Company Private Limited				
	May 09, 2018 – Acquired pursuant to the Scheme of Amalgamation	57500	0.01	243127999	58.41
3.	The Hindustan Times Limited				
	May 15, 2018 - Market Purchase	5000	0.00	243132999	58.42
	May 18, 2018 - Market Purchase	5000	0.00	243137999	58.42
	May 21, 2018 - Market Purchase	10000	0.00	243147999	58.42
4.	Yashovardhan Investment & Trading Co. Ltd.				
	May 21, 2018 – Market Purchase	80000	0.02	243227999	58.44
	May 22, 2018- Market Purchase	120000	0.03	243347999	58.47
5.	The Hindustan Times Limited				
	May 22, 2018 - Market Purchase	4000	0.00	243351999	58.47
	May 23, 2018 – Market Purchase	11000	0.00	243362999	58.47
	May 24, 2018 – Market Purchase	10000	0.00	243372999	58.47
6.	Ronson Traders Ltd.				
	May 24, 2018 – Market Purchase	100000	0.02	243472999	58.50
7.	The Hindustan Times Limited				
	June 01, 2018 – Market Purchase	10000	0.00	243482999	58.50
	June 04, 2018 – Market Purchase	27972	0.01	243510971	58.51
	June 05, 2018 – Market Purchase	27028	0.00	243537999	58.51
	June 06, 2018 – Market Purchase	10000	0.00	243547999	58.51

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
	June 22, 2018 – Market Purchase	10000	0.00	243557999	58.52
	June 27, 2018 – Market Purchase	100000	0.02	243657999	58.54
	June 28, 2018 – Market Purchase	12500	0.00	243670499	58.54
	June 29, 2018 – Market Purchase	10	0.00	243670509	58.54
	July 27, 2018 – Market Purchase	141000	0.03	243811509	58.58
	August 03, 2018 – Market Purchase	40000	0.01	243851509	58.59
	August 07, 2018 – Market Purchase	37000	0.01	243888509	58.60
	August 08, 2018 – Market Purchase	10000	0.00	243898509	58.60
	August 10, 2018 – Market Purchase	20000	0.00	243918509	58.60
	August 13, 2018 – Market Purchase	40000	0.01	243958509	58.61
	August 14, 2018 – Market Purchase	24000	0.00	243982509	58.62
	August 16, 2018 – Market Purchase	10000	0.00	243992509	58.62
	August 23, 2018 – Market Purchase	20000	0.00	244012509	58.63
8.	Shyam Sunder Bhartia				
	September 3, 2018 – Transfer	(110)	0.00	244012399	58.63
9.	Shobhana Bhartia				
	September 3, 2018 – Transfer	110	0.00	244012509	58.63
10.	The Hindustan Times Limited				
	September 24, 2018 – Market Purchase	37500	0.01	244050009	58.64
	September 25, 2018 – Market Purchase	40003	0.01	244090012	58.65
	September 27, 2018 – Market Purchase	4600	0.00	244094612	58.65
	September 28, 2018 – Market Purchase	4403	0.00	244099015	58.65
	November 01, 2018 – Market Purchase	130000	0.03	244229015	58.68
	November 02, 2018 – Market Purchase	103000	0.02	244332015	58.70
	November 05, 2018 – Market Purchase	10000	0.00	244342015	58.71
	November 06, 2018 – Market Purchase	10000	0.00	244352015	58.71
	November 09, 2018 – Market Purchase	10000	0.00	244362015	58.71
	November 12, 2018 – Market Purchase	5211	0.00	244367226	58.71
	November 13, 2018 – Market Purchase	14798	0.00	244382024	58.72
	November 15, 2018 – Market Purchase	10000	0.00	244392024	58.72
	January 04, 2019 – Market Purchase	5000	0.00	244397024	58.72
	January 09, 2019 – Market Purchase	5000	0.00	244402024	58.72
	January 14, 2019 – Market Purchase	5000	0.00	244407024	58.72
	February 05, 2019 – Market Purchase	15000	0.00	244422024	58.73
11.	Earthstone Holding (Three) LLP				
	February 15, 2019 – Market Purchase	2681	0.00	244424705	58.73
	February 18, 2019 – Market Purchase	2319	0.00	244427024	58.73
12.	The Hindustan Times Limited				
	February 18, 2019 – Market Purchase	15000	0.00	244442024	58.73
	February 19, 2019 – Market Purchase	20000	0.00	244462024	58.73
	February 20, 2019 – Market Purchase	30000	0.01	244492024	58.74

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
	February 21, 2019 – Market Purchase	16000	0.00	244508024	58.75
	February 25, 2019 – Market Purchase	10000	0.00	244518024	58.75
	February 26, 2019 – Market Purchase	20000	0.00	244538024	58.75
	February 27, 2019 – Market Purchase	23374	0.00	244561398	58.76
	February 28, 2019 – Market Purchase	11324	0.00	244572722	58.76
	March 19, 2019 – Market Purchase	4106	0.00	244576828	58.76
	March 20, 2019 – Market Purchase	5894	0.00	244582722	58.76
	March 22, 2019 – Market Purchase	5000	0.00	244587722	58.77
	March 25, 2019 – Market Purchase	7871	0.00	244595593	58.77
	At the end of the year – March 31, 2019			244595593	58.77

(iv) *Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters (including Promoter Group) and Holders of GDRs and ADRs) as on March 31, 2019:*

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
1.	HDFC Trustee Company Limited - HDFC Balance Advantage Fund and its Associate Funds*				
	At the beginning of the year	19040100	4.57	19040100	4.57
	Date wise Increase / (Decrease) in Shareholding during the year				
	April 06, 2018 – Purchase	123000	0.03	19163100	4.60
	April 13, 2018 – Purchase	169500	0.04	19332600	4.64
	April 20, 2018 – Purchase	740000	0.18	20072600	4.82
	April 27, 2018 – Purchase	290023	0.07	20362623	4.89
	May 04, 2018 – Purchase	86000	0.02	20448623	4.91
	May 11, 2018 – Purchase	250000	0.06	20698623	4.97
	May 25, 2018 – Purchase	315000	0.07	21013623	5.04
	June 01, 2018 – Purchase	618000	0.15	21631623	5.20
	June 08, 2018 – Purchase	227000	0.05	21858623	5.25
	June 15, 2018 – Purchase	530500	0.13	22389123	5.38
	June 22, 2018 – Purchase	1353200	0.32	23742323	5.70
	June 30, 2018 – Purchase	680000	0.16	24422323	5.87
	July 06, 2018 – Purchase	2403000	0.58	26825323	6.44
	July 13, 2018 – Purchase	893000	0.21	27718323	6.66
	July 20, 2018 – Purchase	620129	0.15	28338452	6.81
	July 27, 2018 – Purchase	471007	0.11	28809459	6.92
	August 03, 2018 – Purchase	450500	0.11	29259959	7.03
	August 24, 2018 – Purchase	954655	0.23	30214614	7.26
	August 27, 2018 – Purchase	314000	0.07	30528614	7.33
	August 31, 2018 – Purchase	886500	0.21	31415114	7.55
	September 07, 2018 – Purchase	251000	0.06	31666114	7.61
	September 11, 2018 – Purchase	959000	0.23	32625114	7.84

<i>(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters (including Promoter Group) and Holders of GDRs and ADRs) as on March 31, 2019:</i>					
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
	September 18, 2018 – Purchase	1432000	0.34	34057114	8.18
	September 21, 2018 – Purchase	434000	0.10	34491114	8.29
	September 29, 2018 – Purchase	907700	0.22	35398814	8.50
	October 05, 2018 – Purchase	546801	0.13	35945615	8.64
	October 12, 2018 – Purchase	1050000	0.25	36995615	8.89
	December 21, 2018 – Purchase	31000	0.01	37026615	8.90
	December 28, 2018 – Purchase	255800	0.06	37282415	8.96
	March 29, 2019 – Purchase	18000	0.00	37300415	8.96
	At the end of the year			37300415	8.96
	* Formerly HDFC Trustee Company Limited - HDFC Prudence Fund and its Associate Funds				
2.	UTI-Mid Cap Fund and its Associate Funds				
	At the beginning of the year	6609898	1.59	6609898	1.59
	Date wise Increase / (Decrease) in Shareholding during the year				
	April 13, 2018 - Purchase	2377	0.00	6612275	1.59
	April 20, 2018 - Purchase	96519	0.02	6708794	1.61
	April 27, 2018 - Purchase	113591	0.03	6822385	1.64
	May 11, 2018 - Sale	(192737)	(0.05)	6629648	1.59
	July 20, 2018 – Purchase	52400	0.01	6682048	1.61
	August 03, 2018 - Purchase	46070	0.01	6728118	1.62
	August 17, 2018 - Purchase	6283	0.00	6734401	1.62
	September 11, 2018 - Sale	(48532)	(0.01)	6685869	1.61
	September 29, 2018 - Purchase	68460	0.02	6754329	1.62
	October 05, 2018 – Purchase	18919	0.00	6773248	1.63
	November 30, 2018 - Purchase	270160	0.06	7043408	1.69
	February 08, 2019 - Purchase	183688	0.04	7227096	1.74
	At the end of the year			7227096	1.74
3.	Life Insurance Corporation of India and its Associate Funds				
	At the beginning of the year	20152456	4.84	20152456	4.84
	Date wise Increase / (Decrease) in Shareholding during the year				
	May 11, 2018 - Sale	(565437)	(0.13)	19587019	4.71
	June 01, 2018 - Sale	(240000)	(0.06)	19347019	4.65
	June 08, 2018 - Sale	(564196)	(0.14)	18782823	4.51
	June 15, 2018 - Sale	(1203672)	(0.29)	17579151	4.22
	June 22, 2018 - Sale	(1427077)	(0.34)	16152074	3.88

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters (including Promoter Group) and Holders of GDRs and ADRs) as on March 31, 2019:					
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
	July 06, 2018 - Sale	(1187809)	(0.28)	14964265	3.60
	July 13, 2018 - Sale	(1277590)	(0.31)	13686675	3.29
	July 20, 2018 - Sale	(8826)	(0.00)	13677849	3.29
	July 27, 2018 - Sale	(664418)	(0.16)	13013431	3.13
	August 03, 2018 – Sale	(578752)	(0.14)	12434679	2.99
	August 10, 2018 – Sale	(280076)	(0.07)	12154603	2.92
	August 17, 2018 – Sale	(508501)	(0.12)	11646102	2.80
	August 24, 2018 – Sale	(2077262)	(0.50)	9568840	2.30
	August 27, 2018 – Sale	(376342)	(0.09)	9192498	2.21
	August 31, 2018 – Sale	(901486)	(0.22)	8291012	1.99
	September 07, 2018 – Sale	(497860)	(0.12)	7793152	1.87
	September 11, 2018 – Sale	(429404)	(0.10)	7363748	1.77
	September 18, 2018 – Sale	(1553748)	(0.37)	5810000	1.40
	September 21, 2018 – Sale	(848468)	(0.20)	4961532	1.19
	September 29, 2018 – Sale	(435289)	(0.10)	4526243	1.09
	At the end of the year			4526243	1.09
4.	Principal Trustee Company Pvt Ltd A/C- Principal Mutual Fund Principal Hybrid Equity Fund and its Associate Funds				
	At the beginning of the year	1935944	0.46	1935944	0.46
	Date wise Increase / (Decrease) in Shareholding during the year				
	April 20, 2018 – Purchase	75000	0.02	2010944	0.48
	April 27, 2018 – Purchase	95000	0.02	2105944	0.50
	May 11, 2018 – Purchase	367654	0.09	2473598	0.59
	May 18, 2018 – Purchase	33346	0.01	2506944	0.60
	May 25, 2018 – Purchase	150000	0.04	2656944	0.64
	June 01, 2018 –Purchase	241000	0.06	2897944	0.70
	June 22, 2018 –Purchase	2621	0.00	2900565	0.70
	July 06, 2018 –Purchase	80	0.00	2900645	0.70
	July 20, 2018 – Sale	(59)	(0.00)	2900586	0.70
	August 03, 2018 –Purchase	40	0.00	2900626	0.70
	September 07, 2018 - Purchase	275000	0.07	3175626	0.76
	October 26, 2018 – Purchase	42247	0.01	3217873	0.77
	November 02, 2018 -Purchase	94460	0.02	3312333	0.79
	November 09, 2018 –Purchase	117015	0.03	3429348	0.82
	November 16, 2018 –Purchase	37665	0.01	3467013	0.83
	November 23, 2018 –Purchase	5000	0.00	3472013	0.83
	November 30, 2018 –Purchase	28720	0.01	3500733	0.84
	December 07, 2018 –Purchase	21817	0.01	3522550	0.85
	January 04, 2019 – Purchase	670000	0.16	4192550	1.01
	February 08, 2019 –Purchase	40800	0.01	4233350	1.02
	March 22, 2019 – Sale	(179)	(0.00)	4233171	1.02
	At the end of the year			4233171	1.02

<i>(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters (including Promoter Group) and Holders of GDRs and ADRs) as on March 31, 2019:</i>					
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
5.	DSP Small Cap Fund*				
	At the beginning of the year	5178030	1.24	5178030	1.24
	Date wise Increase / (Decrease) in Shareholding during the year				
	April 06, 2018 – Sale	(469293)	(0.11)	4708737	1.13
	April 13, 2018 – Sale	(393745)	(0.09)	4314992	1.04
	April 20, 2018 – Sale	(407634)	(0.10)	3907358	0.94
	January 11, 2019 - Purchase	48272	0.01	3955630	0.95
	January 18, 2019 - Purchase	204700	0.05	4160330	1.00
	At the end of the year			4160330	1.00
	* Formerly DSP Blackrock Small Cap Fund				
6.	FIL Investments (Mauritius) Ltd.				
	At the beginning of the year	3916940	0.94	3916940	0.94
	Date wise Increase / (Decrease) in Shareholding during the year				
		NIL	NIL	3916940	0.94
	At the end of the year			3916940	0.94
7.	Vantage Equity Fund				
	At the beginning of the year	1035000	0.25	1035000	0.25
	Date wise Increase / (Decrease) in Shareholding during the year				
	April 13, 2018 - Purchase	65000	0.01	1100000	0.26
	April 20, 2018 - Purchase	43000	0.01	1143000	0.27
	May 25, 2018 – Purchase	107000	0.03	1250000	0.30
	June 01, 2018 – Purchase	100000	0.02	1350000	0.32
	June 08, 2018 – Purchase	350000	0.08	1700000	0.41
	June 22, 2018 – Purchase	300000	0.07	2000000	0.48
	July 06, 2018 – Purchase	25000	0.01	2025000	0.49
	July 13, 2018 – Purchase	275000	0.07	2300000	0.55
	August 24, 2018 – Purchase	520000	0.12	2820000	0.68
	March 01, 2019 – Purchase	230000	0.05	3050000	0.73
	March 08, 2019 – Purchase	177000	0.04	3227000	0.77
	March 29, 2019 – Purchase	23000	0.01	3250000	0.78
	At the end of the year			3250000	0.78
8.	Reliance Strategic Investments Ltd.				
	At the beginning of the year	2960744	0.71	2960744	0.71
	Date wise Increase / (Decrease) in Shareholding during the year				
	May 25, 2018 - Purchase	139256	0.03	3100000	0.74
	At the end of the year			3100000	0.74
9.	Massachusetts Institute of Technology				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / (Decrease) in Shareholding during the year				
	December 31, 2018 - Purchase	307563	0.07	307563	0.07
	January 04, 2019 – Purchase	23617	0.01	331180	0.08
	January 11, 2019 – Purchase	382898	0.09	714078	0.17

<i>(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters (including Promoter Group) and Holders of GDRs and ADRs) as on March 31, 2019:</i>					
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
	January 18, 2019 – Purchase	18263	0.00	732341	0.18
	January 25, 2019 – Purchase	28656	0.00	760997	0.18
	February 01, 2019 – Purchase	88647	0.02	849644	0.20
	February 08, 2019 – Purchase	527820	0.13	1377464	0.33
	February 15, 2019 – Purchase	330108	0.08	1707572	0.41
	March 01, 2019 – Purchase	692428	0.17	2400000	0.58
	March 08, 2019 – Purchase	201582	0.05	2601582	0.62
	March 15, 2019 – Purchase	48418	0.01	2650000	0.64
	At the end of the year			2650000	0.64
10.	Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions Group Inc. (DFAIDG)				
	At the beginning of the year	1737805	0.42	1737805	0.42
	Date wise Increase / (Decrease) in Shareholding during the year				
	April 27, 2018 – Purchase	19331	0.00	1757136	0.42
	May 04, 2018 – Purchase	75242	0.02	1832378	0.44
	May 11, 2018 – Purchase	66728	0.02	1899106	0.46
	May 18, 2018 – Purchase	59177	0.01	1958283	0.47
	May 25, 2018 – Purchase	95260	0.02	2053543	0.49
	June 01, 2018 – Purchase	9287	0.00	2062830	0.49
	June 08, 2018 – Purchase	31603	0.01	2094433	0.50
	November 09, 2018 – Sale	(31431)	(0.01)	2063002	0.49
	November 16, 2018 – Sale	(7476)	(0.00)	2055526	0.49
	December 14, 2018 – Sale	(12191)	(0.00)	2043335	0.49
	December 21, 2018 – Sale	(8371)	(0.00)	2034964	0.49
	December 28, 2018 – Sale	(16605)	(0.00)	2018359	0.49
	January 04, 2019 – Sale	(32325)	(0.01)	1986034	0.48
	At the end of the year			1986034	0.48
11.	Dimensional Emerging Markets Value Fund (Refer Note 3)				
	At the beginning of the year	2283078	0.55	2283078	0.55
	Date wise Increase / (Decrease) in Shareholding during the year				
	April 6, 2018 - Sale	(39671)	(0.01)	2243407	0.54
	April 13, 2018 - Sale	(15665)	(0.00)	2227742	0.54
	April 20, 2018 - Sale	(24187)	(0.00)	2203555	0.53
	April 27, 2018 - Sale	(19602)	(0.00)	2183953	0.52
	June 15, 2018 - Purchase	25972	0.01	2209925	0.53
	June 22, 2018 - Purchase	14444	0.00	2224369	0.53
	August 10, 2018 - Sale	(8132)	(0.00)	2216237	0.53
	August 24, 2018 - Sale	(48176)	(0.01)	2168061	0.52
	August 27, 2018 - Sale	(21158)	(0.00)	2146903	0.52
	September 07, 2018 - Sale	(16456)	(0.00)	2130447	0.51
	September 18, 2018 - Sale	(44061)	(0.01)	2086386	0.50
	September 21, 2018 - Sale	(25960)	(0.00)	2060426	0.49

<i>(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters (including Promoter Group) and Holders of GDRs and ADRs) as on March 31, 2019:</i>					
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
	September 29, 2018 - Sale	(80832)	(0.02)	1979594	0.47
	October 05, 2018 - Sale	(36105)	(0.01)	1943489	0.46
	October 12, 2018 - Sale	(40217)	(0.01)	1903272	0.46
	December 07, 2018- Sale	(12350)	(0.00)	1890922	0.45
	February 01, 2019 - Purchase	6618	0.00	1897540	0.45
	At the end of the year			1897540	0.45
12.	Ocean Dial Gateway To India Mauritius Limited (Refer Note 3)				
	At the beginning of the year	3500000	0.84	3500000	0.84
	Date wise Increase / (Decrease) in Shareholding during the year				
	February 08, 2019 -Sale	(734751)	(0.18)	2765249	0.66
	February 22, 2019 -Sale	(11856)	(0.00)	2753393	0.66
	March 01, 2019 -Sale	(1246301)	(0.30)	1507092	0.36
	March 08, 2019 -Sale	(124644)	(0.03)	1382448	0.33
	At the end of the year			1382448	0.33
13.	Haldor Topsoe A/S (Refer Note 3)				
	At the beginning of the year	2000000	0.48	2000000	0.48
	Date wise Increase / (Decrease) in Shareholding during the year				
	November 9, 2018 - Sale	(100000)	(0.02)	1900000	0.46
	December 7, 2018 - Sale	(270000)	(0.06)	1630000	0.40
	December 28, 2018 - Sale	(229757)	(0.05)	1400243	0.34
	December 31, 2018 - Sale	(100000)	(0.02)	1300243	0.32
	January 04, 2019 - Sale	(750243)	(0.18)	550000	0.13
	January 11, 2019 - Sale	(550000)	(0.13)	NIL	NIL
	At the end of the year			NIL	NIL
14.	Tata Mutual Fund – Tata Equity P/E Fund and its Associate Funds (Refer Note 3)				
	At the beginning of the year	2872000	0.69	2872000	0.69
	Date wise Increase / (Decrease) in Shareholding during the year				
	April 20, 2018 - Sale	(390000)	(0.09)	2482000	0.60
	April 27, 2018 - Sale	(100000)	(0.02)	2382000	0.57
	May 11, 2018 - Sale	(430000)	(0.10)	1952000	0.47
	May 18, 2018 - Sale	(350000)	(0.08)	1602000	0.38
	May 25, 2018 - Sale	(280000)	(0.07)	1322000	0.32
	June 30, 2018 - Sale	(1265000)	(0.30)	57000	0.02
	August 24, 2018 - Sale	(57000)	(0.02)	NIL	NIL
	At the end of the year			NIL	NIL

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) These entities ceased to be in the list of Top 10 shareholders as on March 31, 2019 but reflected above as they were in the list of top 10 shareholders as on March 31, 2018.
- 4) 39,26,788 equity shares (0.94% of total shares of the Company) were held in the name of 'Investor Education and Protection Fund Authority Ministry of Corporate Affairs' as on March 31, 2019 (including 4,25,376 equity shares 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, 2019	706128	0.17	706128	0.17
2.	Mr. Shyam Sunder Bhartia				
	At the beginning of the year	110	0.00	110	0.00
	Date wise Increase / (Decrease) in Shareholding during the year				
	September 3, 2018 – Transfer	(110)	(0.00)	NIL	NIL
	At the end of the year			NIL	NIL
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, 2019	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, 2019	6000	0.00	6000	0.00
5.	Mr. Rajveer Singh, Company Secretary				
	At the beginning of the year	5000	0.00	5000	0.00
	Date wise Increase / (Decrease) in Shareholding during the year				
	May 15, 2018 – Acquisition through exercise of employee stock options	3000	0.00	8000	0.00
	At the end of Year			8000	0.00

The remaining Directors and KMPs did not hold any shares during the Financial Year 2018-19.

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	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
Change in indebtedness during the financial year				
Addition	473072.74	1530509.83	NIL	2003582.57
Reduction	214541.30	1494914.92	NIL	1709456.22
Net Change	258531.44	35594.91	NIL	294126.35
Indebtedness at the end of the financial year				
i) Principal Amount	689597.78	164917.04	NIL	854514.82
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	593.75	592.78	NIL	1186.53
Total (i+ii+iii)	690191.53	165509.82	NIL	855701.35

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	4,64,73,351	4,64,73,351
	(b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	44,27,078	44,27,078
	(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	23,74,259	23,74,259
	Total (A)	5,32,74,688	5,32,74,688
	Ceiling as per the Act	Rs. 4979.62 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, 2019. These options were granted at the prevailing market price of Rs. 73.50 per share at the time of grant of options. Each stock option when exercised would be converted into one fully paid up equity share of Rs. 10/- of the Company.

B. Remuneration to other Directors:

(Amount in Rs.)

1. Independent Directors						
Particulars of Remuneration	Names of Directors					Total Amount
	Mr. Marco Philippus Ardeshir Wadia	Ms. Radha Singh	Mr. Vivek Mehra@	Mr. Aditya Narayan#	Mr. Nimesh Nagindas Kampani	
Fee for attending Board / Committee Meetings	4,05,000	4,50,000	1,70,000	1,80,000	2,00,000	14,05,000
Commission	5,00,000	5,00,000	2,67,123	2,32,877	5,00,000	20,00,000
Others	NIL	NIL	NIL	NIL	NIL	NIL
Total (1)	9,05,000	9,50,000	4,37,123	4,12,877	7,00,000	34,05,000
2. Other Non-Executive Directors						
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	1,50,000	NIL	2,90,000			4,40,000
Commission	5,00,000	NIL	5,00,000			10,00,000
Others	NIL	NIL	NIL			NIL
Total (2)	6,50,000	NIL	7,90,000			14,40,000
Total (B) = (1+2)						48,45,000
Total Managerial remuneration						5,62,74,688*
Overall ceiling as per the Act (6% of net profit)						Rs. 5975.54 Lakhs

@ Appointed as Director with effect from September 18, 2018

Ceased to be Director on September 18, 2018

§ Opted out from receiving any 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 Bajjal Chief Financial Officer	Total Amount
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	54,84,473	1,06,32,537	1,61,17,010
	(b) Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	5,84,532	10,34,700	16,19,232
	(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)	2,93,700	-	2,93,700
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL
5.	Others - Retirement benefits and other perquisites	4,48,004	6,85,457	11,33,461
	Total	68,10,709	1,23,52,694	1,91,63,403

Note: The amount of Rs. 2,93,700 pertains to perquisite value of stock options exercised during the year by Mr. Rajveer Singh to purchase 3,000 equity shares of the Company. 90,000 stock options granted to Mr. Abhay Bajjal and 51,000 stock options granted to Mr. Rajveer Singh were outstanding as on March 31, 2019. 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. Each stock option when exercised would be converted into one fully paid up equity share of Rs. 10/- of the Company.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

During the financial year 2018-19, 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 16, 2019

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, 2019

[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, PIN - 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, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2019**, 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, 2019** 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) The 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 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [**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 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 [**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 Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
 - h) The Air (Prevention and Control of Pollution) Act, 1981;
 - i) Water (Prevention and Control of Pollution) Act, 1974; and
 - j) 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 atleast 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:

1. the appointment of Mr. Vivek Mehra (DIN: 00101328) as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years from September 18, 2018 to September 17, 2023, approved by the members of the Company at the Annual General Meeting held on September 18, 2018; and
2. the Members of the Company at the Annual General Meeting held on September 18, 2018 has granted approval in pursuance of Section 180(1)(c) of the Act for borrowing by the Board of Directors any sum of money not exceeding Rs. 10,000 Crore.

**For RMG & Associates
Company Secretaries**

**CS Manish Gupta
Partner**

FCS No. : 5123; C.P. No.: 4095

Place : New Delhi

Date : May 16, 2019

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

Annexure

To,
The Members,
Chambal Fertilisers and Chemicals Limited
(CIN: L24124RJ1985PLC003293)
Gadepan, District Kota,
Rajasthan, PIN – 325208

Our Secretarial Audit Report of even date, for the financial year ended March 31, 2019 is to be read along with this letter:

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operating effectively.
2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

**For RMG & Associates
Company Secretaries**

**CS Manish Gupta
Partner**

FCS No. : 5123; C.P. No.: 4095

Place : New Delhi

Date : May 16, 2019

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

Installation of additional quench water cooler in Ammonia-II plant.

(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. 123.22 Lakhs during the Financial Year 2018-19.

(B) Technology Absorption :

(i) The efforts made towards technology absorption

Installation of Vibro-priller in Urea-I plant.

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

Improvement in quality of Urea as it will maintain uniformity in Urea prill size and reduce Urea prill temperature.

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

(I) Existing Urea Plants

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

(II) New Urea Plant

a) The details of technology imported : The Company has commissioned a new Urea plant at Gadepan District Kota, Rajasthan ("Gadepan-III Plant") and commercial production from Gadepan-III Plant commenced with effect from January 1, 2019. Gadepan-III Plant is more energy efficient and consumes less natural resources. Gadepan-III Plant is based on imported technology which mainly includes Purifier Ammonia Process of KBR INC, USA, CO² Removal Process of BASF SE, Germany and Urea Synthesis Process of Toyo Engineering Corporation, Japan.

b) The year of import : The construction of Gadepan-III Plant commenced during the Financial Year 2016-17 and it was commissioned during the financial year 2018-19.

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, the Company continuously makes efforts to improve the efficiency of its plants and quality of products.

(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. 5977.85 Lakhs

Foreign Exchange outgo : Rs. 359361.47 Lakhs

For and on behalf of Board of Directors

Saroj Kumar Poddar
Chairman

Place : New Delhi
Date : May 16, 2019

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 ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018-19 and the percentage increase in remuneration of each Director, Managing Director, Chief Financial Officer and Company Secretary in the financial year 2018-19:

Name	Designation	Ratio of remuneration of each director to the median remuneration of the employees of the Company	Increase/ (Decrease) in Remuneration (%)
Mr. Saroj Kumar Poddar	Non-Executive Chairman	0.70	(7.14)
Mr. Anil Kapoor	Managing Director	57.09	12.41
Mr. Shyam Sunder Bhartia	Non-Executive Director	-	-
Mr. Chandra Shekhar Nopany	Non-Executive Director	0.85	3.95
Ms. Radha Singh	Independent Director	1.02	(5.94)
Mr. Marco Philipppus Ardeshir Wadia	Independent Director	0.97	(7.65)
Mr. Aditya Narayan	Independent Director	0.44	(55.84)
Mr. Nimesh Nagindas Kampani	Independent Director	0.75	76.66
Mr. Vivek Mehra	Independent Director	0.47	Not Applicable
Mr. Abhay Baijal	Chief Financial Officer	Not Applicable	11.22
Mr. Rajveer Singh	Company Secretary	Not Applicable	23.41

Notes:

- (1) Mr. Shyam Sunder Bhartia has opted out from receiving any commission and sitting fee.
 - (2) Mr. Aditya Narayan ceased to be Director on September 18, 2018.
 - (3) Mr. Nimesh Nagindas Kampani appointed as an Independent Director with effect from September 15, 2017.
 - (4) Mr. Vivek Mehra appointed as an Independent Director with effect from September 18, 2018.
 - (5) Remuneration of Mr. Rajveer Singh for the Financial Year 2018-19 includes Rs. 2,93,700 towards perquisite value of employee stock options exercised. The increase in remuneration without considering such perquisite value of employee stock options works out to 18.09%.
- ii) The percentage increase in the median remuneration of employees in the financial year 2018-19: **6.53%**
- iii) The number of permanent employees on the rolls of the Company: **1060**
- 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 percentage increase in the salaries of employees other than managerial personnel in the financial year 2018-19 was 10.74%. The details of percentage increase in the remuneration of managerial personnel is given in the table above.
- Increase in the salaries of employees other than managerial personnel and that of the 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) Statement 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 2018-19:									
1.	Anil Kapoor*	Managing Director	B.Tech., M.S.	65	39	11.12.2000	5,32,74,688	Cabot India Limited	Vice President- Technical
2.	Abhay Bajjal*	Chief Financial Officer	B.E., P.G.D.M.	58	34	01.11.2003	1,23,52,694	Birla Home Finance Limited	Vice President- Operations
3.	Abhai Kumar Bhargava*	Sr. Vice President- Works	B.E. (Chemical Engineering)	63	40	21.09.2009	1,06,48,023	Indian Farmers Fertiliser Cooperative Limited	General Manager
4.	Virendra Kumar Gupta	Vice President- Marketing	B.Tech (Agricultural Engineering), P.G.D.M.	62	37	24.09.1991	95,92,667	J K B M Limited	Zonal Manager
5.	Surinder Kumar Thakur	Assistant Vice President- Sales	M.A. (Eco), P.G.D. (Marketing & Sales)	62	42	02.05.1991	74,40,813	The Punjab State Cooperative Milk Producers Federation Limited	Area Sales Manager
6.	Ajay Tayal	Assistant Vice President- Maintenance	B.E. (Hons.) (Mechanical)	52	31	26.04.1993	70,09,213	Indo Gulf Fertilisers and Chemicals Limited	Engineer (Mechanical)
7.	Rajveer Singh	Vice President-Legal & Secretary	M.A., L.L.B., FCS	50	26	10.02.2003	68,10,709	MCS Limited	Wholetime Director
8.	Anuj Jain	Assistant Vice President- Finance	FCA, ACS	55	33	10.09.2001	63,41,911	Birla Home Finance Limited	General Manager
9.	Pullam Chetti Srinivasan	General Manager - Technical	B.E. (Mechanical)	58	35	08.10.1990	63,47,880	Simon Carves India Limited	Construction Engineer
10.	Jagdeep Singh Sodhi	Assistant Vice President- Materials	M.B.A.	59	35	12.06.1991	63,06,540	Escorts Limited	Assistant Manager (Materials)
*These employees were employed throughout the financial year 2018-19 and were in receipt of remuneration not less than Rs. 1,02,00,000 for that financial year.									
II. Employee who was employed for a part of the financial year 2018-19 and was in receipt of remuneration in aggregate of not less than Rs. 8,50,000 per month:									
1.	Avdesh Kumar Dubey	Regional Manager	M.Sc., M.B.A	56	32	01.04.1991	4,645,158	Zuari Agro Chemicals Ltd.	Sr. Marketing Officer

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 remuneration drawn by the 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 16, 2019**

**Saroj Kumar Poddar
Chairman**

BUSINESS RESPONSIBILITY REPORT

Introduction

Chambal Fertilisers and Chemicals Limited (“Company”) is committed to build a sustainable enterprise for the benefit of its present and future generations of stakeholders. The Company aims to integrate and follow responsible practices into its business strategies and operations, to manage the three challenges - economic prosperity, social development and environmental integrity. Towards this commitment, the Company seeks to:

- a) Build a sustainable enterprise that effectively balances financial strengths with social and environmental responsibilities;
- b) Deliver sustainable top-line and bottom-line growth while maintaining the highest corporate governance standards;
- c) Reduce its environmental footprint by investing in eco-friendly and reliable technologies and practices;
- d) Increase efficiency by optimum utilization of resources and technology;
- e) Promote sustainable farming practices to boost crop productivity in rural India;
- f) Work towards improving the quality of life by making the communities self-reliant in areas within which it operates;
- g) Build lasting social capital through interventions in social initiatives for the benefit of the community residing in the vicinity of its plants and other places in India;
- h) Ensure welfare, growth and safety of all people associated with the Company; and
- i) Promote inclusive growth and equal opportunity by remaining a caste, gender and religion neutral organization.

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

1.	Corporate Identity Number (CIN) of the Company	L24124RJ1985PLC003293						
2.	Name of the Company	Chambal Fertilisers and Chemicals Limited						
3.	Registered address	Gadepan, District Kota, Rajasthan, PIN-325 208, India						
4.	Website	www.chambalfertilisers.com						
5.	E-mail id	corporate@chambal.in						
6.	Financial Year reported	April 1, 2018 to March 31, 2019						
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Name of the Sector</th> <th style="text-align: center;">Code</th> </tr> </thead> <tbody> <tr> <td>Manufacture of Urea</td> <td style="text-align: center;">20121</td> </tr> <tr> <td>Marketing of fertilizers and agrochemical products</td> <td style="text-align: center;">46692</td> </tr> </tbody> </table>	Name of the Sector	Code	Manufacture of Urea	20121	Marketing of fertilizers and agrochemical products	46692
Name of the Sector	Code							
Manufacture of Urea	20121							
Marketing of fertilizers and agrochemical products	46692							
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Manufacture of Urea and Marketing of Fertilisers & other Agri-inputs (including seeds and agrochemicals products).						
9.	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	(a) On a standalone basis, the Company does not have any manufacturing facility outside India. (b) 15 (Fifteen)						
10.	Markets served by the Company – Local/State/National/ International	The Company serves 9 states in the national market.						

Section B: Financial Details of the Company as on March 31, 2019

1.	Paid up capital (INR in Lakhs)	41620.79
2.	Total turnover (INR in Lakhs)	1009451.69
3.	Total profit after taxes (INR in Lakhs)	54527.50
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-G to the Board’s Report.

Section C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company had 7 subsidiaries as on March 31, 2019. 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 2017-18 was part of the Annual Report which is available at the website of the Company at the weblink - http://www.chambalfertilisers.com/pdf/Annual-Report-for-the-Financial-Year-2017-18.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?	<p>No.</p> <p>The Code of Conduct and Ethics of the Company is applicable to all the Directors and employees of the Company. The Whistle Blower Policy, <i>inter-alia</i>, 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, violation of the Code of Conduct and Ethics of the Company or leak of Unpublished Price Sensitive Information. The Whistle Blower Policy also enables the other stakeholders to freely communicate their concerns about illegal or unethical practices.</p> <p>The Company also 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.</p>
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. The new Urea Plant of the Company commissioned during the year is energy efficient in comparison to existing plants which will enable saving of natural resources.

<p>2.</p>	<p>For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):</p> <p>(a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?</p> <p>(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p>	<p>(a) The Company has recently commissioned its new Urea plant at Gadepan and commercial production of Urea commenced from this plant with effect from January 01, 2019. The new Urea plant is among the most efficient plants in the country using the latest and sophisticated technology thereby resulting in less consumption of energy and other natural resources.</p> <p>The Company has been able to reduce specific energy consumption in its Urea plants at Gadepan as compared to previous year. The overall specific energy consumption for the year 2018-19 was 5.357 Gcal/MT of Urea as against 5.380 Gcal/MT of Urea during the previous year.</p> <p>The Company has also reduced its specific water consumption in its Urea plants at Gadepan. The state-of-the-art Reverse Osmosis – Zero Liquid Discharge plant commissioned recently at Gadepan has placed the Company in an exclusive league of companies with zero discharge of water outside the plant. This has also resulted in less fresh water intake from the river for producing per MT of Urea. The overall fresh water consumption during the Financial Year 2018-19 in Gadepan plants was 4.56 M3/ MT of Urea as against 4.94 M3/ MT of Urea during the previous year.</p> <p>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 recycled back into the system and the balance is used in the irrigation network within the complex.</p> <p>(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.</p>
<p>3.</p>	<p>Does the company have procedures in place for sustainable sourcing (including transportation)?</p> <p>(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so</p>	<p>Yes.</p> <p>The Company has laid down procedures for vendor registration as well as continual annual assessment of contractors and vendors. For items of regular consumption, the Company has long term contracts so that suppliers can properly plan their production.</p> <p>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 un-interrupted supply.</p>

4.	<p>Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?</p> <p>(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p>	<p>Yes.</p> <p>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.</p>
5.	<p>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.</p>	<p>Yes.</p> <p>(i) The Company has adopted best practices to manage waste disposal through a comprehensive waste management system under the Health, Safety, Security, Environment & Quality Policy.</p> <p>(ii) Hazardous waste generated out of the operations is disposed through authorized recyclers and non-hazardous waste is disposed-off through either composting or approved re-cyclers or processors.</p> <p>(iii) Almost 100% of condensate generated in the Urea manufacturing process is recycled back to the system. Further, the effluents generated from Demineralization Plant regenerations, cooling tower blow downs and oil separator, 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 wastewater from the township and plants.</p> <p>(iv) The Reverse Osmosis - Zero Liquid Discharge plant, installed as part of the new Urea Plant, enabled the Company to reduce overall water consumption per MT of Urea.</p> <p>(v) Stripping unit with hydrolyser has been installed in new Urea plant to treat the Urea contaminated effluent.</p> <p>(vi) The Company has also installed Bio-Methanation plant in its premises at Gadepan to handle the kitchen waste of plant canteens and residential colony.</p>

Principle 3: Businesses should promote the wellbeing of all employees

1.	Please indicate the total number of employees.	As on March 31, 2019, there were 1060 permanent employees of the Company.
2.	Please indicate the total number of employees hired on temporary/contractual/casual basis.	As on March 31, 2019, there were 1091 employees hired on temporary / contractual / casual basis.
3.	Please indicate the Number of permanent women employees.	26
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, 2019.
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.	<p>What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?</p> <p>(a) Permanent Employees (b) Permanent Women Employees (c) Casual/Temporary/Contractual Employees (d) Employees with disabilities</p>	Category	Percentage received training
		Permanent Employees	64.24
		Permanent Women Employees	50.00
		Casual/Temporary/Contractual Employees	85.00
		Employees with Disabilities	Not Applicable

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	<p>Yes.</p> <p>The key stakeholders of the Company are Employees, Farmers, Dealers / Distributors, Investors/Shareholders, Banks / Financial Institution, Local Community, Contractors / Vendors, Industry Associations and Government.</p>
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	<p>Yes.</p> <p>The Company has identified the local community including women and children dwelling near the plant area as the disadvantaged, marginalised and vulnerable stakeholders.</p> <p>The Company proactively engages with its stakeholders through different modes and fora to understand their issues and concerns.</p>
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.	<p>Yes.</p> <p>The Company's Corporate Social Responsibility ("CSR") projects /programs have been designed after need assessment surveys conducted mainly in the area near its plants at Gadepan, Dist. Kota, Rajasthan. The Company's CSR Projects / programs are focussed in the areas of Education (including technical & vocational education), Healthcare, Rural Development, Employability and Empowerment (especially women empowerment) and Soil Health and major part of these programs are for the benefit of local community / villagers. The Company had adopted 42 Government schools, 41 aanganwadis and 5 industrial training institutes and it has substantially improved the education level of the students therein. The healthcare and awareness camps in 26 villages; livelihood activities in 8 villages; facilitation of self-help groups, infrastructure development in nearby villages and farmer advisory services are some of the initiatives which has also benefitted the disadvantaged, vulnerable and marginalised section of the society.</p>

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?	<p>The policy covers only the Company.</p> <p>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. The major portion of supplies is sourced from large companies who also have their own policies in this regard.</p>
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	<p>The Company has not received any complaint involving issues related to human rights violation during the Financial Year 2018-19.</p>

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 covers the aspects related to environment and sustainable resource use. 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 2018-19.
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 2018-19, the Company has installed additional quench water cooler in Ammonia-II plant. The new Urea plant is among the most efficient plants in the country using the latest and sophisticated technology thereby resulting in less consumption of energy and other natural resources.
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.
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, 2019, 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 Fertiliser 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.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). Further details are given in the Annual Report on Corporate Social Responsibility (CSR) Activities attached as Annexure-G to the Board's Report.
3.	Have you done any impact assessment of your initiative?	No impact assessment was done during the Financial Year 2018-19.
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 2018-19 was Rs. 1265.94 Lakhs. The details in this regard are given in the Annual Report on Corporate Social Responsibility (CSR) Activities attached as Annexure-G 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 CSR projects / programs are designed in such a way that the accountability of sustainability of such projects / programs is shared both by the Company and the community and the Company's involvement is reduced over a period of time.
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.	12%
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.	3 cases / complaints filed by dealers / sub-dealers and 3 cases filed by the suppliers in the courts during last five years, mainly related to commercial disputes, were pending as on March 31, 2019. Further, 3 complaints filed during the year by the customers before District Consumer Disputes Redressal Forums, regarding quality of the products supplied by the Company, were pending as on March 31, 2019. The Company has been contesting these cases / complaints at appropriate forums.
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes. Consumer / customer satisfaction survey was carried out during the financial year 2018-19. The Company also 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 audit of the Standalone financial statements

Opinion

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, 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").
2. 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 Companies Act, 2013 ("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, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>4.1 Appropriateness of capitalisation of expenditure incurred towards the New Urea Plant (Gadepan III Plant) [Refer to the accompanying Note 47 and Note 2(b)(vi), (vii) and (viii) of the Standalone Ind AS Financial Statements.]</p> <p>During the year, the Company has commenced commercial production and capitalised Rs 576,205 lakhs of costs as tangible and intangible assets towards its new urea plant ("Gadepan III Plant" or "the plant").</p> <p>We focused on this area given the significance of the overall capital expenditure and judgements involved in assessing the useful life of the assets and whether the criteria, including internal costs directly attributable to the construction, as set out in Indian Accounting Standards ("Ind AS") 16 'Property, Plant and Equipment' for the capitalisation of such expenditure had been met.</p>	<p>Our procedures included the following amongst others :</p> <ul style="list-style-type: none"> • We understood and evaluated the design and tested operating effectiveness of management's internal financial controls in relation to approval of expenditure and capitalisation of appropriate costs. We were able to place reliance on these controls for the purpose of our audit. • We performed testing of costs capitalised during the year, focusing on those items that we considered significant due to their amount or nature, which included examining third-party invoices, purchase orders, terms and conditions of significant contracts and other supporting documents, as appropriate, to check whether such costs had been appropriately capitalised under the correct asset category. • In respect of internal costs allocated to the plant, test checked the identification and allocation of costs directly attributable to the construction of the plant. • We examined the factors considered by the Company to determine the date on which the plant was ready to be used. • We examined the useful life for individual assets to determine whether it is consistent with the Company's accounting policy. • Examined the appropriateness of the related disclosures in the Standalone Ind AS Financial Statements. <p>As a results of the above procedures, we did not identify any significant exceptions in relation to the expenditure incurred on the capitalisation towards Gadepan III Plant.</p>

4.2 Assessment of implications of government policies/ notifications on recognition of subsidy revenue and its recoverability

[Refer to the accompanying notes 8(b), 17, 31, 49, 53(d) and 2(b)(xvi)(a) of the Standalone Ind AS Financial Statements.]

During the year, the Company has recognised subsidy revenue amounting to Rs. 599,718 lakhs and as at March 31, 2019 has subsidy receivables aggregating to Rs. 432,232 lakhs and related allowance for doubtful debts aggregating to Rs. 19,794 lakhs which are significant to the Standalone Ind AS Financial Statements.

We focused on this area since the recognition of subsidy revenue and the assessment of recoverability of the related subsidy receivables is subject to significant judgements of the management.

The areas of subjectivity and judgement include interpretation and satisfaction of conditions specified in the notifications/policies in the estimation of timing and amount of recognition of subsidy revenue, likelihood of recoverability and allowance in relation to the outstanding subsidy receivables.

Our procedures included the following:

- We understood and evaluated the design and tested the operating effectiveness of controls as established by management in recognition of subsidy revenue and assessment of the recoverability of subsidy receivables.
- We evaluated the management's assessment regarding reasonable certainty of complying with the relevant conditions as specified in the notifications/policies.
- We considered the relevant notifications/policies issued by various authorities to ascertain the appropriateness of the recognition of subsidy revenue and adjustments to subsidy receivables already recognised pursuant to changes in subsidy rates.
- We also understood the basis of judgements that management has made in relation to the notifications/policies including past precedence and subsequent evidence, as applicable.
- We tested the ageing of the related receivables and assessed the information used by the management to determine the recoverability of subsidy receivable and assessment of allowance for doubtful receivables by considering historical collection trends and the level of credit loss charged over time.
- We evaluated adequacy of disclosures in the Standalone Ind AS Financial Statements.

Based on the above procedures performed, the management's assessment of implications of government notifications/policies on recognition of subsidy revenue and the recoverability were considered to be reasonable.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified 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.
7. In preparing the Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Standalone Ind AS Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.
9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone Ind AS Financial Statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. 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 Statement of Changes in Equity and the Cash Flow Statement 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 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note 25 to the Standalone Ind AS Financial Statements;
 - ii. The Company has long-term contracts including derivative contracts as at March 31, 2019 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, 2019.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

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

**Pramit Agrawal
Partner
Membership Number - 099903**

**Place : New Delhi
Date : May 16, 2019**

Annexure A to Independent Auditor's Report

Referred to in paragraph 13 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, 2019.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company 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 Standalone Ind AS Financial Statements, are held in the name of the Company, except for one office premises having carrying value of Rs. 378.02 lakhs, freehold land having carrying value of Rs. 0.89 lakhs and leasehold land having carrying value of Rs. 31.69 lakhs as at March 31, 2019, 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 Partnership 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 Act apply. In our opinion and according to the information and explanations given to us, provisions of Section 186 of the Act in respect of loans given, investments made, guarantees and security 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 and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, duty of customs, electricity duty, additional cost due to non- recognised input (ACTN), professional tax, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also, refer Note 50 to the Standalone Ind AS Financial Statements regarding management's assessment on certain matters relating to provident fund.
- (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, service tax and duty of excise, as at March 31, 2019, 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.	17,414.80	FY 2007-08 to 2011-12	CESTAT, Kolkata
Finance Act, 1994	Department appeal against the refund of service tax on downward revision of Transmission charges	274.62	November 2008 to June 2010	High Court, Jabalpur (Madhya Pradesh)
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	Service tax demand raised on declared services.	102.33	July 2012 to March 2017	Commissioner (Appeals), Jodhpur

Central Excise Act, 1944	Wrong availment of proportionate cenvat credit on input services	198.09	August 2014 to March 2016	Commissioner (Appeals), Jodhpur
Central Excise Act, 1944	Wrong availment of proportionate cenvat credit on input services	93.20	FY 2016-17	Joint Commissioner, Udaipur
Income Tax Act, 1961	Income Tax for non-allowance of special survey and dry dock expenditure	2,054.61	FY 1997-98	High Court, Kolkata
Income Tax Act, 1961	Disallowances for various expenses	20,049.08	FY 1997-98 to 2004- 05; and FY 2006-07 to FY 2008- 09	Supreme Court of India
Income Tax Act, 1961	Disallowances for various expenses	2,151.55	FY 2009-10 to 2010-11	High Court, Rajasthan (Jaipur)
Income Tax Act, 1961	Disallowances for various expenses	5,901.86	FY 2011-12 to FY 2013- 14	Income Tax Appellate Tribunal, Jaipur
Income Tax Act, 1961	Disallowances for various expenses	325.68	FY 2015- 16	Commissioner (Appeals), Kota

*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 Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the 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
Chartered Accountants

Place : New Delhi
Date : May 16, 2019

Pramit Agrawal
Partner
Membership Number - 099903

Annexure B to Independent Auditor's Report

Referred to in paragraph 14(f) 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 for the year ended March 31, 2019.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of the Company as of March 31, 2019 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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.

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

Pramit Agrawal
Partner
Membership Number - 099903

Place : New Delhi
Date : May 16, 2019

BALANCE SHEET AS AT MARCH 31, 2019

(Rs. in Lakhs)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	684291.52	116537.55
Capital Work-in-Progress	27 & 47	10864.00	412857.92
Other Intangible Assets	4	311.68	399.45
Intangible Assets under Development		3.45	12.60
Financial Assets			
i. Investments	5A	30296.26	29125.25
ii. Loans	5B	66.63	93.78
iii. Other Financial Assets	5C	339.31	305.53
Non-Current Tax Assets (Net)		7656.48	5598.68
Other Non-Current Assets	6	2693.18	4779.62
Total Non-Current Assets		736522.51	569710.38
Current Assets			
Inventories	7	132314.54	79510.48
Financial Assets			
i. Investments	8A	2450.00	-
ii. Trade Receivables	8B	482263.84	251569.52
iii. Cash and Cash Equivalents	8C	4951.43	5481.64
iv. Bank Balances other than (iii) above	8D	1254.68	1440.44
v. Loans	8E	17.18	23.92
vi. Other Financial Assets	8F	14514.09	23023.82
Current Tax Assets (Net)		31.84	1966.51
Other Current Assets	9	9699.45	10838.78
Assets Classified as Held for Sale	44(B)	554.50	40.35
Total Current Assets		648051.55	373895.46
Total Assets		1384574.06	943605.84
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	41620.79	41620.79
Other Equity	10A	282433.47	248221.15
Total Equity		324054.26	289841.94
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	11A	403223.75	315648.47
Provisions	12	700.49	365.34
Deferred Tax Liabilities (Net)	38	19052.69	21314.25
Other Non-Current Liabilities	13	322.73	282.17
Total Non-Current Liabilities		423299.66	337610.23
Current Liabilities			
Financial Liabilities			
i. Borrowings	14A	416196.32	245218.47
ii. Trade Payables	14B		
a) total outstanding dues of micro enterprises and small enterprises; and		254.91	113.60
b) total outstanding dues of creditors other than micro enterprises and small enterprises		97856.34	29314.27
iii. Other Financial Liabilities	14C	117311.29	36331.13
Other Current Liabilities	15	2307.53	2190.94
Provisions	16	3293.75	2985.26
Total Current Liabilities		637220.14	316153.67
Total Liabilities		1060519.80	653763.90
Total Equity and Liabilities		1384574.06	943605.84

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
Chartered Accountants

Pramit Agrawal
Partner
Membership No - 099903

Place : New Delhi
Date : May 16, 2019

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

Anil Kapoor
Managing Director
DIN: 00032299

Abhay Bajjal
Chief Financial Officer

Place : New Delhi
Date : May 16, 2019

Saroj Kumar Poddar
Chairman
DIN: 00008654

Rajveer Singh
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Continuing Operations			
Revenue from Operations	17	1009451.69	746616.60
Other Income	18	14160.53	15207.67
Total Income		1023612.22	761824.27
Expenses			
Cost of Materials Consumed	19	278563.01	178681.48
Purchases of Stock-in-Trade		380681.96	279908.05
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	(51063.51)	4656.55
Excise Duty on Sale of Goods		-	505.18
Employee Benefits Expense	21	12672.91	11428.11
Finance Costs	22	24566.71	15009.40
Depreciation and Amortization Expense	3 & 4	11875.73	6288.85
Other Expenses	23	267319.00	193333.18
Total Expenses		924615.81	689810.80
Profit Before Exceptional Items and Tax from Continuing Operations		98996.41	72013.47
Exceptional Items	49	19727.24	-
Profit Before Tax from Continuing Operations		79269.17	72013.47
Tax Expenses:			
(1) Current Tax	37&38	22083.08	21097.83
(2) Tax Related to Earlier Years	38	(1149.84)	109.41
(3) Deferred Tax	38	3808.43	3156.86
Total Tax Expenses		24741.67	24364.10
Profit for the Year from Continuing Operations		54527.50	47649.37
Discontinued Operations			
Profit From Discontinued Operations	44(A)	-	886.43
Tax Expense of Discontinued Operations	38	-	518.71
Profit From Discontinued Operations (after tax)		-	367.72
Profit for the Year		54527.50	48017.09
Other Comprehensive Income (OCI)			
A. Items that will not be re-classified to Profit or Loss:			
(i) Re-measurement (Loss) on Defined Benefit Plans	30	(127.77)	(25.81)
(ii) Income Tax Credit relating to items that will not be re-classified to Profit or Loss		44.65	9.02
B. Items that will be re-classified to Profit or Loss:			
(i) Effective Portion of Exchange Difference (Loss) on Hedging Instruments	41	(16988.84)	(3233.30)
(ii) Income Tax Credit relating to items that will be re-classified to Profit or Loss		5936.58	1123.62
OCI for the Year (Net of Tax)		(11135.38)	(2126.47)
Total Comprehensive Income for the Year (Comprising Profit and Other Comprehensive Income for the Year)		43392.12	45890.62
Earnings per Equity Share (for Continuing Operations):			
Basic and Diluted (in Rs.)	24	13.10	11.45
Earnings per Equity Share (for Discontinued Operations):			
Basic and Diluted (in Rs.)	24	-	0.09
Earnings per Equity Share (for Continuing and Discontinued Operations):			
Basic and Diluted (in Rs.)	24	13.10	11.54

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
Chartered Accountants

Pramit Agrawal
Partner
Membership No - 099903

Place : New Delhi
Date : May 16, 2019

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

Anil Kapoor
Managing Director
DIN: 00032299

Abhay Bajjal
Chief Financial Officer

Place : New Delhi
Date : May 16, 2019

Saroj Kumar Poddar
Chairman
DIN: 00008654

Rajveer Singh
Company Secretary

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash Flow from Operating Activities :			
Profit before Tax from Continuing Operations		79269.17	72013.47
Profit before Tax from Discontinued Operations	44(A)	-	886.43
Profit before Tax		79269.17	72899.90
Adjustments for :			
Depreciation and Amortisation		11875.73	6336.04
Loss on Liquidation of Subsidiary		3.06	-
Exceptional Items	49	19727.24	-
(Gain) on Sale of Current Investments	18	(2440.70)	(2647.93)
Mark to Market Loss/ (Gain) on Derivative Transactions		2314.66	(5565.61)
Employee Share Based Payment Expense	35	-	0.33
Un-realised Foreign Exchange Variation (Gain) / Loss		(3291.82)	314.25
Realised Foreign Exchange Variation Loss		1382.19	1539.40
Foreign Currency Translation Reserve released on cessation of Shipping Operations		-	(322.76)
Fair Value Loss on Financial Instrument measured at Fair Value through Profit or Loss		1050.00	-
(Gain)/Loss on Disposal of Property, Plant and Equipment (Net)		(20.16)	1282.06
Allowance for Doubtful Debts and Advances (Net)		1539.08	1033.97
Liabilities no longer required Written Back		(1413.49)	(219.25)
Catalyst Charges Written Off	23	664.28	704.04
Irrecoverable balances Written Off		6.06	184.60
Interest Expense		23676.09	15119.63
Interest (Income)		(2579.73)	(3547.36)
Dividend (Income)	18	(5769.91)	(1144.55)
Operating Profit before Working Capital Changes		125991.75	85966.76
Working Capital Adjustments:			
Decrease/(Increase) in Inventories		(53054.56)	5716.76
Decrease/(Increase) in Trade Receivables		(250673.31)	52545.43
Decrease/(Increase) in Other Financial Assets		8490.82	(10704.25)
(Increase) in Other Assets		(503.32)	(3163.59)
Increase in Trade Payables, Other Liabilities and Provisions		75420.31	6665.59
Cash Generated from Operations		(94328.31)	137026.70
Income Tax Paid (Net of Refunds)		(21154.80)	(20745.01)
Net Cash Flow from Operating Activities		(115483.11)	116281.69
B. Cash Flow from Investing Activities			
Purchase of Property, Plant and Equipment & Intangible Assets		(118250.07)	(240421.08)
Purchase of Investment		(4674.06)	-
Proceeds from Sale of Property, Plant and Equipment & Intangible Assets		137.95	663.19
Proceeds from Sale of Current Investments		2440.70	2647.93
Net Proceeds from Sale of Discontinued Operations (Ships)		-	55900.41
Interest Received		3304.91	3531.86
Dividend Received		5769.91	1144.55
Fixed Deposits placed (having original maturity of more than three months)		199.23	459.78
Net Cash Flow from Investing Activities		(111071.43)	(176073.36)

(Rs. in Lakhs)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
C. Cash Flow from Financing Activities			
Proceeds from Long Term Borrowings	48	123761.94	207639.14
Repayment of Long Term Borrowings	48	(17532.21)	(48641.96)
Availment of Buyer's Credit/Supplier's Credit	48	270645.36	221505.80
Repayment of Buyer's Credit/Supplier's Credit	48	(236566.19)	(260213.75)
Net Proceeds from Short Term Borrowings	48	138808.31	(26101.87)
Receipt of amount from CFCL Employees Welfare Trust		327.34	213.52
Realised Mark to Market (Gain) on Derivative Transactions		-	(126.80)
Interest Paid		(43913.08)	(28041.96)
Dividend Paid		(7881.54)	(7866.50)
Tax on Dividend Paid		(1625.60)	(1609.89)
Net Cash Flow from Financing Activities		226024.33	56755.73
Net (Decrease) in Cash and Cash Equivalents (A+B+C)		(530.21)	(3035.94)
Foreign Currency Translation Difference		-	(264.01)
Cash and Cash Equivalents at the beginning of the Year		5481.64	8781.59
Cash and Cash Equivalents at the end of the Year		4951.43	5481.64
Components of Cash and Cash Equivalents :			
Balances with banks :			
- on Current Accounts		448.02	230.27
- on Cash Credit Accounts		0.79	247.12
- Deposits with original maturity of less than three months		4500.00	5000.00
Cash on hand		2.62	4.25
Total Cash and Cash Equivalents	8C	4951.43	5481.64

Note: Cash Flow from operating activities for the year ended on March 31, 2019 is after considering corporate social responsibility expenditure of Rs. 1265.94 Lakhs (Previous Year : Rs.1118.50 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
Chartered Accountants

Pramit Agrawal
Partner
Membership No - 099903

Place : New Delhi
Date : May 16, 2019

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

Anil Kapoor
Managing Director
DIN: 00032299
Abhay Baijal
Chief Financial Officer

Place : New Delhi
Date : May 16, 2019

Saroj Kumar Poddar
Chairman
DIN: 00008654
Rajveer Singh
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A : Equity Share Capital

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

(Rs. in Lakhs)

As At March 31, 2018 41620.79

As At March 31, 2019 41620.79

B : Other Equity

For the year ended March 31, 2019

(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	Cash flow hedging reserve	
As at April 01, 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
Profit for the Year	-	-	-	-	-	-	-	-	-	54527.50	-	54527.50
Other Comprehensive Income (Net of Tax):												
- Re-measurement (Loss) on Defined Benefit Plans	-	-	-	-	-	-	-	-	-	(83.12)	-	(83.12)
- Effective Portion of Exchange Difference on Hedging Instruments	-	-	-	-	-	-	-	-	-	-	(11052.26)	(11052.26)
Total Comprehensive Income for the Year	-	-	-	-	-	-	-	-	-	54444.38	(11052.26)	43392.12
Cash Dividends (including Dividend Distribution Tax) (refer note 43)	-	-	-	-	-	-	-	-	-	(9533.55)	-	(9533.55)
Transfer from Tonnage tax reserve to Tonnage tax reserve (utilised) Account	-	-	-	-	-	-	(375.00)	375.00	-	-	-	-
Exercise of Share Options and purchase of New Shares (Net)	295.58	(34.80)	-	-	-	-	-	-	-	-	-	260.78
Transfer to General Reserve	-	-	-	-	-	5000.00	-	-	-	(5000.00)	-	-
Any Other Change (refer note below)	-	-	-	-	-	-	-	-	-	92.97	-	92.97
As at March 31, 2019	(1127.09)	(90.74)	20.95	641.59	25.00	53426.34	50.00	4225.00	263.48	238160.88	(13161.94)	282433.47

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 Difference on Translation of Foreign Operations	-	-	-	-	-	-	-	-	-	-	(310.33)	-	(310.33)
- Effective Portion of Exchange Difference 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 43)	-	-	-	-	-	-	-	-	-	(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

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 pertaining to treasury shares.

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

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

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

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

Pramit Agrawal
Partner
Membership No - 099903

Anil Kapoor
Managing Director
DIN: 00032299
Abhay Bajjal
Chief Financial Officer

Saroj Kumar Poddar
Chairman
DIN: 00008654
Rajveer Singh
Company Secretary

Place : New Delhi
Date : May 16, 2019

Place : New Delhi
Date : May 16, 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1. Corporate Information

Chambal Fertilisers 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.

During the year, the Company on January 01, 2019 has declared the commercial production from its new Urea plant set up under the New Investment Policy 2012 (as amended) at its existing plant location at Gadepan, District Kota (Rajasthan). The Company now has three urea plants. Apart from manufacture of Urea, the Company also deals in other fertilisers and Agri inputs.

These financial statements were authorised for issuance by the Board of Directors of the Company at its meeting held on May 16, 2019.

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, 2018. 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 Rupees (Rs.) and all values are presented in Lakhs (Rs. 00000.00), except when otherwise indicated.

New and amended accounting standards adopted by the Company:

The Company has applied the following accounting standards and amendments therein for the first time for their annual reporting period commencing April 01, 2018:

- Ind AS 115, Revenue from Contracts with Customers;
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates;
- Amendment to Ind AS 12, Income Taxes;
- Amendment to Ind AS 28, Investments in Associates and Joint Ventures; and
- Ind AS 112, Disclosure of Interests in Other Entities

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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.

(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 generally 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 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 (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 (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 foreign operations, the associated exchange differences are re-classified to profit or loss, as part of the gain or loss on disposal.

Cumulative currency translation differences for foreign operations were deemed to be zero at the date of transition to Ind AS, viz., April 01, 2015. Gain or loss on 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 are recognised in the Statement of Profit and Loss.

Amounts previously recognised and accumulated in OCI are re-classified 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 re-classified when the underlying transaction is ultimately recognised. When an underlying transaction is no longer expected to occur, the gains / losses accumulated in equity are 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 and 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 fair value 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 comparing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers and/or with available information, also compares the change in the fair value of each asset and liability with relevant available 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.

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 provided in note 44(A) pertains to the previous year.

vi) Property, Plant and Equipment ("PPE")

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. 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.

Catalysts which are used in commissioning of new plant are capitalized and are amortized based on the estimated useful life as technically assessed. Subsequent issues of catalysts, if any, are treated as inventory.

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 PPE

Depreciation on PPE is calculated using the straight-line method to allocate their cost, net of their residual values, over their useful lives 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 (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 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 3 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	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	30 years based on technical evaluation that the railway siding is currently in use.
(vi)	Building (other than factory building) Reinforced Cement Concrete Frame structure	Over their useful lives ranging from 10 to 60 years.

Assets costing below Rs. 5000 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;
- 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 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, on derecognition, including 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.

The provisions for doubtful debts or provision for impairment of assets/ trade receivables is made on case to case basis, based on the information available, past history and other relevant available information. The Company also makes general provision for credit loss based on its past experience of provision / write off.

Assessment of credit risk is being made on case to case basis based on available information and if credit risk has increased from initial recognition.

(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

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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 applicable 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 from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

(a) Sale of Goods

Revenue, including subsidy, in respect of sale of goods is recognised when control of the goods has transferred, being when the goods are delivered to the buyer, the buyer has full discretion over the goods and there is no unfulfilled obligation that could affect the buyer's acceptance of the goods. Revenue from the sales is recognised based on price specified in the contract, net of estimated volume discount. Amounts disclosed as revenue are net of returns and allowances, trade discounts, rebates and goods & service tax (GST). The Company collects GST on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, these are excluded from the revenue.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

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) New Investment Policy 2012 (as amended), and
- (iv) 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 of the Government of India.

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

(b) Interest Income

Interest income is calculated by applying the effective interest rate to gross carrying amount of a financial asset except for financial asset that subsequently become credit impaired. In case of credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

(c) Dividend

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

(d) 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.

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- (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.
- (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 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. 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.
- (f) 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.
- (g) 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.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement" and grouped under Deferred Tax. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

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 benefit 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.

Accounting Standards issued but not yet effective

Recent Accounting pronouncements

On March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying the Ind AS 116, Leases. The newly notified standard is applicable to the Company from April 01, 2019. 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, 2019

(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	Total
NOTE 3 : PROPERTY, PLANT AND EQUIPMENT												
Deemed Cost												
As at April 01, 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
Additions	4.04	-	62926.93	-	-	418.18	515206.39	524.89	726.12	151.26	172.34	580130.15
Deletions	(417.61)	-	(20.37)	-	-	(1.90)	(237.98)	(16.26)	(9.91)	(2.78)	(84.06)	(790.87)
Adjustments	-	-	2.12	-	-	-	12.28	(19.24)	4.38	0.46	-	-
As at March 31, 2019	19.70	429.76	73032.43	47.00	107.83	809.48	635211.29	1823.68	2071.99	433.57	1638.49	715625.22
Depreciation and Impairment												
As at April 01, 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
Charge for the Year {refer footnote (4) below}	-	4.34	856.14	5.35	-	20.30	10131.51	119.17	273.62	40.80	293.01	11744.24
Deletions	-	-	(4.69)	-	-	-	(71.78)	(7.22)	(5.81)	(1.36)	(68.07)	(158.93)
Adjustments	-	-	0.24	-	-	-	(5.94)	0.80	4.40	0.52	(0.02)	-
As at March 31, 2019	-	20.36	1853.85	21.63	92.72	85.12	26660.44	369.37	1074.79	140.66	1014.76	31333.70
Net Book Value												
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
As at March 31, 2019	19.70	409.40	71178.58	25.37	15.11	724.36	608550.85	1454.31	997.20	292.91	623.73	684291.52

Footnotes:

1. Freehold land having carrying value Rs. 0.89 Lakhs (Previous Year : Rs. 0.89 Lakhs), Leasehold land having carrying value of Rs. 31.36 Lakhs (Previous Year: Rs. 31.69 Lakhs) and Buildings having carrying value of Rs. 378.02 Lakhs (Previous Year : Rs. 384.50 Lakhs) are yet to be registered in the Company's name.
2. The carrying value of Buildings includes Rs. 0.27 Lakhs (Previous Year : Rs. 0.28 Lakhs) representing undivided share in assets jointly owned with others.
3. Deletions from Land-Freehold includes Rs. 417.61 Lakhs (Previous Year : Nil) and Plant and Equipment includes Equipment having gross block of Nil (Previous Year : Rs. 63.01 Lakhs) and Accumulated Depreciation of Nil (Previous Year : Rs. 7.85 Lakhs) transferred to 'Assets held for sale' (refer note 44(B)).
4. Depreciation charge for the year includes an amount of Nil (Previous Year : Rs. 47.19 Lakhs) related to erstwhile Shipping Division. The amount had been recognised in Discontinued Operations in the Statement of Profit and Loss {refer note 44(A)}.

(Rs. in Lakhs)

Particulars	Software	Total
NOTE 4 : OTHER INTANGIBLE ASSETS		
Cost		
As at April 01, 2017	680.04	680.04
Additions	162.55	162.55
As at March 31, 2018	842.59	842.59
Additions	43.72	43.72
As at March 31, 2019	886.31	886.31
Amortization and Impairment		
As at April 01, 2017	303.94	303.94
Charge for the Year	139.20	139.20
As at March 31, 2018	443.14	443.14
Charge for the Year	131.49	131.49
As at March 31, 2019	574.63	574.63
Net Book Value	-	-
As at March 31, 2018	399.45	399.45
As at March 31, 2019	311.68	311.68

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
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
- Nil (Previous Year : 25) ordinary shares of AED 1000 each fully paid up in India Steamship International FZE, UAE (Liquidated on 28.02.2019)	-	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
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

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
- 2,180 (Previous Year: 2,180) equity shares of Rs. 10 each fully paid up in Woodlands Multispeciality Hospital Limited	0.22	0.22
Preference Shares (Unquoted)		
Subsidiary Companies		
- 13,100,459 (Previous Year : 11,740,459) preference shares of US\$ 0.0001 each fully paid up in CFCL Ventures Limited*/** (refer note 29)	1292.80	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
	30296.26	29125.25
Aggregate amount of Unquoted Investments	30296.26	29125.25
<p>*CFCL Ventures Limited has issued ordinary shares, preference shares (series A-1, B-1, C-1, D-1, E-1 F-1, G, H, I & J) and warrants for ordinary shares and preference shares (series G, H & I). Conversion ratio of different series of non cumulative convertible preference shares into ordinary shares of CFCL Ventures Limited are as follows-Series A1 & B1 preference shares will be converted in the ratio of 1:1.22, Series C1, D1, E1 preference shares will be converted in the ratio of 1:1.68, Series F-1 preference shares will be converted in the ratio of 1:1.33, Series G, H, I & J preference shares will be converted in the ratio of 1:1. This conversion is subject to adjustments set forth, if any, in the Articles of Association of CFCL Ventures Limited.</p> <p>**The Company has provided letter of continued financial support to the said Subsidiary for atleast one year from the Balance Sheet date.</p>		
Note 5B : Non Current Loans		
Loans to Employees:		
a) Loan Considered Good-Secured	49.66	72.50
b) Loan Considered Good-Unsecured	16.97	21.28
	66.63	93.78
Included in Loans to Employees		
Dues from director of the Company (refer note 29)	-	2.15
Note 5C : Other Non Current Financial Assets		
(Unsecured, Considered Good)		
Security Deposits	336.90	303.57
Deposit with Banks having maturity more than 12 months (refer note 8D)	2.41	1.96
	339.31	305.53
NOTE 6 : OTHER NON-CURRENT ASSETS		
(Unsecured, Considered Good)		
Capital Advances	433.42	615.95
Catalysts in use (valued based on life technically assessed)	1287.23	1701.01
Prepaid Expenses	717.64	835.90
Deferred Transaction Cost on Borrowings	254.89	1626.76
	2693.18	4779.62

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
NOTE 7 : INVENTORIES		
Raw Materials	102.27	73.96
Work-in-Progress	1246.76	567.57
Finished Goods {including in transit- Rs.5928.90 Lakhs (Previous Year : Rs.6254.56 Lakhs)}	11550.16	23843.45
Traded Goods {including in transit- Rs. 24540.85 Lakhs (Previous Year : Rs. 5095.80 Lakhs)}	111029.39	47423.89
Stores and Spares {including in transit- Rs. 21.09 Lakhs (Previous Year : Rs.92.94 Lakhs)}	7254.72	6461.47
Loose Tools	34.51	20.13
Catalysts in use (valued based on life technically assessed)	448.32	664.26
Packing Materials {including in transit- Rs. 69.03 Lakhs (Previous Year : Nil)}	648.41	455.75
	132314.54	79510.48
During the year ended March 31, 2019, Nil (Previous Year : Rs.107.14 Lakhs) was recognised as an expense for inventories carried at net realisable value.		
NOTE 8 : CURRENT FINANCIAL ASSETS		
Note 8A : Current Investments		
Investment carried at Fair Value through Profit or Loss		
Unquoted		
Investment in Bonds		
350 (Previous Year: Nil), 9.45% Corporate Bonds of Rs. 1000000 each in IL&FS Transportation Networks Limited	2450.00	-
	2450.00	-
Aggregate amount of Unquoted Investments	3500.00	-
Fair Value Loss on Investment measured at Fair Value through Profit or Loss	1050.00	-
Total Current Investments	2450.00	-
Note 8B : Trade Receivables		
Trade Receivables Considered Good - Secured	11672.10	10087.84
Trade Receivables Considered Good - Unsecured (including subsidy receivable from Government of India- Rs. 432232.60 Lakhs (Previous Year : Rs. 236227.52 Lakhs))	470591.74	241481.68
Trade Receivables Considered Doubtful - Unsecured (including subsidy receivable from Government of India- Rs. 19794.02 Lakhs (Previous Year : Rs. 139.69 Lakhs))	21292.15	1391.33
	503555.99	252960.85
Less: Allowance for Doubtful Debts	21292.15	1391.33
	482263.84	251569.52
Note 8C : Cash and Cash Equivalents		
Balances with Banks :		
On Current Accounts	448.02	230.27
On Cash Credit Accounts	0.79	247.12
Deposits with original maturity of less than three months	4500.00	5000.00
Cash on hand	2.62	4.25
	4951.43	5481.64

There is no repatriation restrictions on cash and cash equivalents.

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note 8D : Bank Balances Other than 8C above		
On Unpaid Dividend Accounts	1254.68	1240.75
Deposits with remaining maturity for less than 12 months	-	199.69
Deposits with remaining maturity for more than 12 months *	2.41	1.96
	1257.09	1442.40
Less: Deposits with remaining maturity more than 12 months disclosed under 'other non current financial assets' (refer note 5C)	2.41	1.96
	1254.68	1440.44
* Fixed Deposit receipts of Rs. 2.41 Lakhs (Previous Year: Rs. 1.96 Lakhs) are pledged with Sales Tax Authorities.		
Note 8E : Current Loans		
Loans to Employees:		
(a) Loans Receivable Considered Good - Secured	15.02	21.88
(b) Loans Receivable Considered Good - Unsecured	2.16	2.04
	17.18	23.92
Note 8F : Other Current Financial Assets (Unsecured and Considered Good except to the extent stated)		
Derivatives		
Foreign Currency Option Contracts	-	15.80
Others		
Receivable from Gas Pool Operator	11069.23	21212.37
Receivable from Subsidiary Companies / Joint Venture (refer note 29)	529.95	130.44
Security Deposits (Considered Doubtful Rs. 0.70 Lakhs (Previous Year : Nil))	451.42	495.69
Insurance and Other Claims Receivable (Considered Doubtful Rs. 164.75 Lakhs (Previous Year: Rs.164.75 Lakhs))	788.75	183.65
Interest Receivable on Deposits	5.20	7.48
Other Receivables	1834.99	1143.14
	14679.54	23188.57
Less: Allowance for Doubtful Advances	165.45	164.75
	14514.09	23023.82
NOTE 9 : OTHER CURRENT ASSETS (Unsecured and Considered Good except to the extent stated)		
Advances to Suppliers	872.98	1192.91
(Considered Doubtful Rs. 48.25 Lakhs (Previous Year: Rs. 14.19 Lakhs))		
Balances with Statutory/ Government Authorities	10416.48	9736.54
(Considered Doubtful Rs. 3193.67 Lakhs (Previous Year: Rs. 1935.74 Lakhs))		
Interest Receivable - Others	32.82	501.73
Prepaid Expenses	1534.09	1287.53
Other Receivables	85.00	70.00
	12941.37	12788.71
Less: Allowance for Doubtful Advances	3241.92	1949.93
	9699.45	10838.78

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
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, 2019		As at March 31, 2018	
	No. of shares	% holding	No. of shares	% holding
Zuari Global Limited	5,90,15,360	14.18	5,90,15,360	14.18
The Hindustan Times Limited	5,43,54,384	13.06	5,31,91,790	12.78
SIL Investments Limited	3,33,43,455	8.01	3,32,20,918	7.98
HDFC Trustee Company Limited - HDFC Balance Advantage Fund and Its Associate Funds *	3,73,00,415	8.96	1,90,40,100	4.57

* As at March 31, 2018, shareholding was 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, 2019	As at March 31, 2018
Note 10A : Other Equity		
Reserves and Surplus:		
(a) Securities Premium	641.59	641.59
(b) Retained Earnings	238160.88	198157.08
(c) General Reserve	53426.34	48426.34
(d) Treasury Shares	(1127.09)	(1422.67)
(e) Loss on Treasury Shares Acquired	(90.74)	(55.94)
(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	50.00	425.00
(i) Tonnage Tax Reserve (utilised) Account under Section 115VT of the Income Tax Act, 1961	4225.00	3850.00
(j) Share Option Outstanding Account	263.48	263.48
Total	295595.41	250330.83
Other Comprehensive Income:		
(k) Cash Flow Hedging Reserve	(13161.94)	(2109.68)
Total	(13161.94)	(2109.68)
Other Equity	282433.47	248221.15

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** : General Reserve 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 2010.
- (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, 2010.
- (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**: Tonnage Tax Reserve and Tonnage Tax Reserve (utilised) were created till the time erstwhile 'Shipping Division' 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. Refer to note 35 for further details of the plan.
- (k) **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, 2019	As at March, 31 2018
NOTE 11 : FINANCIAL LIABILITIES		
Note 11A: Non Current Borrowings		
Secured Loans:		
Term Loans :		
- External Commercial Borrowings	291685.72	203226.04
- Foreign Currency Loans from Financial Institution	126651.07	94922.43
- Rupee Loan from Bank	9981.71	-
Finance Lease Obligation (refer footnote iv below)	-	32.21
Unsecured Loans:		
- Rupee Loan from Bank (refer footnote v below)	10000.00	17500.00
	438318.50	315680.68
Less : Current maturities of Long Term Borrowings shown under "Other Current Financial Liabilities" (refer note 14C)	35094.75	32.21
Non-Current Borrowings (as per Balance Sheet)	403223.75	315648.47
(A) Details of Borrowings and Transaction Costs		
(i) External Commercial Borrowings		
External Commercial Borrowings (refer footnote i below)	294500.09	205617.48
Less: Transaction Costs	2814.37	2391.44
Carrying Value of External Commercial Borrowings	291685.72	203226.04
(ii) Foreign Currency Loans from Financial Institution		
Foreign Currency Loans from Financial Institution (refer footnote ii below)	127943.80	96075.63
Less: Transaction Costs	1292.73	1153.20
Carrying Value of Foreign Currency Loans from Financial Institution	126651.07	94922.43
(iii) Rupee Term Loan from Bank		
Rupee Term Loan from Bank (refer footnote iii below)	10000.00	-
Less: Transaction Costs	18.29	-
Carrying Value of Rupee Term Loan from Bank	9981.71	-

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

- i. External Commercial Borrowings ("ECB") from banks of USD 4258.24 Lakhs (Rs. 294500.09 Lakhs including current maturity of Rs.18866.07 Lakhs) (Previous Year: Rs. 205617.48 Lakhs including current maturity of Nil) carry interest in the range of 3 months LIBOR plus 2.82%-3.07% per annum. ECB amounting to USD 3958.24 Lakhs (Rs. 273752.09 Lakhs including current maturity of Rs.16425.13 Lakhs) are repayable in 13 half yearly instalments starting from September 30, 2019. ECB amounting to USD 300.00 Lakhs (Rs.20748.00 Lakhs including current maturity of Rs. 2440.94 Lakhs) are repayable in 17 equal half yearly instalments starting from September 30, 2019. These ECBs 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 a financial institution of USD 1849.97 Lakhs (Rs. 127943.80 Lakhs including current maturity of Rs.15052.21 Lakhs) (Previous Year: Rs.96075.63 Lakhs including current maturity of Nil) carry interest in the range of 3 month LIBOR plus 3.07%-3.10% per annum. These 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. Rupee term loan from bank of Rs 10000.00 Lakhs (Previous Year: Nil) (including current maturity of Rs. 1176.47 Lakhs) carry interest at the rate of one year Marginal cost of funds based lending rate ("MCLR") of the lender plus 0.85% per annum (present effective rate is 9.30% per annum). Term loan is repayable in 34 equal quarterly instalments starting from June 30, 2019. The loan is 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.
- iv. Finance Lease Obligation of Rs. 32.21 Lakhs during the Previous Year was repayable in 5 monthly instalments of Rs.6.77 Lakhs each (i.e. lease obligation including interest) and carried interest rate of around 27.34% per annum. This was secured by assets acquired under the facility.
- v. Unsecured Rupee Term Loan from bank of Rs. 10000.00 Lakhs (Previous Year: Nil) carry interest @ of one year MCLR of the lender i.e. 8.60% per annum and is repayable in April, 2020.

Unsecured Rupee Term Loan from bank of Rs. 17500.00 Lakhs has repaid during the Previous Year, carried interest @ 364 days treasury bill yield plus 1.45% per annum and was repayable in 8 equal quarterly instalments.

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
NOTE 12 : LONG TERM PROVISIONS		
Provision for Employee Benefits		
- Gratuity (refer note 30)	296.58	54.88
- Post Retirement Medical Benefits (refer note 30)	403.91	310.46
	700.49	365.34
NOTE 13 : OTHER NON CURRENT LIABILITIES		
Other Employee Benefits Obligations	322.73	282.17
	322.73	282.17

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
NOTE 14 : FINANCIAL LIABILITIES		
Note 14A : Current Borrowings		
Secured Loans:		
From Banks:		
- Rupee Loans (refer footnote i below)	70009.05	38373.47
- Cash Credit Facilities (refer footnote ii below)	140167.97	69695.24
- Foreign Currency Loans (refer footnote iii below)	51102.26	25102.56
Unsecured Loans:		
Commercial Papers (refer footnote iv below)		
	35000.00	50000.00
From Banks:		
- Foreign Currency Loans (refer footnote v below)	68217.04	62047.20
- Rupee Loans (refer footnote vi below)	51700.00	-
	416196.32	245218.47

- i Rupee loan of Rs. 70009.05 Lakhs (Previous Year: Rs. 38373.47 Lakhs) from a bank has been under Special Banking Arrangement against the subsidy on Indigenous Urea and P&K Fertilisers receivable from Govt. of India. The Bank has charged interest @ 8.20% per annum (including 7.72% p.a. paid by Govt. of India directly to the bank). Accordingly Rs. 14.09 Lakhs (Previous Year: Rs. 8.96 Lakhs) @ 0.48% per annum has been charged as interest expense in the Statement of Profit and Loss. The loan is secured by hypothecation of subsidy receivables upto Rs. 70009.05 Lakhs (Previous Year: Rs. 38373.47 Lakhs) from Govt. of India. The loan is repayable within 60 days.
- ii Cash credit facilities of Rs 140167.97 Lakhs (Previous Year: Rs. 69695.24 Lakhs) from banks carry interest in the range of 8.70% - 9.30% per annum and these loans are secured/to be secured by hypothecation of all the Company's current assets including all stocks and book debts and other movable assets, both present and 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 from Banks of Rs. 51102.26 Lakhs (Previous Year: Rs. 25102.56 Lakhs) carry interest in the range of 2.85%-3.19% per annum. Out of these loans amounting to Rs. 11926.82 Lakhs (Previous Year: Nil) are secured/to be secured by hypothecation of all the Company's current assets including all stocks and book debts and other movable assets both present and future and further secured by second charge on all the immovable properties of the Company. These loans are repayable within 79 days. Further foreign currency loans amounting to Rs. 39175.44 Lakhs (Previous Year: Rs. 25102.56 Lakhs) are secured by second charge on the Company's current assets. These loans are repayable within 60 days.
- iv Unsecured Commercial Paper of Rs. 35000.00 Lakhs (Previous Year: Rs. 50000.00 Lakhs) carry interest in the range of 7.70% - 7.90% per annum. The commercial papers are repayable within 79 days.
- v Unsecured foreign currency loans of Rs. 68217.04 Lakhs (Previous Year: Rs. 62047.20 Lakhs) carry interest in the range of 2.75% - 3.12% per annum. These loans are repayable within 122 days.
- vi Unsecured Rupee Loans of Rs. 51700.00 Lakhs (Previous Year: Nil) carry interest in the range of 6.80%-8.60% per annum. These loans are repayable within 208 days.

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note 14B : Trade Payables		
Trade Payables		
a) total outstanding dues to Micro and Small Enterprises (refer note 33)	254.91	113.60
b) total outstanding dues of creditors other than micro enterprises and small enterprises	97856.34	29314.27
	98111.25	29427.87
Note 14C : Other Financial Liabilities		
Current Maturity of Long Term Borrowings (refer note 11A)	35094.75	32.21
Interest Accrued but not due on Borrowings	1186.53	708.07
Earnest Money / Security Deposits	15035.23	10716.09
Accrued Employee Liabilities	2280.52	1965.04
Unclaimed Statutory Liabilities (as referred in Section 124(1) of the Companies Act, 2013):		
- Unpaid Dividend	1254.68	1240.75
Payable for Capital Goods {includes Rs.67.97 Lakhs (Previous Year : Rs.122.66 Lakhs) dues to Micro and Small Enterprises (refer note 33)}	60139.25	21663.30
Derivative Financial Liabilities	2320.33	5.67
	117311.29	36331.13
Terms and conditions of the above Financial Liabilities:		
- Trade Payables and Other Financial Liabilities (other than Security Deposits and Current Maturity of Long Term Borrowings) are non-interest bearing. For maturity profile of Trade Payables and Other Financial Liabilities, refer note 41.		
NOTE 15 : OTHER CURRENT LIABILITIES		
Advance from Customers	709.96	1018.50
Other Employee Benefits Obligations	26.08	48.83
Statutory Obligations Payable	1521.63	1089.67
Other Liabilities :		
- Dues to Related Parties (refer note 29)	27.00	27.00
- Others	22.86	6.94
	2307.53	2190.94
NOTE 16 : CURRENT PROVISIONS		
Provision for Employees Benefits:		
- Gratuity (refer note 30)	340.50	272.31
- Leave Encashment	2938.01	2702.59
- Post Retirement Medical Benefits (refer note 30)	15.24	10.36
	3293.75	2985.26

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
NOTE 17 : REVENUE FROM OPERATIONS		
Sale of Products (including Excise Duty Nil (Previous Year: Rs. 505.18 Lakhs)		
Sale of Own Manufactured Products {including Rs. 481567.25 Lakhs (Previous Year: Rs. 276865.80 Lakhs) Subsidy on Fertilisers}	624701.95	400062.12
Sale of Traded Products {including Rs. 118150.47 Lakhs (Previous Year: Rs. 118765.40 Lakhs) Subsidy on Fertilisers}	384722.30	346539.53
Other Operating Revenues		
Others	27.44	14.95
Revenue from Operations (Gross)	1009451.69	746616.60
Revenue from customers (marketing) are at average term of 61 days (Previous Year: 55 days)		
NOTE 18 : OTHER INCOME		
Interest on:		
- Fertilisers Bonds	0.01	0.01
- Employees Loans	1.86	4.23
- Income Tax Refunds	110.73	410.63
- Deposits (Gross) (refer note 27)	77.86	14.15
- Payment from Customers	1738.66	1400.00
- Current Investments	618.85	1590.06
- Others	31.76	128.05
Dividend Income		
- On Investment in Subsidiary Companies / Joint Venture (refer note 29)	5769.17	1144.55
- On Non Current Investment	0.74	-
Rent Received	23.12	19.88
Foreign Currency Translation Reserve Released	-	322.76
Mark to Market (Loss)/Gain on Derivative Transactions	(2314.66)	5692.41
Insurance Claims Received	1030.18	856.81
Recoveries from Contractor	1869.94	-
Liabilities no Longer Required Written Back	1413.49	15.31
Gain on Sale of Current Investments	2440.70	2647.93
Gain on Disposal of Property , Plant and Equipment (Net)	20.16	-
Sale of Scrap	138.71	144.56
Guarantee Commission (refer note 29)	565.46	348.77
Miscellaneous Income	623.79	467.56
	14160.53	15207.67
NOTE 19 : COST OF MATERIALS CONSUMED		
Opening Inventories	73.96	762.96
Add: Purchases	278591.32	177992.48
Less: Closing Inventories	102.27	73.96
	278563.01	178681.48

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
NOTE 20 : CHANGES IN INVENTORIES OF FINISHED GOODS STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Closing Inventories		
- Work-in-Progress	1246.76	567.57
- Finished Goods	11550.16	23843.45
- Traded Goods	111029.39	47423.89
	123826.31	71834.91
Opening Inventories		
- Work-in-Progress	567.57	844.23
- Finished Goods	23843.45	20551.37
- Traded Goods	47423.89	55095.86
	71834.91	76491.46
Inventory capitalised during the year	927.89	-
(Increase) / Decrease in Inventories	(51063.51)	4656.55
NOTE 21 : EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus *	11197.77	10130.76
Contribution to Provident and Other Funds *	654.87	569.60
Gratuity Expense (refer note 30)	253.62	216.91
Post Retirement Medical Benefits (refer note 30)	40.58	34.34
Workmen and Staff Welfare Expenses	526.07	476.17
Employee Share Based Payment Expense (refer note 35)	-	0.33
	12672.91	11428.11
* Refer note 27		
NOTE 22 : FINANCE COSTS		
Interest (including Interest on Income Tax : Rs.9.68 Lakhs (Previous Year : Rs.0.05 Lakhs)) *	20068.29	8719.49
Bank Charges and Guarantee Commission *	890.62	245.24
Exchange Differences regarded as an adjustment to Borrowing Costs	3607.80	6044.67
	24566.71	15009.40
* Refer note 27		
NOTE 23 : OTHER EXPENSES		
Consumption of Stores and Spares	2006.21	1669.53
Consumption of Packing Materials	8000.32	6474.96
Bagging and Other Services	1313.45	1115.01
Power and Fuel	176788.59	109817.44
Catalyst Charges Written Off	664.28	704.04
Rent (refer note 32) *	2374.14	2164.91
Rates and Taxes	79.52	7.48
Insurance *	1136.68	1244.42
Repairs and Maintenance:		
- Plant and Equipment	1697.19	1537.52
- Buildings	342.22	408.50
- Others	1095.72	1038.50
Directors' Sitting Fees (including Service Tax: Nil (Previous Year: Rs. 1.07 Lakhs))	18.45	21.92
Travelling and Conveyance *	846.35	818.28
Communication Costs	95.64	100.00
Printing and Stationery	31.78	43.07
Legal and Professional Fees *	350.73	424.64

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Auditor's Remuneration		
As auditor:		
- Audit Fee	26.00	28.38
- Tax Audit Fee	5.60	11.17
- Limited Review Fee	18.00	21.60
- Out of Pocket Expenses	6.80	8.90
In other manner:		
- Certification and Other Services	27.13	25.21
Excise Duty on Decrease in Inventories	-	(90.16)
Freight and Forwarding Charges	62852.60	53848.00
Other Selling Expenses	341.23	1990.29
Corporate Social Responsibility Expenditure (refer note 34)	1265.94	1118.50
Depletion of Loose Tools	24.86	13.50
Fair Value Loss on Financial Instrument measured at Fair Value through Profit or Loss	1050.00	-
Green Belt Development/ Horticulture Expenses	255.67	247.38
Allowance for Doubtful Debts and Advances (Net)	1539.08	642.46
Loss on Liquidation of Subsidiary	3.06	-
Loss on Foreign Exchange Variation (Net)	1598.35	5108.13
Loss on Disposal of Property, Plant and Equipment (Net)	-	1270.83
Bank Charges and Guarantee Commission (other than financing)	127.07	136.21
Irrecoverable Balances written off	145.74	55.45
Less: Allowance for Doubtful Debts and Advances adjusted out of above	<u>139.68</u>	<u>-</u>
Miscellaneous Expenses *	1330.28	1307.11
	267319.00	193333.18

* Refer note 27

NOTE 24 : EARNINGS PER SHARE (EPS)**(i) Continuing Operations**

Net Profit as per Statement of Profit and Loss	54527.50	47649.37
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.)	13.10	11.45
Nominal value of equity shares (in Rs.)	10.00	10.00

(ii) Discontinued Operations

Net Profit as per Statement of Profit and Loss	-	367.72
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
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	54527.50	48017.09
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.)	13.10	11.54
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, 2019	As at March 31, 2018
(A)	Outstanding amount against corporate guarantee given to bank on account of loan given by such bank to stepdown subsidiary.	11757.20	11080.60
(B) i)	Demand raised by Service Tax, Sales Tax and Income Tax (IT) authorities being disputed by the Company. *	278.85	760.76
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	7.81

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

(Rs. in Lakhs)

S. No.	Particulars	As at March 31, 2019	As at March 31, 2018
1.	Income Tax :		
	Demand raised by IT authorities on account of various disallowances for assessment year 2009-10 including penalties	-	52.71
	Demand raised by IT authorities on account of various disallowances for assessment year 2010-11	-	289.48
	Demand raised by IT authorities on account of various disallowances for assessment year 2011-12	66.58	66.58
	Demand raised by IT authorities on account of various disallowances for assessment year 2012-13	154.22	154.22
2.	Sales Tax :		
	(a) Demand raised by Uttar Pradesh Commercial Tax, Tribunal Bench, Agra, Uttar Pradesh on levy of value added tax (VAT) on Single Super Phosphate for Financial Year 2012-13.	-	17.99
	(b) Demand raised by sales tax authorities, Uttar Pradesh for financial year 2014-15 on levy of VAT (Including Rs.1.00 Lakhs for Entry Tax).	-	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	278.85	760.76

- v) The Company had received a demand of Rs. 352.34 Lakhs plus penalty (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 Company has obtained a stay from Hon'ble High Court of Rajasthan, Jodhpur on 13th July, 2001 (1996-97 to 1997-98) and on 17th August, 2001 (1998-99 to 2001-02 – Upto May, 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, 2019	As at March 31, 2018
Un-utilised cenvat credit	322.09	320.07

The erstwhile Shipping Division of the Company had claimed cenvat credit in the service tax returns in the earlier years. However, such service tax credit receivable has not been recognised in the financial statements due to uncertainty in utilisation of the same.

26. **Capital Commitments** (Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account (net of advances)	6723.42	133996.41

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, 2019	As at March 31, 2018
Opening Balance	28509.86	13284.49
Add: Expenditure during the year		
Salaries, Wages and Bonus	1142.52	681.08
Contribution to Provident and Other Funds	56.09	32.73
Travelling and Conveyance	33.05	81.63
Legal and Professional Fees	16.12	9.85
Interest **	20971.91	12557.44
Other Finance Costs	544.34	372.83
Bank Charges	9.91	90.69
Construction of Enabling Asset - Anicut dam	174.88	1380.12
Insurance	0.15	226.82
Rent	-	7.49
Start up and Commissioning Expenses	21030.47	320.07
Miscellaneous Expenses	83.45	35.89
Total Expenditure	72572.75	29081.13
Less: Interest Income on Deposits	(253.99)	(173.61)
Add: Current Tax	88.76	60.08
Less: Deferred Tax	(88.76)	(60.08)
Net Expenditure	72318.76	28907.52
Less: Allocated to Property, Plant and Equipment ***	(72277.58)	(397.66)
Capitalisation of Expenditure (Pending for Allocation) *	41.18	28509.86

* includes Nil (Previous Year: Rs.28506.31 Lakhs) related to New Urea Plant (Gadepan-III Plant) under the New Investment Policy 2012 (as amended).

** interest comprises of:

(i) Rs.14735.83 Lakhs (Previous Year : Rs.8314.32 Lakhs) on specific borrowings taken for Gadepan-III Plant; and

(ii) Rs.6236.08 Lakhs (Previous Year : Rs.4243.12 Lakhs) on general borrowings for Gadepan-III Plant and other qualifying assets using the weighted average interest rate applicable during the year which is 7.19% per annum (Previous Year: 6.24% per annum).

*** represents capitalisation of Gadepan-III Plant (Previous Year: represents capitalisation of interest expense on qualifying assets).

28. The Company is in the business of manufacturing of Urea 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 in India. Accordingly, no segment information is provided.

29. Related Party Transactions

Disclosures of the related party information as per Ind AS - 24 'Related Party Disclosures', are as follows-

I Related party name and relationship

(A) Subsidiaries

CFCL Ventures Limited
Chambal Infrastructure Ventures Limited
India Steamship Pte. Limited
India Steamship International FZE (till 28.02.2019)
India Steamship Limited (Under Liquidation)
ISGN Corporation#
ISG Novasoft Technologies Limited#
Inuva Info Management Private Limited (Under Liquidation)#
Subsidiaries of CFCL Ventures Limited

(B) Joint Venture

Indo Maroc Phosphore, S.A.- IMACID

(C) Post Employment Benefit Plans

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

(D) Key Management Personnel

S.No.	Name	Designation
1	Mr. Saroj Kumar Poddar	Non-Executive Chairman
2	Mr. Shyam Sunder Bhartia	Non-Executive Director
3	Mr. Nimesh Nagindas Kampani	Independent - Non-Executive Director
4	Mr. Anil Kapoor	Managing Director
5	Mr. Vivek Mehra	Independent - Non-Executive Director (Appointed with effect from September 18, 2018)
6	Mr. Aditya Narayan	Independent - Non-Executive Director (Ceased to be director on September 18, 2018)
7	Mr. Chandra Shekhar Nopany	Non-Executive Director
8	Ms. Radha Singh	Independent - Non-Executive Director
9	Mr. Marco Philippus Ardeshir Wadia	Independent - Non-Executive Director
10	Mr. Abhay Baijal	Chief Financial Officer
11	Mr. Rajveer Singh	Company Secretary

II Transaction with the Related Parties-

(A) Subsidiaries

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Dividend Income		
India Steamship International FZE	-	161.96
Total	-	161.96
Guarantee Commission Income		
ISGN Corporation	565.46	348.77
Total	565.46	348.77
Investment made during the year		
CFCL Ventures Limited	1174.07	-
Total	1174.07	-

(B) Joint Venture

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Dividend Income		
Indo Maroc Phosphore, S.A. - IMACID	5769.17	982.59
Total	5769.17	982.59
Reimbursement of expenses		
Indo Maroc Phosphore, S.A. - IMACID	14.95	18.05
Total	14.95	18.05

(C) Post Employment Benefit Plans

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contribution Paid/Payable		
- CFCL Employees' Provident Fund	406.08	368.25
- Chambal Fertilisers and Chemicals Limited Senior Staff Superannuation Fund	92.34	57.37
- CFCL Employees Group Gratuity Scheme	-	427.71
- India Steamship Staff Provident Fund *	1.65	6.71
Total	500.07	860.04

* included current year Nil (previous year in discontinued operations in the Statement of Profit and Loss in respect of erstwhile Shipping Division of the Company {refer note 44(A)}).

(D) Key Management Personnel

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Compensation **		
-Short Term Employee Benefits:		
Mr. Anil Kapoor	532.75	473.91
Mr. Abhay Bajjal	123.53	111.06
Mr. Rajveer Singh	65.17	55.19
-Share Based Payments:		
Mr. Rajveer Singh	2.94	-
Total	724.39	640.16
Interest Income on Loan		
Mr. Anil Kapoor	0.03	0.12
Total	0.03	0.12
Repayment of Loan		
Mr. Anil Kapoor	2.15	-
Total	2.15	-
Commission to Non-Executive Directors		
Mr. Saroj Kumar Poddar	5.00	5.00
Mr. Nimesh Nagindas Kampani	5.00	2.71
Mr. Vivek Mehra	2.67	-
Mr. Kashi Nath Memani	-	2.29
Mr. Aditya Narayan	2.33	5.00
Mr. Chandra Shekhar Nopany	5.00	5.00
Ms. Radha Singh	5.00	5.00
Mr. Marco Philippus Ardeshir Wadia	5.00	5.00
Total	30.00	30.00

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Sitting Fees to Non-Executive Directors		
Mr. Saroj Kumar Poddar	1.50	2.00
Mr. Nimesh Nagindas Kampani	2.00	1.25
Mr. Vivek Mehra	1.70	-
Mr. Kashi Nath Memani	-	0.75
Mr. Aditya Narayan	1.80	4.35
Mr. Chandra Shekhar Nopany	2.90	2.60
Ms. Radha Singh	4.50	5.10
Mr. Marco Philippus Ardeshir Wadia	4.05	4.80
Total	18.45	20.85

** The liabilities for the gratuity, leave, post retirement medical benefits, long service award scheme and settlement allowance are provided on an actuarial basis and determined for the Company as a whole rather than for each of the individual employees. Accordingly, the said liabilities cannot be ascertained separately for Managing Director, Chief Financial Officer and Company Secretary, hence not included, except for the amount actually paid.

III Outstanding Balances from Related Parties

(A) Subsidiaries

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Corporate Guarantee Outstanding		
- ISGN Corporation	11757.20	11080.60
Total	11757.20	11080.60
Other Current Financial Assets		
- ISGN Corporation	522.32	123.19
Total	522.32	123.19

(B) Joint Venture

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Other Current Financial Assets		
Indo Maroc Phosphore, S.A. - IMACID	7.63	7.25
Total	7.63	7.25

(C) Post Employment Benefit Plans

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Other Current Liabilities		
CFCL Employees' Provident Fund	33.84	31.13
Chambal Fertilisers and Chemicals Limited Senior Staff Superannuation Fund	7.51	6.54
India Steamship Staff Provident Fund	0.14	0.14
Total	41.49	37.81
Other Current Assets		
India Steamship Staff Gratuity Insurance Scheme	42.15	42.15
Total	42.15	42.15

(D) Key Management Personnel

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current Loans		
Mr. Anil Kapoor	-	2.15
Total	-	2.15
Other Current Liabilities		
Mr. Saroj Kumar Poddar	4.50	4.50
Mr. Nimesh Nagindas Kampani	4.50	2.06
Mr. Vivek Mehra	2.40	-
Mr. Kashi Nath Memani	-	2.44
Mr. Chandra Shekhar Nopany	4.50	4.50
Mr. Aditya Narayan	2.10	4.50
Ms. Radha Singh	4.50	4.50
Mr. Marco Philippus Ardeshir Wadia	4.50	4.50
Total	27.00	27.00

Note: Outstanding Balances are unsecured and their settlement occurs in cash.

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

Details of Stock Options held by Key Management Personnel under the ESOS to purchase equity shares of the Company are as follows:

Key Management Personnel	Grant date	Expiry Period (Financial Year)	Exercise Price (in Rs.)	As at March 31, 2019 Number Outstanding	As at March 31, 2018 Number Outstanding
Mr. Anil Kapoor	September 16, 2010	2019-2020 to 2023-2024	73.50	139000	139000
Mr. Abhay Bajjal	September 16, 2010	2019-2020 to 2023-2024	73.50	90000	90000
Mr. Rajveer Singh	September 16, 2010	2020-2021 to 2023-2024	73.50	51000	54000
Total				280000	283000

Each stock option entitles the holder to acquire 1 equity share of Rs.10.

30. Gratuity and Other Post-Employment Benefit Plans:

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Gratuity Plan - (Liability)	(637.08)	(327.19)
Provident Fund - Asset *	270.93	312.31
Post Retirement Medical Benefits Plan - (Liability)	(419.15)	(320.82)

* Plan asset of Rs.270.93 Lakhs (Previous Year: Rs.312.31 Lakhs) 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

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:
- 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.
 - 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 erstwhile Shipping Division, the Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure @ 15 to 30 days 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 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 Trustees. 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, 2019.

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, 2019:

(Rs. in Lakhs)

Particulars	April 1, 2018	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	March 31, 2019
(A) Gratuity Plan:													
Defined Benefit Obligation	(3041.80)	(201.69)	(259.51)	(461.20)	162.93	-	-	-	(70.54)	(70.54)	-	-	(3410.61)
Fair Value of Plan Assets	2714.61	-	207.58	207.58	(161.34)	12.68	-	-	-	12.68	-	-	2773.53
Benefit (Liability)	(327.19)			(253.62)	1.59					(57.86)			(637.08)
(B) Post Retirement Medical Benefits Plan:													
Defined Benefit Obligation	(320.82)	(15.68)	(24.90)	(40.58)	12.16	-	-	-	(69.91)	(69.91)	-	-	(419.15)
Fair Value of Plan Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit (Liability)	(320.82)			(40.58)	12.16					(69.91)			(419.15)

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 adjustments	Subtotal included in OCI	Settlement/ Transfer In	Contributions by Employer	March 31, 2018
(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)

*Nil (Previous Year: Rs. 87.01 Lakhs) included in Discontinued Operations in the Statement of Profit and Loss in respect of erstwhile Shipping Division of the Company {refer note 44(A)}.

Provident Fund:

Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2019 and March 31, 2018:

(Rs. in Lakhs)

Particulars	2018 - 19			2017 - 18		
	Defined benefit obligation	Fair value of plan assets	Net benefit asset	Defined benefit obligation	Fair value of plan assets	Net benefit asset
Opening Balance	(12591.71)	12904.02	312.31	(11147.58)	11493.38	345.80
Service Cost	(407.73)	-	(407.73)	(374.96)	-	(374.96)
Net Interest Expense	(968.45)	(1.03)	(969.48)	(829.96)	42.72	(787.24)
Benefits Paid	788.37	(788.37)	-	836.24	(836.24)	-
Return on Plan Assets (excluding amounts included in net Interest Expense)	-	1088.06	1088.06	-	969.89	969.89
Experience Adjustments	(159.96)	-	(159.96)	(216.14)	-	(216.14)
Settlement/ Transfer In	(42.73)	42.73	-	(2.91)	2.91	-
Contributions by Plan Participant / Employees	(957.25)	957.25	-	(856.40)	856.40	-
Contributions by Employer	-	407.73	407.73	-	374.96	374.96
Closing Balance	(14339.46)	14610.39	270.93	(12591.71)	12904.02	312.31

The Company expects to contribute Rs. 230.65 Lakhs (Previous year : Rs.193.51 Lakhs) and Rs. 522.87 lakhs (Previous year : Rs.482.71 Lakhs) to gratuity trust and provident fund respectively in the next financial year.

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, 2019	As at March 31, 2018
	%	%
Discount rate:		
Gratuity Plan	7.80	7.76
Provident Fund	7.80	7.76
Post Retirement Medical Benefits	7.80	7.76
Future Salary Increase:		
Gratuity Plan	7.50	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	17.20
Female	21.60	21.60

A quantitative sensitivity analysis for significant assumptions as at March 31, 2019 is shown below:

Gratuity Plan:

Particulars	Year ended March 31, 2019		Year ended March 31, 2019	
	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)	(148.17)	148.53	150.09	(148.43)

Provident Fund:

Particulars	Year ended March 31, 2019	
	Discount Rate	
Sensitivity Level	0.50% increase	0.50% decrease
Impact on Defined Benefit Obligation (Rs. in Lakhs)	(1.81)	1.90

Post Retirement Medical Benefits Plan:

Particulars	Year ended March 31, 2019		Year ended March 31, 2019	
	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)	(31.10)	32.16	32.39	(31.55)

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 in case of provident fund.

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	
	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	
	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	
	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)	(23.80)	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 payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement in case of provident fund.

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 14.19 years (Previous Year: 14.10 years).

Investment Pattern in Plan Assets:

Particulars	Gratuity		Provident Fund	
	2018-19	2017-18	2018-19	2017-18
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, 2019				
Gratuity Fund	403.84	555.75	806.76	1644.26
Provident Fund	2853.17	1996.63	3238.09	6251.57
Post Retirement Medical Benefits Plan	15.24	73.89	88.25	241.77
As at March 31, 2018				
Gratuity Fund	417.18	570.90	694.13	1359.60
Provident Fund	2527.71	1703.00	2312.00	6049.00
Post Retirement Medical Benefits Plan	10.36	51.53	67.42	191.51

Contribution to Defined Contribution Plans :

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Pension Fund	146.13	136.47
Superannuation Fund	90.09	57.37
National Pension Scheme	44.97	38.36

31. Subsidies

- (a) Nitrogenous Fertilizers are under the Concession Scheme as per the New Pricing Scheme (NPS) – Stage III, Modified NPS III, New Urea Policy 2015 for old urea plants and New Investment Policy 2012 (as amended) for new urea plant. The freight subsidy is as per the 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 has been reduced by Rs.132.08 Lakhs (Previous Year: Rs.593.87 Lakhs), pertaining to earlier years, but determined during the year.

- (b) Subsidy on Phosphatic and Potassic (P&K) fertilizers has been accounted for as per the concession rates based on Nutrient Based Subsidy Policy notified by the Government of India and Freight subsidy has been accounted for in line with the policy.
- (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.33.86 Lakhs (Previous Year : Rs.83.89 Lakhs), out of which Rs.31.66 Lakhs (Previous Year : Rs.64.68 Lakhs) has been adjusted against principle and Rs.2.20 Lakhs (Previous Year : Rs.19.21 Lakhs) has been shown as interest expense. The interest rate on finance leases was 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, 2019 is as follows:

(Rs. in Lakhs)

Period	As at March 31, 2019			As at March 31, 2018		
	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
Payable after one year but not more than five years	-	-	-	-	-	-
Payable after 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.637.94 Lakhs (Previous Year : Rs.678.91 Lakhs). 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, 2019 is as follows:

(Rs. in Lakhs)

Period	Minimum Lease Payments	
	As at March 31, 2019	As at March 31, 2018
Payable within one year	612.00	655.17
Payable after one year but not more than five years	2112.35	1569.97
Payable after more than five years	246.98	133.95

- (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.1736.20 Lakhs (Previous Year : Rs.1486.00 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	2018-19	2017-18
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.67.97 Lakhs (Previous year : Rs.122.66 Lakhs)}	322.88	236.26
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 Corporate Social Responsibility Expenditure are as follows :

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a) Gross amount required to be spent by the Company during the year	1258.55	1113.06
b) Amount spent during the year on the following in cash :		
(i) Construction/ acquisition of any asset	-	-
(ii) For purposes other than (i) above	1265.94	1118.50

35. Share Based Payments

Employees Stock Option Scheme (ESOS)

The shareholders of the Company had approved 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 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	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	2018-19	2017-18
	No. of options	No. of options
Outstanding at the beginning of the year	17,56,900	25,40,400
Granted during the year	-	-
Forfeited during the year	50,000	40,000
Exercised during the year	3,71,000	7,43,500
Expired during the year	-	-
Outstanding at the end of the year	13,35,900	17,56,900
Exercisable at the end of the year	13,35,900	17,56,900
Weighted average remaining contractual life (in years)	0.49	1.29
Weighted average Exercise price (in Rs.)	74.76	74.76

The details of Exercise Price of Stock Options Outstanding as at March 31, 2019 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	11,18,000	0.38	73.50
2	32.86	76.85	1,02,900	0.54	76.85
3	38.44	82.90	49,000	0.69	82.90
4	45.06	101.10	33,000	0.91	101.10
5	34.97	69.40	33,000	1.29	69.40

The details of Exercise Price of Stock Options Outstanding as at March 31, 2018 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	14,85,000	1.15	73.50
2	32.86	76.85	1,24,900	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, 2019	Year ended March 31, 2018
Expense arising from equity-settled Share-Based Payment Transactions	-	0.33
Total Expense arising from Share-Based Payment Transactions	-	0.33

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 :

As at March 31, 2019:-

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	0.38	0.54	0.69	0.91	1.29
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%

As at March 31, 2018:-

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 of India 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 ("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 Trust in such manner and on such terms as agreed between the trustee(s) of the Trust and Managing Director of the Company for the purpose of subscribing or acquiring shares of the Company. Trust is holding 13,35,900 equity shares (Previous Year : 16,96,900 equity shares) of the Company which were purchased from the open market.

36. In the previous year, 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. Income Tax Expense

The major components of income tax expense are:

Profit or Loss section

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i) Continuing Operations		
Current Income Tax:		
Current income tax charge	22171.84	21157.91
Less: Capitalisation of current tax (refer note 27)	(88.76)	(60.08)
Adjustments in respect of current income tax of earlier years	(1149.84)	109.41
Deferred Tax:		
Relating to origination and reversal of temporary differences	14098.05	2932.54
Add: Capitalisation of deferred tax (refer note 27)	88.76	60.08
Add: Deferred tax reclassified from Statement of Changes in Equity	-	164.24
Less: Minimum Alternate Tax(MAT) Credit Entitlement	(10378.38)	-
Income Tax Expense reported in the Statement of Profit and Loss for Continuing Operations (i)	24741.67	24364.10
(ii) Discontinued Operations		
Current Income Tax:		
Current Income Tax Charge	-	(20.39)
Deferred Tax:		
Relating to origination and reversal of temporary differences	-	539.10
Income Tax Expense reported in the Statement of Profit and Loss for Discontinued Operations (ii)	-	518.71
Total Income Tax Expense reported in the Statement of Profit and Loss (i + ii)	24741.67	24882.81

Other Comprehensive Income (OCI) section

Tax related to items recognised in OCI:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net (Gain) on re-measurement of Defined Benefit Plans	(44.65)	(9.02)
Net (Gain) on Effective Portion of Exchange Differences on Hedging Instruments - Current Tax	-	(640.82)
Net (Gain) on Effective Portion of Exchange Differences on Hedging Instruments - Deferred Tax	(5936.58)	(482.80)
Income Tax (Credited) to OCI	(5981.23)	(1132.64)

Reconciliation of Tax Expense and the accounting profit multiplied by India's domestic tax rate:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before tax from Continuing operations	79269.17	72013.47
Profit before tax from Discontinued Operations	-	886.43
Accounting Profit before Income Tax	79269.17	72899.90
At India's Statutory Income Tax rate of 34.944% (Previous year : 34.608%)	27699.82	25229.20
Adjustments in respect of Current Income Tax of earlier years	(1149.84)	109.41
	26549.98	25338.61

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Tax effects of amount which are not deductible (taxable) in calculating taxable income-		
Corporate Social Responsibility Expenditure	272.02	263.94
Difference in tax rate on Dividend Income from specified foreign companies	(1007.97)	(198.05)
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)
Realisation of Short Term Capital Loss to reduce the Current Tax Expense	(854.90)	(5570.31)
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
Deduction for Education cess as per High Court order for financial year 2008-2009	(296.80)	-
Other Non-Deductible Expenses	79.34	263.44
At the Effective Income Tax rate of 31.21% (Previous Year : 34.13%)	24741.67	24882.81
Income Tax Expense reported in the Statement of Profit and Loss	24741.67	24364.10
Income Tax attributable to a Discontinued Operations	-	518.71
	24741.67	24882.81

Deferred Tax

Deferred tax relates to the following:

(Rs. in Lakhs)

Particulars	Balance Sheet		Statement of Profit and Loss	
	As at March 31, 2019	As at March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Deferred Income Tax Liabilities				
Property, Plant and Equipment (including other intangible assets)	222470.19	21553.54	200916.65	(3407.91)
Interest Income from Income tax refund, VAT refund etc. accrued in the books, to be offered to tax in the year of realisation	3.20	163.86	(160.66)	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	2654.37	2360.26	294.11	2360.26
Total Deferred Income Tax Liabilities	225127.76	24077.66	201050.10	(883.79)
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	52.78	557.37	(504.59)	(167.57)
Derivatives at Fair Value through Profit or Loss	-	-	-	(22.62)
Allowance for Doubtful Debts and Advances	8997.91	648.23	8349.68	301.54
Leave Encashment	1026.66	945.17	81.49	62.92
Gratuity	202.40	120.82	81.58	(45.63)
Carry Forward of Losses on account of Deduction u/s 35AD of Income Tax Act, 1961	182749.33	-	182749.33	(4604.43)
Deferred Tax on Cash Flow Hedge	2613.94	482.80	2131.14	482.80
Re-Measurement Gain/ (Loss) on Defined Benefit Plans	53.67	9.02	44.65	(34.85)
Exchange Differences on translation of Foreign Operations	-	-	-	164.24
MAT Credit Entitlement	10378.38	-	10378.38	-
Deferred Tax Income	-	-	2261.56	(2979.81)
Total Deferred Income Tax Assets	206075.07	2763.41	-	-
Net Deferred Tax Liabilities	19052.69	21314.25	-	-

Reconciliation of Deferred Tax Liabilities (Net):

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	21314.25	18334.44
Tax Expense during the year recognised in Statement of Profit and Loss	14186.81	3531.71
Tax (Income) during the year recognised in OCI	(5981.23)	(491.82)
Tax (Income) during the year recognized in 'Capital-Work-in-Progress' (refer note 27)	(88.76)	(60.08)
MAT Credit entitlement	(10378.38)	-
Closing Balance	19052.69	21314.25

During the year ended March 31, 2019 and March 31, 2018, 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. 48734.21 Lakhs (Previous Year: Rs.51440.71 Lakhs) that are available for offsetting for four to six 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 2018-19 as there are no other tax planning opportunities or other evidence of recoverability in the near future.

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) Long term 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, 2019 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, fixed rate borrowings 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, market approach and Net Assets value method.

40. Fair Value Measurements
(i) Financial Instruments by Category

(Rs. in Lakhs)

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial Assets						
Investments-						
-Preference Shares	1292.80	-	-	118.73	-	-
-Equity Shares	2.22	-	-	2.22	-	-
-Government Securities	-	-	0.26	-	-	0.26
-Investment in Bonds	2450.00	-	-	-	-	-
Employee Loans	-	-	83.81	-	-	117.70
Security Deposits	-	-	787.62	-	-	799.26
Trade Receivables	-	-	482263.84	-	-	251569.52
Cash and Cash Equivalents	-	-	4951.43	-	-	5481.64
Bank Balances other than above	-	-	1257.09	-	-	1442.40
Foreign Currency Option Contracts	-	-	-	15.80	-	-
Other Current Financial Assets	-	-	14063.37	-	-	22512.33
Total Financial Assets	3745.02	-	503407.42	136.75	-	281923.11
Financial Liabilities						
Borrowings - Floating Rate	-	-	438318.50	-	-	315648.47
Finance Lease Obligation	-	-	-	-	-	32.21
Borrowings - Fixed Rate	-	-	416196.32	-	-	245218.47
Trade Payables	-	-	98111.25	-	-	31058.79
Derivative Financial Liabilities	2320.33	-	-	5.67	-	-
Other Current Financial Liabilities	-	-	79896.21	-	-	36293.25
Total Financial Liabilities	2320.33	-	1032522.28	5.67	-	628251.19

(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, 2019:

(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					
Investment in Preference Shares	31.03.2019	1292.80	-	-	1292.80
Investment in Equity Shares	31.03.2019	2.22	-	-	2.22
Investment in Bonds	31.03.2019	2450.00	-	-	2450.00
Assets for which Fair Values are disclosed (refer note 39)					
Employee Loans	31.03.2019	66.63	-	66.63	-
Security Deposits	31.03.2019	336.90	-	336.90	-

There have been no transfers between level 1, level 2 and level 3 fair value hierarchy during the period.

Quantitative Disclosures, Fair Value Measurement Hierarchy for Liabilities as at March 31, 2019:

(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	31.03.2019	2320.33	-	2320.33	-
Liabilities for which Fair Values are disclosed (refer note 39)					
Borrowings - Floating Rate	31.03.2019	438318.50	-	438318.50	-

There have been no transfers between level 1, level 2 and level 3 fair value hierarchy during the period.

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
Investment in Equity Shares	31.03.2018	2.22	-	-	2.22
Assets for which Fair Values are disclosed (refer note 39)					
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 fair value hierarchy 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 39)					
Borrowings - Floating Rate	31.03.2018	315648.47	-	315648.47	-
Finance Lease Obligation	31.03.2018	32.21	-	32.21	-

There have been no transfers between level 1, level 2 and level 3 fair value hierarchy during the period.

Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in level 3 items:

(Rs. in Lakhs)

Particulars	Investment in Preference Shares	Investment in Bonds
As at March 31, 2017	118.73	-
Additions	-	-
As at March 31, 2018	118.73	-
Additions	1174.07	3500.00
Fair Value Loss in financial instrument at fair value through profit or loss	-	(1050.00)
As at March 31, 2019	1292.80	2450.00

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 as at March 31, 2019 are shown as below:

Particulars	Valuation techniques	Significant unobservable inputs	Range (Net assets value) Rs.in Lakhs	Sensitivity of the inputs to fair value
As at March 31, 2019				
Investment in preference shares	Net Assets value method	Net Assets Value	1292.80	Increase (decrease) in net assets value by 5% would result in increase (decrease) in fair value by Rs. 106.71 Lakhs and (Rs. 106.71 Lakhs) respectively.
Investment in Bonds	Net Assets value method	Risk adjustment specific to counter party Earning factor of counter party	2450.00	Increase (decrease) in risk of counter party by 5% would result in increase (decrease) in fair value by Rs.98.49 Lakhs and (Rs.98.49 Lakhs) respectively. Increase (decrease) in earnings factor of counter party by 5% would result in increase (decrease) in fair value by Rs.38.02 Lakhs and (Rs.38.02 Lakhs) respectively.

41. Financial Risk Management Objectives and Policies

The Company's principal financial liabilities, other than derivatives, comprises of 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 the approved policies of the Company. The finance department identifies evaluates and hedges financial risks in close co-operation with the Company's operating units. The management 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, 2019 and March 31, 2018.

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 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, 2019 and March 31, 2018.

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, 2019		
USD Borrowings	+50	(513.54)
USD Borrowings	-50	513.54
INR Borrowings	+50	(103.63)
INR Borrowings	-50	103.63
March 31, 2018		
USD Borrowings	+50	(142.24)
USD Borrowings	-50	142.24
INR Borrowings	+50	(8.63)
INR Borrowings	-50	8.63

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 foreign exchange risk of the Company arises mainly out of import of fertilisers and foreign currency borrowings.

The major part of the long term borrowings of the Company comprises of External Commercial Borrowings /Foreign Currency Term Loans availed for financing of new Urea plant of the Company. The repayment of these loans will start from financial year 2019-20. Revenue from Urea produced and sold from New Urea Plant is governed by New Investment Policy- 2012 (as amended) of the Government of India. The revenue of the Company from new Urea Plant is linked to US Dollars in terms of New Investment policy 2012. Accordingly, the Company has natural hedge against fluctuation of foreign exchange rates and did not enter into transactions to hedge foreign exchange risk in respect of aforesaid foreign currency borrowings.

In order to mitigate the foreign exchange risk in respect of imported fertilisers, the Company continuously monitors its foreign exchange exposure and hedges its foreign exchange risk in this regard, to the extent considered necessary, through forward contracts and option structures.

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, 2019

(Rs. in Lakhs)

Currency	Assets		Liabilities				Net Exposure to Foreign Currency
	Receivables from Subsidiary Companies / Joint Venture	Other Receivables	Payables	Borrowings	Derivative Financial Liabilities	Interest accrued but not due on Borrowings	
USD	529.95	2142.16	54918.16	541763.18	144904.42	1173.86	(740087.51)
EURO	-	-	914.75	-	-	-	(914.75)
SGD	-	-	1.29	-	-	-	(1.29)

For the year ended March 31, 2018

(Rs. in Lakhs)

Currency	Assets		Liabilities				Net Exposure to Foreign Currency
	Receivables from Subsidiary Companies / Joint Venture	Other Receivables	Payables	Borrowings	Derivative Financial Liabilities	Interest accrued but not due on Borrowings	
USD	130.44	839.36	95.48	388842.86	75938.69	705.86	(464613.08)
EURO	-	14.77	-	-	-	-	14.77
SGD	-	-	1.29	-	-	-	(1.29)

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, 2019	Effect on profit before tax March 31, 2018	Effect on Other Comprehensive Income March 31, 2019	Effect on Other Comprehensive Income March 31, 2018
USD Sensitivity				
INR/USD increase by 5%	(1391.69)	(652.12)	(21122.19)	(15084.66)
INR/USD decrease by 5%	1391.69	652.12	21122.19	15084.66
SGD Sensitivity				
INR/SGD increase by 5%	(0.06)	(0.06)	-	-
INR/SGD decrease by 5%	0.06	0.06	-	-
EURO Sensitivity				
INR/EURO increase by 5%	(45.74)	(0.74)	-	-
INR/EURO decrease by 5%	45.74	0.74	-	-

Impact of Hedging Items

Disclosure of effects of hedge accounting on Financial Position and Financial Performance:

(a) Financial Position

(Rs. in Lakhs)

As at March 31, 2019									
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:									
Borrowings	-	418336.79	-	418336.79	30.09.2027	1:1	USD 1 : INR 65.85	20222.14	(20222.14)

(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:									
Borrowings	-	298148.47	-	298148.47	30.09.2027	1:1	USD 1 : INR 64.48	3233.30	(3233.30)

* The entire amount of Borrowings taken for Gadepan-III Plant has been designated as hedging instrument against highly probable forecasted revenue being hedged item from Gadepan-III Plant therefore the hedge ratio is 1:1.

(b) Financial Performance

(Rs. in Lakhs)

For the Year Ended March 31, 2019				
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	(16988.84)	-	-	Not Applicable

(Rs. in Lakhs)

For the 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 March 31, 2019	Foreign Currency Risk March 31, 2018
Derivative Instruments		
Cash Flow Hedging Reserve		
Opening at the beginning of the Year	(2109.68)	-
Add: Changes in Borrowings	(16988.84)	(3233.30)
Less: Amounts reclassified to Profit or Loss	-	-
Less: Current Tax relating to above	-	640.82
Less: Deferred Tax relating to above	5936.58	482.80
Closing at the end of the Year	(13161.94)	(2109.68)

(c) Commodity Price Risk

Commodity price risk of the Company arises from the ongoing purchase of natural gas and imported fertilisers required for its operating activities.

- (i) Natural gas is the major raw material for manufacture of Urea. The prices of Natural Gas are linked to international crude oil prices which varies with the fluctuation in the prices of crude oil, demand supply pattern etc. The Company is not affected by price volatility of natural gas as the cost of natural gas is pass through under the applicable policies of Government of India. The Company did not enter into any transaction for hedging the fluctuations in the prices of natural gas.
- (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 Prices of imported fertilisers may fluctuate due to demand -supply scenario outage of plants, fluctuation in prices of raw materials, etc.
The Company takes following steps to mitigate the risk pertaining to fluctuation in prices:
 - (a) Dynamic sourcing strategy and review of demand and supply on regular basis;
 - (b) No long term commitments;
 - (c) Constant review of market condition including costing of competitors.

The Company did not enter into any transactions to hedge the risk pertaining to fluctuation in prices.

(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 and 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 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 funding requirements. 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, 2019						
Borrowings	451291.07	69732.44	67945.00	135890.00	133781.70	858640.21
Other Financial Liabilities	22077.29	-	-	-	-	22077.29
Trade and Other Payables	158250.50	-	-	-	-	158250.50
	631618.86	69732.44	67945.00	135890.00	133781.70	1038968.00
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	50977.57	-	-	-	-	50977.57
	310863.87	24202.45	50572.23	104140.98	140277.45	630056.98

42. Capital Management

The Company's objective while managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefit for other stakeholders. The Company will maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company 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, 2019	As at March 31, 2018
Equity Share Capital	41620.79	41620.79
Other Equity	282433.47	248221.12
Debts (Long term and Short term both (including current maturities))*	854514.82	560899.15
Total	1178569.08	850741.06

*The Company has set up new urea plant at Gadepan(Gadepan-III Plant).The above debt includes Rs. 428318.50 Lakhs (Previous Year: Rs. 298148.47 Lakhs) towards the Gadepan-III Plant, which has commenced commercial production from January 01, 2019. Majority of the balance debt is towards working capital requirements.

Under the terms of the borrowing facilities pertaining to Gadepan-III Plant, the Company is required to comply with certain financial covenants from Financial Year 2019 -20 onwards.

43. Distribution Made and Proposed

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Cash Dividend on Equity Shares Declared and Paid:		
Final dividend (for the year ended on March 31, 2018 Rs.1.90 per share)	7907.95	7907.95
Dividend Distribution Tax (DDT) on Final Dividend	1625.60	1609.87
Total	9533.55	9517.82
Proposed Dividend on Equity Shares:		
Dividend (for the year ended on March 31, 2019 @ Rs.2.00 per share and March 31, 2018: @ Rs.1.90 per share)	8324.16	7907.95
DDT on dividend	1711.06	1609.87
Total	10035.22	9517.82

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, 2019 and March 31, 2018.

44. (A) Discontinued Operations

The break up of the discontinued operations, which pertains to erstwhile Shipping Division, as shown on the face of Statement of Profit and Loss is as under:

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(a) Profit before Tax	-	886.43
(b) Income Tax Expense	-	518.71
(c) Profit after Tax	-	367.72

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, 2019	Year ended March 31, 2018
Revenue	-	6856.81
Less: Expenses	-	5567.72
Less: Finance costs	-	355.47
Less: Depreciation and Amortisation expense	-	47.19
Profit Before Tax	-	886.43
Tax Expense	-	518.71
Profit from Discontinued Operations	-	367.72

The Net Cash Flows attributable to the Discontinued Operations are as below:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Operating Activities	-	3224.37
Investing Activities	-	55916.56
Financing Activities	-	(59276.27)
Net Cash Inflows / (Outflows)	-	(135.34)

44. (B) Assets classified as Held for Sale (Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Property Plant and Equipment classified as Held for Sale :		
- Plant and Equipment *	10.00	40.35
- Land-Freehold **	544.50	-
Total	554.50	40.35

* net of loss Nil (Previous Year : Rs.14.81 Lakhs) for write down of Property, Plant and Equipment.

**As at March 31, 2019, the management of the Company was actively seeking a buyer to sell the freehold land. Subsequent to the year end, the Company has entered into an agreement for sale of the freehold land and recorded a fair value gain of Rs.126.89 Lakhs while classifying the freehold land as assets held for sale.

45. 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, 2019 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
		2018-19	2017-18	March 31, 2019	March 31, 2018	
1	ISGN Corporation	11757.20	11080.60	11757.20	11080.60	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	
		2018-19	2017-18	March 31, 2019*	March 31, 2018
1	Investment made in corporate bonds	94344.50	265751.01	2450.00	-
2	Investment made in Preference Shares of CFCL Ventures Limited	1174.07	-	1292.80	118.73

* This investment amount is net of Fair value loss on Investment measured at Fair Value through Profit and Loss.

The details of Investments of the Company are given in note 5A and 8A.

46. 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 March 31, 2019	Proportion of Ownership as at March 31, 2018	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 (Under Liquidation)	India	100.00%	100.00%	Deemed cost
India Steamship International FZE (Liquidated with effect from February 28, 2019)	UAE	Not Applicable	100.00%	Deemed cost
CFCL Ventures Limited (CVL) *	Cayman Islands	72.27%	72.27%	Deemed cost/ Fair Value
Subsidiaries of CVL				
ISGN Corporation**	U.S.A	100.00%	100.00%	
ISG Novasoft Technologies Limited**	India	100.00%	100.00%	
Inuva Info Management Private Limited (Under Liquidation) **	India	71.00%	71.00%	
Joint Venture				
Indo Maroc Phosphore S.A.-IMACID	Morocco	33.33%	33.33%	Deemed cost

* In case of equity investment at deemed cost, whereas investment in preference shares at Fair value through Profit and Loss.

** Proportion of ownership of CVL.

47. The Company was in the process of setting up a New Urea plant namely Gadepan-III Plant under the New Investment Policy 2012 (as amended) at its existing plant location at Gadepan, Kota (Rajasthan) and the contracts for the Gadepan-III Plant were awarded on a 'Lumpsum Turnkey' (LSTK) basis. The expenses incurred on Gadepan-III Plant upto March 31, 2018 were included under Capital work in progress (CWIP) during the Financial Year 2017-18. The Company has declared the commercial production from the Gadepan-III Plant from January 01, 2019, accordingly the amount lying under CWIP was capitalised during the Financial Year 2018-19.

48. **Changes in Financial Liabilities arising from Financing Activities** (Rs. in Lakhs)

Particulars	As at March 31, 2018	Receipt	Repayment	Foreign Exchange Variation (Net)	Foreign Currency Translation	Transaction cost & Others	As at March 31, 2019
Long Term Borrowings	315648.47	123761.94	(17500.00)	16988.84	-	(580.75)	438318.50
Short Term Borrowings	158068.71	138808.31	-	-	-	-	296877.02
Buyer's Credit/ Supplier's Credit	87149.76	270645.36	(236566.19)	(1909.63)	-	-	119319.30
Finance Lease Obligation	32.21	-	(32.21)	-	-	-	-
Total	560899.15	533215.61	(254098.40)	15079.21	-	(580.75)	854514.82

49. The implementation of Modified NPS-III for payment on account of additional fixed cost to Urea Units by the Ministry of Chemicals and Fertilizers, Government of India, has been delayed inordinately. This delay has caused uncertainty in some of the aspects of aforesaid policy. Accordingly, the Company has provided for Rs.19,727.24 Lakhs in the financial statements during the year ended March 31, 2019, which has been shown as 'Exceptional Items'.

50. The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/ Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

51. Previous year figures have been regrouped/ reclassified wherever necessary, to make them comparable.

52. **Disclosure as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')**

In accordance with the requirements of Listing Regulations, following is the transaction of the Company with any person or entity belonging to the promoter/promoter group holding 10% or more shareholding in the Company:

(Rs. in Lakhs)

Name of the Shareholder	Nature of Transaction	% Shareholding	Year Ended March 31, 2019
The Hindustan Times Limited	Rent Expenses	13.06	26.52

53. **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 is having brought forward losses on account of claim under section 35AD of Income tax Act that will be used to offset future taxable income. The Company has profitable operations that supports the recognition of deferred taxes on these losses. On this basis, the Company has determined that it can recognise deferred tax assets on the tax losses carried forward.

The Company has Rs.48,734.21 Lakhs (Previous year:Rs.51,440.71 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 4 to 6 years and may be used to offset taxable long term / short term capital losses in the future. At present, the Company does not have any tax planning opportunities available that could partly support the recognition of these capital losses as deferred tax assets. On this basis, the Company has determined that it cannot recognise deferred tax assets on these tax losses (long term/ short term capital 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.13,373.06 Lakhs (Previous year: Rs.14,318.82 Lakhs). Further details on taxes are disclosed in note 38 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 40.

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

Pramit Agrawal
Partner
Membership No - 099903

Place : New Delhi
Date : May 16, 2019

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

Anil Kapoor
Managing Director
DIN: 00032299

Abhay Baijal
Chief Financial Officer

Place : New Delhi
Date : May 16, 2019

Saroj Kumar Poddar
Chairman
DIN: 00008654

Rajveer Singh
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of Chambal Fertilisers and Chemicals Limited Report on the audit of the Consolidated financial statements

Opinion

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 (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture; (refer Note 2 to the attached consolidated financial statements), which comprise the consolidated balance sheet as at March 31, 2019, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "Consolidated Ind AS Financial Statements").
2. 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 Companies Act, 2013 ("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, 2019, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group and joint venture in accordance with the ethical requirements that are relevant to our audit of the Consolidated Ind AS Financial Statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports and unaudited financial information certified by the Management referred to in sub-paragraph 16 and 17 respectively of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>4.1 Appropriateness of capitalisation of expenditure incurred towards the New Urea Plant (Gadepan III Plant)</p> <p>[Refer to the accompanying Note 47 and Note 2.3 (vii), (viii) and (ix) of the Consolidated Ind AS Financial Statements.]</p> <p>During the year, the Holding Company has commenced commercial production and capitalised Rs 576,205 lakhs of costs as tangible and intangible assets towards its new urea plant ("Gadepan III Plant" or "the plant").</p> <p>We focused on this area given the significance of the overall capital expenditure and judgements involved in assessing the useful life of the assets and whether the criteria, including internal costs directly attributable to the construction, as set out in Indian Accounting Standards ("Ind AS") 16 'Property, Plant and Equipment' for the capitalisation of such expenditure had been met.</p>	<p>Our procedures included the following amongst others :</p> <ul style="list-style-type: none"> • We understood and evaluated the design and tested operating effectiveness of management's internal financial controls in relation to approval of expenditure and capitalisation of appropriate costs. We were able to place reliance on these controls for the purpose of our audit. • We performed testing of costs capitalised during the year, focusing on those items that we considered significant due to their amount or nature, which included examining third-party invoices, purchase orders, terms and conditions of significant contracts and other supporting documents, as appropriate, to check whether such costs had been appropriately capitalised under the correct asset category. • In respect of internal costs allocated to the plant, test checked the identification and allocation of costs directly attributable to the construction of the plant. • We examined the factors considered by the Holding Company to determine the date on which the plant was ready to be used. • We examined the useful life for individual assets to determine whether it is consistent with the Holding Company's accounting policy. • Examined the appropriateness of the related disclosures in the Consolidated Ind AS Financial Statements. <p>As a results of the above procedures, we did not identify any significant exceptions in relation to the expenditure incurred on the capitalisation towards Gadepan III Plant.</p>

<p>4.2 Assessment of implications of government policies/ notifications on recognition of subsidy revenue and its recoverability</p> <p>[Refer to the accompanying notes 8(b), 17, 33, 52, 55(d) and 2.3 (xvii)(a) of the Consolidated Ind AS Financial Statements.]</p> <p>During the year, the Holding Company has recognised subsidy revenue amounting to Rs. 599,718 lakhs and as at March 31, 2019 has subsidy receivables aggregating Rs. 432,232 lakhs and related allowance for doubtful debts aggregating to Rs. 19,794 lakhs which are significant to the Consolidated Ind AS Financial Statements.</p> <p>We focused on this area since the recognition of subsidy revenue and the assessment of recoverability of the related subsidy receivables is subject to significant judgements of the management.</p> <p>The areas of subjectivity and judgement include interpretation and satisfaction of conditions specified in the notifications/ policies in the estimation of timing and amount of recognition of subsidy revenue, likelihood of recoverability and allowance in relation to the outstanding subsidy receivables.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • We understood and evaluated the design and tested the operating effectiveness of controls as established by management in recognition of subsidy revenue and assessment of the recoverability of subsidy receivables. • We evaluated the management’s assessment regarding reasonable certainty of complying with the relevant conditions as specified in the notifications/policies. • We considered the relevant notifications/policies issued by various authorities to ascertain the appropriateness of the recognition of subsidy revenue and adjustments to subsidy receivables already recognised pursuant to changes in subsidy rates. • We also understood the basis of judgements that management has made in relation to the notifications/policies including past precedence and subsequent evidence, as applicable. • We tested the ageing of the related receivables and assessed the information used by the management to determine the recoverability of subsidy receivable and assessment of allowance for doubtful receivables by considering historical collection trends and the level of credit loss charged over time. • We evaluated adequacy of disclosures in the Consolidated Ind AS Financial Statements. <p>Based on the above procedures performed, the management’s assessment of implications of government notifications/policies on recognition of subsidy revenue and the recoverability were considered to be reasonable.</p>
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Other Information

5. The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Ind AS Financial Statements and our auditor’s report thereon.
6. Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the Consolidated Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 16 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

8. The Holding Company’s Board of Directors is responsible for the preparation and presentation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows, and consolidated statement of changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the entities 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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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.
9. In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the entities included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture respectively to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group including its joint venture or to cease operations, or has no realistic alternative but to do so.
10. The respective Board of Directors of the entities included in the Group and of its joint venture are responsible for overseeing the financial reporting process of the Group and of its joint venture.

Auditor's responsibilities for the audit of the Consolidated Ind AS Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS Financial Statements.
12. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to Consolidated Ind AS Financial Statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Ind AS Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Ind AS Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

16. We did not audit the financial statements and other financial information of 5 subsidiaries whose financial statements and other financial information reflect total assets of Rs 11,246 lakhs and net assets of Rs (102,952) lakhs as at March 31, 2019, total revenue of Rs. 8,285 lakhs, total comprehensive income [comprising of profit/ (loss) and other comprehensive income] of Rs (1,923) lakhs and net cash inflows amounting to Rs 694 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. 12,669 lakhs for the period ended March 31, 2019 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 and other 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 including report on Other Information insofar as it relates to the aforesaid subsidiaries and joint venture, is based solely on the reports of the other auditors.

17. We did not audit the financial information of 3 subsidiaries whose financial information reflect total assets of Rs 55 lakhs and net assets of Rs 50 lakhs as at March 31, 2019, total revenue of Rs. Nil, total comprehensive income [comprising of profit/(loss) and other comprehensive income] of Rs (25) lakhs and net cash outflows amounting to Rs (26) lakhs for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. These financial information are unaudited and 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 our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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 and the financial information certified by the Management.

Report on other legal and regulatory requirements

18. 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 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 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 Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained by the Holding company for the purpose of preparation of the Consolidated Ind AS Financial Statements.
- (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified 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, 2019 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, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Holding Company and its subsidiaries 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 on the consolidated financial position of the Group and its joint venture - Refer Note 26 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, 2019 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, 2019. 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, 2019.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group and its joint venture for the year ended March 31, 2019.

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

**Pramit Agrawal
Partner
Membership Number - 099903**

**Place : New Delhi
Date : May 16, 2019**

Annexure A to Independent Auditor's Report

Referred to in paragraph 18(f) of the Independent Auditor's 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, 2019.

Report on the Internal Financial Controls with reference to financial statements 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 Holding Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of 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 with reference to financial statements 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 companies' 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 subsidiary companies, which are companies incorporated in India, internal financial controls with reference to financial statements 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 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 Holding Company's and its subsidiary companies, which are companies incorporated in India, internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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 with reference to financial statements insofar as it relates to certain subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India and so far as it relates to the unaudited subsidiary companies is based on representation received from the management. Our opinion is not qualified in respect of this matter.

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

Pramit Agrawal
Partner
Membership Number - 099903

Place : New Delhi
Date : May 16, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(Rs. in Lakhs)

Particulars	Notes	As at	
		March 31, 2019	March 31, 2018
ASSETS			
Non-Current Assets			
Property Plant and Equipment	3	684466.46	116629.12
Capital Work-in-Progress	28 & 47	10864.00	412857.92
Goodwill	4	3615.17	3407.13
Other Intangible Assets	4	2437.37	3351.35
Intangible Assets under Development		1277.66	604.95
Investments Accounted for Using the Equity Method	36(A)	27567.67	20705.60
Financial Assets:	5		
i. Investments	5A	2.48	2.48
ii. Loans	5B	66.63	93.78
iii. Other Financial Assets	5C	832.62	804.88
Deferred Tax Assets (Net)	42	114.71	128.62
Non-Current Tax Assets (Net)		7988.48	5598.68
Other Non-Current Assets	6	2872.41	4834.98
Total Non-Current Assets		742105.66	569019.49
Current Assets			
Inventories	7	132314.54	79510.48
Financial Assets:	8		
i. Investments	8A	2450.00	-
ii. Trade Receivables	8B	482740.69	253469.27
iii. Cash and Cash Equivalents	8C	6453.78	6291.94
iv. Bank Balances other than (iii) above	8D	1654.52	1472.56
v. Loans	8E	19.53	30.94
vi. Other Financial Assets	8F	14363.77	23462.49
Current Tax Assets (Net)		33.82	1967.24
Other Current Assets	9	9935.96	11059.24
Assets Classified as Held for Sale	46(B)	554.50	40.35
Total Current Assets		650521.11	377304.51
Total Assets		1392626.77	946324.00
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	41620.79	41620.79
Other Equity	10A	246703.56	208934.73
Equity attributable to Owners of the Parent Company		288324.35	250555.52
Non-Controlling Interests	36(B)	(9798.00)	(8735.83)
Total Equity		278526.35	241819.69
Liabilities			
Non-Current Liabilities			
Financial Liabilities	11		
i. Borrowings	11A	441424.53	351603.77
ii. Other Financial Liabilities	11B	19.89	18.74
Provisions	12	734.84	376.33
Deferred Tax Liabilities (Net)	42	19052.69	21314.25
Other Non-Current Liabilities	13	322.73	282.17
Total Non-Current Liabilities		461554.68	373595.26
Current Liabilities			
Financial Liabilities	14		
i. Borrowings	14A	427953.52	256299.07
ii. Trade Payables	14B	98816.98	30342.43
iii. Other Financial Liabilities	14C	118365.45	36978.73
Other Current Liabilities	15	3695.78	4084.49
Provisions	16	3386.62	3086.82
Current Tax Liabilities (Net)		327.39	117.51
Total Current Liabilities		652545.74	330909.05
Total Liabilities		1114100.42	704504.31
Total Equity and Liabilities		1392626.77	946324.00

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
Chartered Accountants

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

Pramit Agrawal
Partner
Membership No - 099903

Anil Kapoor
Managing Director
DIN: 00032299

Saroj Kumar Poddar
Chairman
DIN: 00008654

Abhay Bajjal
Chief Financial Officer

Rajveer Singh
Company Secretary

Place : New Delhi
Date : May 16, 2019

Place : New Delhi
Date : May 16, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Continuing Operations			
Revenue from Operations	17	1017736.22	754607.02
Other Income	18	8277.29	14148.08
Total Income		1026013.51	768755.10
EXPENSES			
Cost of Materials Consumed	19	278563.01	178681.48
Purchases of Stock-in-Trade		380681.96	279908.05
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	(51063.51)	4656.55
Excise Duty on Sale of Goods		-	505.18
Employee Benefits Expense	21	16645.65	14938.14
Finance Costs	22	25253.53	15519.07
Depreciation and Amortisation Expense	3 & 4	14408.89	8538.74
Other Expenses	23	270121.81	196266.69
Total Expenses		934611.34	699013.90
Profit before Share of Profit of a Joint Venture, Exceptional items and Tax from Continuing Operations		91402.17	69741.20
Share of Net Profit of a Joint Venture accounted for using the Equity Method	36(A)	11668.12	3925.40
Profit Before Exceptional Items and Tax from Continuing Operations		103070.29	73666.60
Exceptional Items	52	19727.24	-
Profit before Tax from Continuing Operations		83343.05	73666.60
Tax Expense:			
(1) Current Tax	41 & 42	22186.14	21319.38
(2) Tax related to Earlier Years	42	(1149.84)	107.10
(3) Deferred Tax	42	3822.11	3066.73
Total Tax Expenses		2458.41	24493.21
Profit for the Year from Continuing Operations		58484.64	49173.39
Discontinued Operations			
Profit from Discontinued Operations	46(A)	-	886.43
Tax Expense of Discontinued Operations	42	-	518.71
Profit from Discontinued Operations (after tax)		-	367.72
Profit for the Year		58484.64	49541.11
Other Comprehensive Income (OCI)			
A. Items that will not be re-classified to Profit or Loss:			
(i) Re-measurement (Loss) on Defined Benefit Plans	31	(126.93)	(35.81)
(ii) Income Tax Credit relating to items that will not be re-classified to Profit or Loss		44.42	12.33
B. Items that will be re-classified to Profit or Loss:			
(i) Exchange Difference (Loss) on Translation of Foreign Operations		(1463.87)	(112.11)
(ii) Effective Portion of Exchange Difference (Loss) on Hedging Instruments	43	(16988.84)	(3233.30)
(iii) Income Tax Credit relating to items that will be re-classified to Profit or Loss		5936.58	1123.62
OCI for the Year, (Net of Tax)		(12598.64)	(2245.27)
Total Comprehensive Income for the Year (Comprising Profit and Other Comprehensive Income for the Year)		45886.00	47295.84
Profit for the Year attributable to :			
Owners of the Parent Company		59021.38	49884.47
Non-Controlling Interests		(536.74)	(343.36)
Other Comprehensive Income for the Year attributable to:			
Owners of the Parent Company		(12069.26)	(2109.65)
Non-Controlling Interests		(529.38)	(135.62)
Total Comprehensive Income for the Year attributable to:			
Owners of the Parent Company		46952.12	47774.82
Non-Controlling Interests		(1066.12)	(478.98)
Earnings per Share attributable to Owners of the Parent Company			
Earnings per Equity Share (for Continuing Operations):			
Basic and Diluted (in Rs.)	24	14.18	11.90
Earnings per Equity Share (for Discontinued Operations):			
Basic and Diluted (in Rs.)	24	-	0.09
Earnings per Equity Share (for Continuing and Discontinued Operations):			
Basic and Diluted (in Rs.)	24	14.18	11.99

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
Chartered Accountants

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

Pramit Agrawal
Partner
Membership No - 099903

Anil Kapoor
Managing Director
DIN: 00032299

Saroj Kumar Poddar
Chairman
DIN: 00008654

Abhay Bajjal
Chief Financial Officer

Rajveer Singh
Company Secretary

Place : New Delhi
Date : May 16, 2019

Place : New Delhi
Date : May 16, 2019

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash Flow from Operating Activities :			
Profit Before Tax from Continuing Operations		83343.05	73666.60
Profit Before Tax from Discontinued Operations	46(A)	-	886.43
Profit Before Tax		83343.05	74553.03
Adjustments for :			
Depreciation and Amortisation		14408.89	8585.93
Fair Value Loss on Financial Instrument measured at Fair Value through Profit or Loss		1050.00	-
(Gain)/Loss on Disposal of Property, Plant and Equipment (Net)	18	(20.16)	1282.06
Mark to Market Loss/ (Gain) on Derivative Transactions		2314.66	(5565.61)
(Gain) from Sale of Current Investments	18	(2440.70)	(2647.93)
Un-realised Foreign Exchange Variation (Gain) / Loss		(3291.82)	314.25
Realised Foreign Exchange Variation Loss		1382.19	1539.40
Foreign Currency Translation Reserve released on cessation of Shipping Operations		-	(322.76)
Allowance for Doubtful Debts and Advances (Net)		1618.37	1331.49
Liabilities no Longer Required Written Back		(1568.55)	(329.29)
Catalyst Charges Written Off	23	664.28	704.04
Irrecoverable Balances Written Off		6.06	185.79
Share of Profit of a Joint Venture	36(A)	(11668.12)	(3925.40)
Employee Share Based Payment Expense	21	0.46	0.33
Interest Expense		24362.91	15611.05
Interest (Income)		(2613.57)	(3567.24)
Operating Profit before Working Capital Changes		107547.95	87749.14
Working Capital Adjustments:			
(Increase)/Decrease in Trade Receivables		(230895.85)	51866.88
Decrease/(Increase) in Other Financial Assets		9156.14	(11487.23)
Decrease/(Increase) in Other Assets		648.76	(3105.00)
(Increase)/Decrease in Inventories		(53054.56)	5716.76
Increase in Trade Payables, Other Liabilities and Provisions		74982.00	7277.24
Cash Generated from Operations		(91615.56)	138017.79
Income Tax Paid (Net of Refunds)		(21371.56)	(20864.45)
Net Cash Flow from Operating Activities		(112987.12)	117153.34
B. Cash Flow from Investing Activities			
Purchase of Property, Plant and Equipment & Intangible Assets		(120528.51)	(242825.59)
Purchase of Investments		(3500.00)	-
Proceeds from Sale of Property, Plant and Equipment & Intangible Assets		137.95	663.21
Proceeds from Sale of Current Investments		2440.70	2647.93
Fixed Deposits Matured (having original maturity of more than three months)		(168.48)	819.19
Distribution Received from Joint Venture	36(A)	5769.17	982.59
Net Proceeds from Sale of Discontinued Operations (Ships of erstwhile Shipping Division and KPO Business of Software Division)		-	56352.16
Interest Received		3330.96	3551.84
Net Cash Flow from Investing Activities		(112518.21)	(177808.67)

(Rs. in Lakhs)

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
C. Cash Flow from Financing Activities			
Proceeds from Long Term Borrowings	51	123860.83	207639.14
Repayment of Long Term Borrowings	51	(17532.21)	(48641.96)
Proceeds from Buyer's Credit/Supplier's Credit	51	270645.36	221505.80
Repayment of Buyer's Credit/Supplier's Credit	51	(236566.19)	(260213.75)
Net Proceeds from Short Term Borrowings	51	138808.31	(26101.87)
Proceeds of Line of Credit Facility	51	676.60	249.81
Receipt of amount from CFCL Employees Welfare Trust		327.34	213.52
Realised Mark to Market (Gain) on Derivative Transactions		-	(126.80)
Interest Paid		(44412.46)	(28659.04)
Dividend Paid		(7881.54)	(7866.50)
Tax on Dividend Paid		(1625.60)	(1609.89)
Net Cash from Financing Activities		226300.44	56388.46
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)		795.11	(4266.87)
Foreign Currency Translation Difference		(633.27)	(637.82)
Cash and Cash Equivalents at the beginning of the Year		6291.94	11196.63
Cash and Cash Equivalents at the end of the Year		6453.78	6291.94
Components of Cash and Cash Equivalents:			
Balances with banks :			
- on Current Accounts		1950.24	679.85
- on Cash Credit Accounts		0.79	247.12
- Deposits with original maturity of less than three months		4500.00	5360.48
Cash on hand		2.75	4.49
Total Cash and Cash Equivalents	8C	6453.78	6291.94

Note: Cash Flow from operating activities for the year ended on March 31, 2019 is after considering corporate social responsibility expenditure of Rs.1265.94 Lakhs (Previous Year : Rs.1118.50 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
Chartered Accountants

Pramit Agrawal
Partner
Membership No - 099903

Place : New Delhi
Date : May 16, 2019

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

Anil Kapoor
Managing Director
DIN: 00032299
Abhay Baijal
Chief Financial Officer

Place : New Delhi
Date : May 16, 2019

Saroj Kumar Poddar
Chairman
DIN: 00008654
Rajveer Singh
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A : Equity Share Capital

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

(Rs. in Lakhs)

At March 31, 2019 41620.79

At March 31, 2018 41620.79

B : Other equity

For the year ended March 31, 2019

(Rs. in Lakhs)

Particulars	Attributable to the owners 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 operations	Cash flow hedging reserve			
As at April 01, 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
Profit / (Loss) for the Year	-	-	-	-	-	-	-	-	-	59021.38	-	-	59021.38	(536.74)	58484.64
Other Comprehensive Income (Net of Tax):															
- Re-measurement Gain/ (Loss) on Defined Benefit Plans	-	-	-	-	-	-	-	-	-	(82.68)	-	-	(82.68)	0.17	(82.51)
- Exchange Differences on Translation of Foreign Operations	-	-	-	-	-	-	-	-	-	-	(934.32)	-	(934.32)	(529.55)	(1463.87)
- Effective portion of Exchange Differences in Hedging Instruments	-	-	-	-	-	-	-	-	-	-	(11052.26)	-	(11052.26)	-	(11052.26)
Total Comprehensive Income for the Year	-	-	-	-	-	-	-	-	-	58938.70	(934.32)	(11052.26)	46952.12	(1066.12)	45886.00
Cash Dividends (including Dividend Distribution Tax) (refer note 45)	-	-	-	-	-	-	-	-	-	(9533.55)	-	-	(9533.55)	-	(9533.55)
Exercise of Share Options and Purchase of New Shares (Net)	295.58	(34.80)	-	-	-	-	-	-	-	-	-	-	260.78	-	260.78
Transfer to Retained Earnings	-	-	-	-	-	(78.27)	-	-	(2288.52)	2362.84	-	-	(3.95)	3.95	-
Transfer from Tonnage tax reserve to Tonnage tax reserve (utilised) Account	-	-	-	-	-	-	(375.00)	375.00	-	-	-	-	-	-	-
Employee Share Based Payment Expense (refer note 35)	-	-	-	-	-	-	-	-	0.46	-	-	-	0.46	-	0.46
Transfer to General Reserve	-	-	-	-	-	5000.00	-	-	(5000.00)	-	-	-	-	-	-
Any Other Change (refer note below)	-	-	-	-	-	-	-	-	-	92.97	-	-	92.97	-	92.97
As at March 31, 2019	(1127.09)	(90.74)	20.95	641.59	25.00	53426.34	50.00	4225.00	263.94	205856.77	(3426.26)	(13161.94)	246703.56	(9798.00)	236905.56

For the year ended March 31, 2018

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 45)	-	-	-	-	-	-	-	-	-	(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 35)	-	-	-	-	-	-	-	-	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

Note: (a) 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 pertaining to treasury shares.

The accompanying notes form an integral part of the Consolidated 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

Chartered Accountants

Pramit Agrawal
Partner
Membership No - 099903

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

Anil Kapoor
Managing Director
DIN: 00032299

Abhay Bajaj
Chief Financial Officer
Place : New Delhi
Date : May 16, 2019

Saroj Kumar Poddar
Chairman
DIN: 00008654

Rajveer Singh
Company Secretary

Place : New Delhi
Date : May 16, 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

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, 2019. 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.

During the year, the Parent Company on January 01, 2019 has declared the commercial production from its New Urea Plant set up under the New Investment Policy 2012 (as amended) at its existing plant location at Gadepan, District Kota (Rajasthan). The Parent Company now has three urea plants.

Apart from manufacture of Urea, the Parent Company also deals in other fertilisers and Agri inputs. The Group is also engaged in Software business and it also has a joint venture for manufacture of Phosphoric Acid in Morocco.

These consolidated financial statements were authorised for issuance by the Board of Directors of the Parent Company at its meeting held on May 16, 2019.

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, 2018. 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 Rupees (Rs.) and all values are presented in Lakhs (Rs. 00,000.00), except when otherwise indicated.

New and amended accounting standards adopted by the Group:

The Group has applied the following accounting standards and amendments therein for the first time for their annual reporting period commencing April 01, 2018:

- Ind AS 115, Revenue from Contracts with Customers;
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates;
- Amendment to Ind AS 12, Income Taxes;
- Amendment to Ind AS 28, Investments in Associates and Joint Ventures; and
- Ind AS 112, Disclosure of Interests in Other Entities.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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. Further, during the year Joint venture of the Parent Company has prepared its accounts for the period of 15 months i.e. January 01, 2018 to March 31, 2019 (comparative being 12 months from January 01, 2017 to December 31, 2017), so as to align its reporting period with that of the Parent Company. Accordingly, the previous year numbers are not comparable to this extent. Further subsidiaries which are liquidated/under liquidation as on March 31, 2019 are consolidated till the Group was having the control over the subsidiaries.

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 AS 12 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 venture 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 was following calendar year for preparing its annual accounts. During the year, Joint venture of the Parent Company has prepared its accounts for a period of 15 months i.e. January 01, 2018 to March 31, 2019 (comparative being 12 months from January 01, 2017 to December 31, 2017), so as to align its reporting period with that of the Parent Company. Accordingly, the previous year figures are not comparable to this extent. The same has been considered for the purpose of equity accounting in the consolidated financial statements.

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 Rupees (Rs.), which is Parent Company's functional and presentation currency.

(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 (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 (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 foreign operations, the associated exchange differences are re-classified to profit or loss, as part of the gain or loss on disposal.

Goodwill arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations 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 subsequent disposal of any foreign operations 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 are recognised in the Consolidated 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 are 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 are 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 and 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 fair value 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 Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by comparing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers and /or with available information, also compares the change in the fair value of each asset and liability with relevant available 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.

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 provided in note 46 pertains to previous year.

vii) Property plant and equipment ("PPE")

PPE are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. 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.

Catalysts which are used in commissioning of new plant are capitalized and are amortized based on the estimated useful life as technically assessed. Subsequent issues of catalysts, if any, are treated as inventory.

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 PPE

Depreciation on PPE is calculated using the straight-line method to allocate their cost, net of their residual values, over their useful lives 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 (vii) 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 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 3 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	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	30 years based on technical evaluation that the railway siding is currently in use.
(vi)	Building (other than factory building) Reinforced Cement Concrete Frame structure	Over their useful lives ranging from 10 to 60 years.
(vii)	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 Companies

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.

b. 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 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, on derecognition, including 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.

The provision for doubtful debts or provision for impairment of assets/ trade receivables is made on case to case basis, based on the information available, past history and other relevant available information. The Group also makes general provision for credit loss based on its past experience of provision / write off.

Assessment of credit risk is being made on case to case basis based on available information and if credit risk has increased from initial recognition.

(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

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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 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 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.

xvii) Revenue Recognition and Other Income

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(a) Sale of Goods

Revenue, including subsidy, in respect of sale of goods is recognised when control of the goods has transferred, being when the goods are delivered to the buyer, the buyer has full discretion over the goods and there is no unfulfilled obligation that could affect the buyer's acceptance of the goods. Revenue from the sales is recognised based on price specified in the contract, net of estimated volume discount. Amounts disclosed as revenue are net of returns and allowances, trade discounts, rebates and goods & service tax (GST). The Group collects GST on behalf of the government and therefore, these are not economic benefits flowing to the Group. Hence, these are excluded from the revenue.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

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) New Investment Policy 2012 (as amended); and
- (iv) 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) fertilisers 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 of the Government of India.

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

(b) Income from Operations of Software Business

In respect of subsidiaries engaged in software development and business process outsourcing services, revenue from contracts with customers is recognised upon transfer of control of the promised services to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

Revenue is recognized 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 is 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 recognition criteria must also be met before revenue is recognized:

Sale of services

The Group derives its revenues from sale and implementation of its software and maintenance and other software services. These services are provided either on fixed-price or unit-price basis.

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 unit-price 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.

Contract assets

A contract asset is the right to consideration in exchange for services rendered to the customer. Revenues in excess of invoicing are classified as contract assets (referred as 'unbilled revenue').

Trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to render services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract. Invoicing in excess of revenues are classified as contract liabilities (referred as 'unearned revenues').

(c) Interest Income

Interest income is calculated by applying the effective interest rate to gross carrying amount of a financial asset except for financial asset that subsequently become credit impaired. In case of Credit impaired financial asset the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(d) Dividend

Dividend income is recognised when the Group'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 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.

- (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/ICICI Prudential Life Insurance Company Limited every year. The group does 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.

- (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. The step down subsidiary of CVL has also taken an 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 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. 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.
- (f) Long service awards are other long-term benefits accruing to all eligible employees 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.
- (g) Settlement allowance are other long-term benefits accruing to the eligible employees 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 / (losses) 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 or credit comprises 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 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.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement" and grouped under Deferred Tax. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

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 maker 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 the employees of the Parent Company. 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 Parent Company 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.

Accounting Standards issued but not yet effective

Recent Accounting pronouncements

On March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying the Ind AS 116, Leases. The newly notified standard is applicable to the Group from April 01, 2019. 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, 2019

(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	Total
NOTE 3 : PROPERTY, PLANT AND EQUIPMENT												
Deemed Cost												
As at April 01, 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 (refer footnote (5) below)	-	-	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
Additions (refer footnote (5) below)	4.04	-	62926.93	-	-	418.18	515206.39	524.89	866.44	151.26	172.34	580270.47
Deletions	(417.61)	-	(20.37)	-	-	(1.90)	(237.98)	(16.26)	(9.91)	(2.78)	(84.06)	(790.87)
Adjustments	-	-	2.12	-	-	-	12.28	(19.24)	4.38	0.46	-	-
Foreign currency translation difference	-	-	-	4.00	-	-	-	-	0.95	0.39	-	5.34
As at March 31, 2019	19.70	429.76	73032.44	131.58	107.83	809.48	635211.29	1823.68	2326.67	442.86	1638.49	715973.78
Depreciation and impairment												
As at April 01, 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	3444.09	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
Charge for the year (refer footnote (4) below)	-	4.34	856.14	23.23	-	20.30	10131.51	119.17	313.81	42.37	293.01	11803.88
Deletions	-	-	(4.68)	-	-	-	(71.78)	(7.22)	(5.81)	(1.36)	(68.07)	(158.92)
Adjustments	-	-	0.24	-	-	-	(5.94)	0.80	4.40	0.52	(0.02)	-
Foreign currency translation difference	-	-	-	0.51	-	-	-	-	2.12	0.01	-	2.64
As at March 31, 2019	-	20.36	1853.87	59.25	92.72	85.12	26660.44	369.37	1206.86	144.57	1014.76	31507.32
Net Book Value												
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
As at March 31, 2019	19.70	409.40	71178.57	72.33	15.11	724.36	608550.85	1454.31	1119.81	298.29	623.73	684466.46

Footnotes:

- Freehold land having carrying value Rs.0.89 Lakhs (Previous Year : Rs.0.89 Lakhs), Leasehold land having carrying value of Rs.31.69 Lakhs (Previous Year : Rs.31.69 Lakhs) and Buildings having carrying value of Rs.378.02 Lakhs (Previous Year : Rs.384.50 Lakhs) are yet to be registered in the Parent Company's name.
- The carrying value of Buildings includes Rs.0.27 Lakhs (Previous Year : Rs. 0.28 Lakhs) representing undivided share in assets jointly owned with others.
- Deletions from Land-Freehold includes Rs. 417.61 Lakhs (Previous Year : Nil) and Plant and Equipment includes gross block of Nil (Previous Year : Rs.63.01 Lakhs) and Accumulated Depreciation of Nil (Previous Year : Rs.7.85 Lakhs) transferred to 'Assets held for sale' (refer note-46(B)).
- Depreciation charge for the year includes an amount of Nil (Previous Year : Rs.47.19 Lakhs) related to erstwhile Shipping Division of the Parent Company. The amount has been recognised in Discontinued Operations in the Consolidated Statement of Profit and Loss (refer note-46(A)).
- Additions under Office Equipment during the year includes Rs. 119.23 Lakhs (Previous Year: Nil) related to CFCL Ventures Limited, a subsidiary of the Parent Company under finance leases and the carrying value of these assets held under finance leases as at March 31, 2019 is Rs. 95.78 Lakhs (Previous Year: Nil)

(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, 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
Purchase	-	-	-	43.72	1456.26	1499.98
Foreign Currency Translation Difference	208.04	-	208.04	86.95	412.93	499.88
As at March 31, 2019	3615.17	20783.28	24398.45	2444.35	8887.60	11331.95
Amortization and Impairment						
As at April 01, 2017	-	20783.28	20783.28	1546.76	2043.83	3590.59
Charge for the year	-	-	-	352.89	1991.72	2344.61
Foreign Currency Translation Difference	-	-	-	12.77	32.77	45.54
As at March 31, 2018	-	20783.28	20783.28	1912.42	4068.32	5980.74
Charge for the year *	-	-	-	132.50	2472.51	2605.01
Foreign Currency Translation Difference	-	-	-	86.94	221.89	308.83
As at March 31, 2019	-	-	20783.28	2131.86	6762.72	8894.58
Net Book Value						
As at March 31, 2018	3407.13	-	3407.13	401.26	2950.09	3351.35
As at March 31, 2019	3615.17	-	3615.17	312.49	2124.88	2437.37

* As March 31, 2019, CFCL Ventures Limited, a subsidiary of the Parent Company has re-assessed the future plan and active market for certain software and internally developed software platforms. On the basis of the assessment, the subsidiary of the Parent Company has charged accelerated amortisation of Rs. 2,473.52 Lakhs in respect of such software and software platforms which are not in active use.

#Internally developed software platforms relates to CFCL Ventures Limited, a subsidiary of the Parent Company, comprises of the following:

(Rs. in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Intangible Assets Net Book Value	Intangible Assets under Development	Intangible Assets Net Book Value	Intangible Assets under Development
Loan Dynamix	1039.21	315.19	799.15	-
Powerhub	5.64	907.68	12.93	510.90
Tempo	649.89	1.71	584.38	-
Loan Momentum	205.34	49.63	155.23	35.77
Others	224.80	-	1398.40	45.68
Total	2124.88	1274.21	2950.09	592.35

The management of the said subsidiary company is of view that the aforesaid internally developed software platforms have satisfied technological and economic feasibility and also significant future economic benefits are expected to arise from these products.

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
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
- 2,180 (Previous Year:2,180) equity shares of Rs.10 each fully paid up in Woodlands Multispeciality Hospital Limited	0.22	0.22
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
	2.48	2.48
Aggregate amount of Unquoted Investments	2.48	2.48
Note 5B : Non Current Loans		
Loans to Employees:		
(a) Loans Receivables Considered Good - Secured;	49.66	72.50
(b) Loans Receivables Considered Good - Unsecured;	16.97	21.28
	66.63	93.78
Included in Loans to Employees		
Dues from director of the Parent Company (refer Note 30)	-	2.15
Note 5C : Other Non Current Financial Assets		
(Unsecured, Considered Good)		
Security Deposits	830.21	802.92
Deposit with Banks having maturity more than 12 months (refer note 8D)	2.41	1.96
	832.62	804.88

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
NOTE 6 : OTHER NON CURRENT ASSETS		
(Unsecured Considered Good)		
Capital Advances	433.42	615.95
Balances with Statutory/ Government Authorities (Considered Doubtful: Rs.299.45 Lakhs (Previous Year : Rs.299.90 Lakhs))	470.70	355.26
Catalysts in use (valued based on life technically assessed)	1287.23	1701.01
Prepaid Expenses	725.62	835.90
Deferred Transaction Cost on Borrowings	254.89	1626.76
	3171.86	5134.88
Less: Allowance for Doubtful Advances	299.45	299.90
	2872.41	4834.98
NOTE 7 : INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)		
Raw Materials	102.27	73.96
Work-in-Progress	1246.76	567.57
Finished Goods {including in transit- Rs.5,928.90 Lakhs (Previous Year : Rs.6,254.56 Lakhs)}	11550.16	23843.45
Traded Goods {including in transit- Rs. 24,540.85 Lakhs (Previous Year : Rs. 5,095.80 Lakhs)}	111029.39	47423.89
Stores and Spares {including in transit- Rs. 21.09 Lakhs (Previous Year : Rs.92.94 Lakhs)}	7254.72	6461.47
Loose Tools	34.51	20.13
Catalysts in use (valued based on life technically assessed)	448.32	664.26
Packing Materials {including in transit- Rs.69.03 Lakhs (Previous Year : Nil)}	648.41	455.75
	132314.54	79510.48
During the year ended March 31, 2019, Nil (Previous Year : Rs.107.14 Lakhs) was recognised as an expense for inventories carried at net realisable value.		
NOTE 8 : CURRENT FINANCIAL ASSETS		
Note 8A : Current Investments		
Investment carried at Fair value through Profit or Loss		
Unquoted		
Investment in Bonds		
350 (Previous Year: Nil), 9.45% Corporate Bonds of Rs. 10,00,000.00 each in IL&FS Transportation Networks Limited	2450.00	-
	2450.00	-
Aggregate amount of Unquoted Investments	3500.00	-
Fair Value Loss on Investment carried at Fair Value through Profit or Loss	1050.00	-
Total Current Investments	2450.00	-

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note 8B : Trade Receivables		
Trade Receivables Considered Good - Secured	11672.10	10087.84
Trade Receivables Considered Good - Unsecured (including subsidy receivable from Government of India- Rs.4,32,232.60 Lakhs (Previous Year : Rs.2,36,227.52 Lakhs))	471068.59	243381.43
Trade Receivables Considered Doubtful - Unsecured (including subsidy receivable from Government of India- Rs.19,794.02 Lakhs (Previous Year : Rs.139.69 Lakhs))	21410.02	1593.10
	504150.71	255062.37
Less: Allowance for Doubtful Debts	21410.02	1593.10
	482740.69	253469.27
Note 8C : Cash and Cash Equivalents		
Balances with Banks:		
On Current Accounts	1950.24	679.85
On Cash Credit Accounts	0.79	247.12
Deposits with original maturity of less than three months	4500.00	5360.48
Cash on hand	2.75	4.49
	6453.78	6291.94
There is no repatriation restrictions on cash and cash equivalent.		
Note 8D : Bank Balances Other than 8C above		
On Unpaid Dividend Accounts	1254.68	1240.75
Deposits with remaining maturity for less than 12 months	399.84	231.81
Deposits with remaining maturity for more than 12 months *	2.41	1.96
	1656.93	1474.52
Less: Deposits with remaining maturity more than 12 months disclosed under 'other non current financial assets' (refer note 5C)	2.41	1.96
	1654.52	1472.56
* Fixed Deposit receipts of Rs.2.41 Lakhs (Previous Year : Rs.1.96 Lakhs) are pledged with Sales Tax Authorities.		
Note 8E : Current Loans		
Loans to Employees:		
(a) Loans Receivables Considered Good - Secured;	15.02	21.88
(b) Loans Receivables Considered Good - Unsecured;	4.51	9.06
	19.53	30.94
Note 8F : Other Current Financial Assets (Unsecured and Considered Good except to the extent stated)		
Derivatives		
Foreign Currency Option Contracts	56.45	15.80
Others		
Receivable from Gas Pool Operator	11069.23	21212.37
Receivable from a Joint Venture	7.63	7.26
Security Deposits (Considered Doubtful Rs. 0.70 Lakhs (Previous Year: Nil))	451.42	495.69
Insurance and Other Claims Receivable (Considered Doubtful Rs. 164.75 Lakhs (Previous Year: Rs.164.75 Lakhs))	788.75	183.65
Interest Receivable on Deposits	13.69	8.18
Unbilled Revenue	306.37	427.93
Escrow Receivable * (Considered Doubtful Rs. 141.36 Lakhs (Previous Year: Nil))	141.36	133.22
Other Receivables	1835.68	1143.14
	14670.58	23627.24
Less: Allowance for Doubtful Advances	306.81	164.75
	14363.77	23462.49

* 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	As at
	March 31, 2019	March 31, 2018
NOTE 9 : OTHER CURRENT ASSETS		
(Unsecured and Considered Good except to the extent stated)		
Advance to Suppliers (Considered Doubtful Rs. 48.25 Lakhs (Previous Year : Rs. 14.19 Lakhs))	872.98	1193.27
Balances with Statutory/ Government Authorities (Considered Doubtful Rs. 3193.67 Lakhs (Previous Year : Rs. 1935.74 Lakhs))	10448.54	9736.54
Interest Receivable - Others	32.82	501.73
Prepaid Expenses	1738.54	1507.63
Other Receivables	85.00	70.00
	13177.88	13009.17
Less: Allowance for Doubtful Advances	3241.92	1949.93
	9935.96	11059.24
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		As at	
	March 31, 2019		March 31, 2018	
	No. of shares	% holding	No. of shares	% holding
Zuari Global Limited	5,90,15,360	14.18	5,90,15,360	14.18
The Hindustan Times Limited	5,43,54,384	13.06	5,31,91,790	12.78
SIL Investments Limited	3,33,43,455	8.01	3,32,20,918	7.98
HDFC Trustee Company Limited - HDFC Balance Advantage Fund and its Associate Funds *	3,73,00,415	8.96	1,90,40,100	4.57

* As at March 31, 2018, shareholding was 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, 2019	As at March 31, 2018
Note 10A : Other Equity		
(a) Securities Premium	641.59	641.59
(b) Retained Earnings	205856.77	158995.81
(c) General Reserve	53426.34	48504.61
(d) Treasury Shares	(1127.09)	(1422.67)
(e) Loss on Treasury Shares Acquired	(90.74)	(55.94)
(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	50.00	425.00
(i) Tonnage Tax reserve (utilised) Account under Section 115VT of the Income Tax Act, 1961	4225.00	3850.00
(j) Share Option Outstanding Account	263.94	2552.00
Total	263291.76	213536.35
Other Comprehensive Income:		
(k) Exchange Differences on Translation of Foreign Operations	(3426.26)	(2491.94)
(l) Cash flow Hedging Reserve	(13161.94)	(2109.68)
Total	(16588.20)	(4601.62)
Other Equity	246703.56	208934.73

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

General Reserve 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, 2010.

(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, 2010.

(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

Tonnage tax reserve and Tonnage Tax Reserve (utilised) under section 115VT of the Income Tax Act, 1961 were created till the time erstwhile '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 of the Parent Company 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 35 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, 2019	As at March 31, 2018
NOTE 11 : FINANCIAL LIABILITIES		
Note 11A: Non Current Borrowings		
Secured Loans:		
Term Loans :		
- External Commercial Borrowings	291685.72	203226.04
- Foreign Currency Loans from Financial Institution	126651.07	94922.43
- Rupee Loan from Bank	9981.71	-
Finance Lease Obligations (refer footnote (iv) below)	98.89	32.21
	428417.39	298180.68
Unsecured Loans:		
- Rupee Loans from Banks (refer footnote (v) below)	10000.00	17500.00
- Redeemable Preference Shares	38150.79	35955.30
	476568.18	351635.98
Less : Current Maturities of Long Term Borrowings shown under "Other Current Financial Liabilities" (refer note (14C))	35143.65	32.21
Non-Current Borrowings (as per Balance Sheet)	441424.53	351603.77

(A) Details of Borrowings and Transaction Costs**(i) External Commercial Borrowings**

External Commercial Borrowings (refer footnote (i) below)

Less: Transaction Costs

Carrying Value of External Commercial Borrowings

294500.09	205617.48
2814.37	2391.44
291685.72	203226.04

(ii) Foreign Currency Loans from Financial Institution

Foreign Currency Loans from Financial Institution (refer footnote (ii) below)

Less: Transaction Costs

Carrying Value of Foreign Currency Loans from Financial Institution

127943.80	96075.63
1292.73	1153.20
126651.07	94922.43

(iii) Rupee Term Loan from Bank

Rupee Term Loan from Bank (refer footnote (iii) below)

Less: Transaction Costs

Carrying Value of Rupee Term Loan from Bank

10000.00	-
18.29	-
9981.71	-

(B) Nature of Security Terms and Repayment Schedule :

- (i) External Commercial Borrowings ("ECB") from banks of USD 4,258.24 Lakhs (Rs. 2,94,500.09 Lakhs including current maturity of Rs. 18,866.07 Lakhs) (Previous Year: Rs. 2,05,617.48 Lakhs including current maturity of Nil) carry interest in the range of 3 months LIBOR plus 2.82%-3.07% per annum. ECB amounting to USD 3,958.24 Lakhs (Rs. 2,73,752.09 Lakhs including current maturity of Rs. 16,425.13 Lakhs) are repayable in 13 half yearly instalments starting from September 30, 2019. ECB amounting to USD 300.00 Lakhs (Rs. 20,748.00 Lakhs including current maturity of Rs. 2,440.94 Lakhs) are repayable in 17 equal half yearly instalments starting from September 30, 2019. These ECBs 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 a financial institution of USD 1849.97 Lakhs (Rs. 1,27,943.80 Lakhs including current maturity of Rs. 15,052.21 Lakhs) (Previous Year: Rs. 96,075.63 Lakhs including current maturity of Nil) carry interest in the range of 3 month LIBOR plus 3.07%-3.10% per annum. These 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) Rupee term loan from bank of Rs 10,000.00 Lakhs (Previous Year: Nil) (including current maturity of Rs 1,176.47 Lakhs) carry interest at the rate of one year Marginal cost of funds based lending rate ("MCLR") of the lender plus 0.85% per annum (present effective rate is 9.30% per annum). Rupee term loan is repayable in 34 equal quarterly instalments starting from June 30, 2019. The loan is 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.

(iv) The step down subsidiary of the Parent Company has a finance lease obligation of Rs. 98.89 Lakhs (including current maturity of Rs. 48.90 Lakhs (Previous Year: Nil) carries fixed rate of interest and is repayable in 24 and 36 equal instalments. The obligations under finance leases are secured granting the lessor a first priority interest on the leased assets.

Finance Lease Obligation of Parent Company Rs. 32.21 Lakhs during the Previous Year was repayable in 5 monthly instalments of Rs. 6.77 Lakhs each (i.e. lease obligation including interest) and carried interest rate of around 27.34% per annum. This was secured by assets acquired under the facility.

(v) Unsecured Rupee Term Loan from bank of Rs. 10,000.00 Lakhs (Previous Year: Nil) carry interest @ one year MCLR of the lender i.e. 8.60% per annum and is repayable in April 2020.

Unsecured Rupee Term Loan from bank of Rs. 17,500.00 Lakhs has repaid during the Previous Year, carried interest @ 364 days treasury bill yield plus 1.45% per annum and was repayable in 8 equal quarterly instalments.

(C) Redeemable Preference Shares

In respect of redeemable preference shares issued by a 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 32 for the details regarding rights, preference and restrictions attached to the redeemable preference shares.

Particulars	(Rs. in Lakhs)	
	As at March 31 2019	As at March 31 2018
Note 11B : Other Non Current Financial Liabilities		
Earnest Money / Security Deposits	19.89	18.74
	19.89	18.74
NOTE 12 : LONG TERM PROVISIONS		
Provision for Employee Benefits		
- Gratuity (refer note 31)	330.93	65.87
- Post Retirement Medical Benefits (refer note 31)	403.91	310.46
	734.84	376.33
NOTE 13 : OTHER NON CURRENT LIABILITIES		
Other Employee Benefit Obligations	322.73	282.17
	322.73	282.17
NOTE 14 : FINANCIAL LIABILITIES		
Note 14A : Current Borrowings		
Secured Loans:		
From Banks:		
- Rupee Loans (refer footnote (i) below)	70009.05	38373.47
- Cash Credit Facilities (refer footnote (ii) below)	140167.97	69695.24
- Foreign Currency Loans (refer footnote (iii) below)	51102.26	25102.56
Unsecured Loans:		
Commercial Papers (refer footnote (iv) below)	35000.00	50000.00
From Banks:		
- Line of Credit Facility (refer footnote (v) below)	11757.20	11080.60
- Foreign Currency Loans (refer footnote (vi) below)	68217.04	62047.20
- Rupee Loans (refer footnote (vii) below)	51700.00	-
	427953.52	256299.07

(i) Rupee loan of Rs.70,009.05 Lakhs (Previous Year: Rs.38,373.47 Lakhs) from a bank has been under Special Banking Arrangement against the subsidy on Indigenous Urea and P&K Fertilisers receivable from Govt. of India. The Bank has charged interest @ 8.20% per annum (including 7.72% per annum paid by Govt. of India directly to the bank). Accordingly, Rs.14.09 Lakhs (Previous Year: Rs. 8.96 Lakhs) @ 0.48% per annum has been charged as interest expense in the statement of Profit and Loss. The loan is secured by hypothecation of subsidy receivables upto Rs.70,009.05 Lakhs (Previous Year: Rs.38,373.47 Lakhs) from Govt. of India. The loan is repayable within 60 days.

(ii) Cash credit facilities from Banks of Rs 1,40,167.97 Lakhs (Previous Year: Rs. 69,695.24 Lakhs) carry interest in the range of 8.70% - 9.30% per annum and these loans are secured/to be secured by hypothecation of all the Parent Company's current assets including all stocks and book debts and other movable assets, both present and future. These loans are further secured by second charge on all the immovable properties of the Parent Company. The loans are repayable on demand.

(iii) Foreign currency Loans from Banks of Rs. 51,102.26 Lakhs (Previous Year : Rs 25,102.56 Lakhs) carry interest in the range of 2.85%-3.19% per annum. Out of these, loans amounting to Rs. 11,926.82 Lakhs (Previous Year: Nil) are secured/to be secured by hypothecation of all the Parent Company's current assets including all stocks and book debts and other movable assets, both

present and future and further secured by second charge on all the immovable properties of the Parent Company. These loans are repayable within 79 days. Further, foreign currency loans amounting to Rs. 39,175.44 Lakhs (Previous Year: Rs. 25,102.56 Lakhs) are secured by second charge on the Parent Company's current assets. These loans are repayable within 60 days.

- (iv) Unsecured Commercial Paper of Rs. 35,000.00 Lakhs (Previous Year: Rs. 50,000.00 Lakhs) carry interest in the range of 7.70% - 7.90% per annum. The commercial papers are repayable within 79 days.
- (v) The step-down subsidiary of the Parent Company has an unsecured line of credit of Rs. 11,757.20 Lakhs (Previous Year: Rs. 11,080.60 Lakhs) carrying floating rate of interest i.e. 6 months Libor rate and Spread 2.75% (Spread 2.55% till June 19, 2018).
- (vi) Unsecured foreign currency loans of Rs. 68,217.04 Lakhs (Previous Year : Rs. 62,047.20 Lakhs) carry interest in the range of 2.75% - 3.12% per annum. These loans are repayable within 122 days.
- (vii) Unsecured Rupee Loans of Rs. 51,700.00 Lakhs (Previous Year: Nil) carry interest in the range of 6.80% - 8.60% per annum. These loans are repayable within 208 days.

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note 14B : Trade Payables		
Trade Payables	98816.98	30342.43
	98816.98	30342.43
Note 14C : Other Financial Liabilities		
Current Maturity of Long Term Borrowings (refer note 11A)	35143.65	32.21
Interest Accrued but not due on Borrowings	1373.96	708.07
Earnest Money / Security Deposits	15035.23	10716.09
Accrued Employee Liabilities	3097.93	2571.05
Unclaimed Statutory Liabilities (as referred in Section 124(1) of the Companies Act, 2013):		
-Unpaid Dividend	1254.68	1240.75
Payable for Capital Goods	60139.25	21663.30
Derivative Financial Liabilities	2320.33	7.94
Warrants*	0.42	0.40
Others	-	38.92
	118365.45	36978.73

* The fair value of the stock purchase warrants amounting to USD 610 (equivalent to Rs.0.42 Lakhs), USD 610 (equivalent to Rs. 0.40 Lakhs) as of March 31, 2019 and March 31, 2018 respectively.

Terms and Conditions of the above Financial Liabilities:

- Trade Payables and Other Financial Liabilities (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 43.

NOTE 15 : OTHER CURRENT LIABILITIES

Advance from Customers	738.46	1029.09
Unearned Revenue	984.02	1778.21
Statutory Obligations Payable	1673.52	1141.64
Other Employee Benefit Obligations	26.08	48.83
Other Liabilities :		
- Dues to Related Parties (refer note 30)	27.00	27.00
- Others	246.70	59.72
	3695.78	4084.49

NOTE 16 : CURRENT PROVISIONS

Provision for Employees Benefits:

- Gratuity (refer note 31)	353.25	281.77
- Leave Encashment	3018.13	2794.69
- Post Retirement Medical Benefits (refer note 31)	15.24	10.36
	3386.62	3086.82

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
NOTE 17 : REVENUE FROM OPERATIONS		
Sale of Products (including Excise Duty: Nil (Previous Year : Rs.505.18 Lakhs)		
Sale of Own Manufactured Products {including Rs. 4,81,567.25 Lakhs (Previous Year Rs. 2,76,865.80 Lakhs) Subsidy on Fertilisers}	624701.95	400062.12
Sale of Traded Products {including Rs. 1,18,150.47 Lakhs (Previous Year Rs. 1,18,765.40 Lakhs) Subsidy on Fertilisers}	384722.30	346539.53
Sale of Services:		
Income from Software Development	5579.01	5339.05
Income from Software Licence Fees	(12.32)	110.57
Income from Maintenance and Support Services	2717.84	2540.80
Other Operating Revenues		
Others	27.44	14.95
Revenue from Operations (Gross)	1017736.22	754607.02
Revenue from customers (marketing) are at average term of 61 days (Previous Year: 55 days)		
NOTE 18 : OTHER INCOME		
Interest on:		
- Fertilisers Bonds	0.01	0.01
- Employees Loans	1.86	4.23
- Income Tax Refunds	110.73	410.63
- Deposits (Gross) (Refer note 28)	105.78	34.26
- Payment from Customers	1738.66	1400.00
- Current Investments	618.85	1590.06
- Others	37.68	128.05
Dividend Income on Non Current Investment	0.74	-
Rent Received	280.35	251.24
Foreign Currency Translation Reserve Released	-	322.76
(Loss)/Gain Mark to Market Gain on Derivative Transactions	(2314.66)	5692.41
Insurance Claims Received	1030.18	856.81
Liabilities no Longer Required Written Back	1568.55	125.35
Recoveries from Contractor	1869.94	-
Gain on Sale of Current Investments	2440.70	2647.93
Sale of Scrap	138.71	144.56
Gain on Disposal of Property, Plant and Equipment (Net)	20.16	-
Miscellaneous Income	629.05	539.78
	8277.29	14148.08

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
NOTE 19 : COST OF MATERIALS CONSUMED		
Opening Inventories	73.96	762.96
Add: Purchases	278591.32	177992.48
Less: Closing Inventories	102.27	73.96
	278563.01	178681.48
NOTE 20 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Closing Inventories		
- Work-in-Progress	1246.76	567.57
- Finished Goods	11550.16	23843.45
- Traded Goods	111029.39	47423.89
	123826.31	71834.91
Opening Inventories		
- Work-in-Progress	567.57	844.23
- Finished Goods	23843.45	20551.37
- Traded Goods	47423.89	55095.86
	71834.91	76491.46
Inventory capitalised during the year	927.89	-
(Increase) / Decrease in Inventories	(51063.51)	4656.55
NOTE 21 : EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus *	14408.01	12921.53
Contribution to Provident and Other Funds *	977.57	877.56
Gratuity Expense (refer note 31)	281.10	243.28
Post Retirement Medical Benefits (refer note 31)	40.58	34.34
Workmen and Staff Welfare Expenses	937.93	861.10
Employee Share Based Payment Expense (refer note 35)	0.46	0.33
	16645.65	14938.14
* Refer note 28		
NOTE 22 : FINANCE COSTS		
Interest (including Interest on Income Tax : Rs.9.68 Lakhs (Previous Year : Rs.0.05 Lakhs)) *	20755.11	9210.91
Bank Charges and Guarantee Commission *	890.62	263.49
Exchange Differences regarded as an Adjustment to Borrowing Costs	3607.80	6044.67
	25253.53	15519.07
* Refer note 28		

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
NOTE 23 : OTHER EXPENSES		
Consumption of Stores and Spares	2006.21	1669.53
Consumption of Packing Materials	8000.32	6474.96
Bagging and Other Services	1336.33	1130.62
Power and Fuel	176843.66	109879.16
Catalyst Charges Written Off	664.28	704.04
Rent (refer note 34) *	2890.83	2744.93
Rates and Taxes	137.35	82.14
Insurance *	1281.39	1377.92
Repairs and Maintenance:		
- Plant and Equipment*	1697.19	2071.10
- Buildings	342.22	408.50
- Others*	1783.18	1270.69
Directors' Sitting Fees (including Service Tax: Nil (Previous Year: Rs. 1.07 Lakhs))	18.45	21.92
Travelling and Conveyance *	958.25	973.26
Communication Costs	300.97	293.52
Printing and Stationery	31.78	43.07
Legal and Professional Fees *	1027.51	937.38
Auditor's Remuneration		
As auditor:		
- Audit Fee	53.43	51.16
- Tax Audit Fee	5.60	11.17
- Limited Review Fee	18.00	21.60
- Out of Pocket Expenses	6.80	8.90
In other manner:		
- Certification and other services	27.13	25.21
Excise Duty on Decrease in Inventories	-	(90.16)
Freight and Forwarding Charges	62852.60	53848.00
Other Selling Expenses	352.08	2011.78
Corporate Social Responsibility Expenditure	1265.94	1118.50
Depletion of Loose Tools	24.86	13.50
Fair Value Loss on Financial Instrument measured at Fair Value through Profit or Loss	1050.00	-
Green Belt Development/ Horticulture Expenses	255.67	247.38
Loss on Liquidation of Subsidiary	66.45	-
Allowance for Doubtful Debts and Advances (Net)	1618.37	939.97
Loss on Foreign Exchange Variation (Net)	1575.20	5023.16
Loss on Disposal of Property, Plant and Equipment (Net)	-	1270.83
Bank Charges and Guarantee Commission (other than Financing)	127.85	137.14
Irrecoverable Balances Written Off	145.74	56.64
Less: Allowance for Doubtful Debts and Advances adjusted out of above	<u>139.68</u>	<u>-</u> 56.64
Miscellaneous Expenses *	1495.85	1489.17
	<u>270121.81</u>	<u>196266.69</u>

* Refer note 28

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
NOTE 24 : EARNINGS PER SHARE (EPS)		
(i) Continuing Operations		
Net Profit as per Consolidated Statement of Profit and Loss	58484.64	49173.39
Add : Loss for the Year attributable to Non-Controlling Interests	536.74	343.36
Profit attributable to Equity Holders of the Parent Company:	59021.38	49516.75
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.)	14.18	11.90
Nominal Value of Equity Shares (in Rs.)	10.00	10.00
(ii) Discontinued Operations		
Net Profit as per Consolidated Statement of Profit and Loss	-	367.72
Profit attributable to Equity Holders of the Parent Company:	-	367.72
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
Nominal Value of Equity Shares (in Rs.)	10.00	10.00
(iii) Continuing and Discontinued Operations		
Net Profit as per Consolidated Statement of Profit and Loss	58484.64	49541.11
Add : Loss for the Year attributable to Non-Controlling Interests	536.74	343.36
Profit attributable to Equity Holders of the Parent Company:	59021.38	49884.47
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.)	14.18	11.99
Nominal Value of Equity Shares (in Rs.)	10.00	10.00

25. The Group comprises of the following entities :

Name of the Group Company	Country of Incorporation	Percentage of Ownership as at March 31, 2019	Percentage of Ownership as at March 31, 2018
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 (till 28.02.2019)	UAE	100.00%	100.00%
India Steamship Limited *	India	100.00%	100.00%
Subsidiaries of CVL			
ISGN Corporation	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%
B. Joint Venture			
Indo Maroc Phosphore S.A. - IMACID	Morocco	33.33%	33.33%

* Under Liquidation

26. Contingent Liabilities (not provided for)

(i) (a) In respect of Parent Company :			(Rs. in Lakhs)	
S. No.	Particulars	As at March 31, 2019	As at March 31, 2018	
(i)	Demand raised by Service Tax, Sales Tax and Income Tax (IT) authorities being disputed by the Parent Company *	278.85	760.76	
(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	7.81	

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

(Rs. in Lakhs)

1. Income Tax :			
	Demand raised by IT authorities on account of various disallowances for assessment year 2009-10 including penalties	-	52.71
	Demand raised by IT authorities on account of various disallowances for assessment year 2010-11	-	289.48
	Demand raised by IT authorities on account of various disallowances for assessment year 2011-12	66.58	66.58
	Demand raised by IT authorities on account of various disallowances for assessment year 2012-13	154.22	154.22
2. Sales Tax :			
(a)	Demand raised by Uttar Pradesh Commercial Tax, Tribunal Bench, Agra, Uttar Pradesh on levy of value added tax (VAT) on single super phosphate for financial year 2012-13.	-	17.99
(b)	Demand raised by sales tax authorities, Uttar Pradesh for financial year 2014-15 on levy of VAT (Including Rs.1.00 Lakhs for Entry Tax).	-	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 by the erstwhile Shipping Division of the Parent Company.	26.83	26.83
Total		278.85	760.76

- (v) The Parent Company had received a demand of Rs. 352.34 Lakhs plus penalty (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 (1996-97 to 1997-98) and on 17th August, 2001 (1998-99 to 2001-02 – Upto May, 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. 7,380.36 Lakhs (Previous Year: Rs. 7,380.36 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 (ISGN India)

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax demands, under appeal [refer Note (i) below] USD 35,15,391 Previous Year USD 37,30,046	2431.24	2431.24
Others [refer Note (ii) below] USD 2,42,915 Previous Year USD 2,57,748	168.00	168.00

- (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 Madras, 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.
- (iii) On February 13, 2019, the Registrar of Companies has filed an application with the Special Court of Economic Offences for condonation of delay in filing a compliant against ISGN India for violation of section 269(1) of the Companies Act, 1956, in respect of failure of ISGN India to appoint a Managing Director from April 1, 2006 to March 23, 2009.

(ii) Contingent Assets (not recognised for) in respect of Parent Company:

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Un-utilised Cenvat Credit	322.09	320.07

The erstwhile Shipping Division of the Parent Company had claimed cenvat credit in the service tax returns in the earlier years. However, such service tax credit receivable has not been recognised in the financial statements due to uncertainty in utilisation of the same.

27. Capital Commitments:

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account (net of advances)	6723.42	133996.41

28. Capitalisation of Expenditure
-Parent Company

The Parent 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 Parent Company. The break up of expenditure is as follows :

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	28509.86	13284.49
Add : Expenditure during the year		
Salaries, Wages and Bonus	1142.52	681.08
Contribution to Provident and Other Funds	56.09	32.73
Travelling and Conveyance	33.05	81.63
Legal and Professional Fees	16.12	9.85
Interest **	20971.91	12557.44
Other Finance Costs	544.34	372.83
Bank Charges	9.91	90.69
Construction of Enabling Asset - Anicut	174.88	1380.12
Insurance	0.15	226.82
Rent	-	7.49
Start up and Commissioning Expenses	21030.47	320.07
Miscellaneous Expenses	83.45	35.89
Total Expenditure	72572.75	29081.13
Less: Interest Income on Deposits	(253.99)	(173.61)
Add: Current Tax	88.76	60.08
Less: Deferred Tax	(88.76)	(60.08)
Net Expenditure	72,318.76	28907.52
Less: Allocated to Property, Plant and Equipment ***	(72277.58)	(397.66)
Capitalisation of Expenditure (pending for allocation) *	41.18	28509.86

* includes Nil (Previous Year: Rs.28506.31 Lakhs) related to New Urea Plant ('Gadepan-III Plant') under the New Investment Policy 2012 (as amended).

** Interest comprises of:

(i) Rs.14735.83 Lakhs (Previous year : Rs. 8314.32 Lakhs) on specific borrowings taken for Gadepan-III Plant and

(ii) Rs. 6236.08 Lakhs (Previous year : Rs. 4243.12 Lakhs) on general borrowings for Gadepan-III Plant and other qualifying assets using the weighted average interest rate applicable during the year which is 7.19 % per annum (Previous year: 6.24% per annum).

*** represents capitalisation of Gadepan-III Plant (Previous Year: represents capitalisation of interest expense on qualifying assets).

-Subsidiary Company

CFCL Ventures Limited, subsidiary of the Parent Company has capitalised the following expenses of revenue nature towards the development of internally developed software platforms. Consequently expenses disclosed under the respective notes are net of amounts capitalised by the subsidiary of the Parent Company. The break up of expenditure is as follows :

Rs. (in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	592.35	536.00
Add : Expenditure during the year		
Employee Benefits Expense	2068.41	2327.31
Repairs & Maintenance- Others	40.54	-
Total Expenditure	2108.95	2,327.31
Less: Allocated to Intangible Assets	(1456.26)	(2274.25)
Exchange Differences	29.17	3.29
Closing balance	1274.21	592.35

29. 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 and 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 erstwhile Shipping Division of the Parent Company has been discontinued.

'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	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Revenue								
External Revenue (including other operating revenue)	1009451.69	746616.60	-	-	8284.53	7990.42	1017736.22	754607.02
Inter Segment Revenue	-	-	-	-	-	-	-	-
Total revenue	1009451.69	746616.60	-	-	8284.53	7990.42	1017736.22	754607.02
Income/ (Expense)								
Depreciation and Amortisation Expense	11875.73	6174.89	-	-	2533.16	2249.90	14408.89	8424.79
Segment Profit/ (Loss)	92642.48	80162.65	(28.73)	(25.93)	(580.92)	(263.49)	92032.83	79873.23
Total Assets	1343576.72	895599.18	21.32	931.86	10831.14	11071.32	1354429.18	907602.36
Total Liabilities	185765.76	59646.17	4.89	235.44	3054.03	3683.61	188824.68	63565.22
Other Disclosures								
Capital Expenditure	177988.26	257821.30	-	-	2278.46	2404.51	180266.72	260225.81

Reconciliations to amounts reflected in the financial statements

Reconciliation of Profit

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Segment Profit	92032.83	79873.23
Reconciliation Items:-		
Interest Income	2613.57	3567.24
Dividend Income	0.74	-
Mark to Market Gain on Derivative Transaction	-	5692.41
Gain on Sale of Investments	2440.70	2647.93
Other Expenses (net of other income)	-	(6406.59)
Depreciation and Amortisation Expense	-	(113.95)
Finance Costs	(24362.91)	(15519.07)
Fair Value Loss on Financial Instrument measured at Fair Value through Profit or Loss	(1050.00)	-
Share of Net Profit of a Joint Venture accounted for using the Equity Method	11668.12	3925.40
Profit Before Tax from Continuing Operations	83343.05	73666.60

Reconciliation of Assets

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Segment Operating Assets	1354429.18	907602.36
Property, Plant and Equipment	-	248.27
Investments Accounted for Using the Equity Method	27567.67	20705.60
Non-Current Investments	2.48	2.48
Current Investments	2450.00	-
Bank balances on unpaid dividend accounts	-	1240.75
Deposits with banks	-	201.65
Deferred tax assets (net)	-	128.62
Income tax assets (net)	8022.30	7565.92
Deferred transaction cost on borrowings	-	1,626.76
Derivative financial assets	-	15.80
Prepaid Expenses	-	1,500.43
Other unallocable assets	155.14	7,075.93
Assets classified as held for sale {refer note 46(B)}	-	40.35
Total Assets	1392626.77	947954.92

Reconciliation of Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Segment Operating Liabilities	188824.68	63565.22
Long-Term Borrowings	441424.53	351603.77
Deferred Tax Liabilities (Net)	19052.69	21314.25
Short-Term Borrowings	427953.52	256299.07
Current maturities of long term borrowings	35143.65	32.21
Unclaimed statutory liabilities	-	1240.75
Derivative Financial Liabilities	-	7.94
Other Unallocable Liabilities	1701.35	12072.02
Total Liabilities	1114100.42	706135.23

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	2018-19	2017-18
India	1009451.69	746616.60
Outside India	8,284.53	7,990.42
Total Revenue as per Consolidated Statement of Profit and Loss	1017736.22	754607.02

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 and Intangible Assets have not been furnished.

30. Related Party Transactions

Disclosures of the related party information as per Ind AS - 24 'Related Party Disclosures', are as follows-

I Related Party Name and Relationship

(A) Subsidiaries

CFCL Ventures Limited
 Chambal Infrastructure Ventures Limited
 India Steamship Pte. Limited
 India Steamship International FZE (till 28.02.2019)
 India Steamship Limited (Under Liquidation)
 ISGN Corporation#
 ISG Novasoft Technologies Limited#
 Inuva Info Management Private Limited (Under Liquidation)#
 # Subsidiaries of CFCL Ventures Limited

(B) Joint Venture

Indo Maroc Phosphore, S.A. - IMACID

(C) Post Employment Benefit Plans

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

(D) Key Management Personnel

S.No.	Name	Designation
1	Mr. Saroj Kumar Poddar	Non-Executive Chairman
2	Mr. Shyam Sunder Bhartia	Non-Executive Director
3	Mr. Nimesh Nagindas Kampani	Independent - Non-Executive Director
4	Mr. Anil Kapoor	Managing Director
5	Mr. Vivek Mehra	Independent - Non-Executive Director (Appointed with effect from September 18, 2018)
6	Mr. Aditya Narayan	Independent - Non-Executive Director (Ceased to be director on September 18, 2018)
7	Mr. Chandra Shekhar Nopany	Non-Executive Director
8	Ms. Radha Singh	Independent - Non-Executive Director
9	Mr. Marco Philippus Ardeshir Wadia	Independent - Non-Executive Director
10	Mr. Abhay Baijal	Chief Financial Officer
11	Mr. Rajveer Singh	Company Secretary

II Transaction with the Related Parties-

(A) Joint Venture

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Reimbursement of expenses		
Indo Maroc Phosphore, S.A. - IMACID	14.95	18.05
Total	14.95	18.05

(B) Post Employment Benefit Plans

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contribution Paid/Payable		
- CFCL Employees' Provident Fund	406.08	368.25
- Chambal Fertilisers and Chemicals Limited Senior Staff Superannuation Fund	92.34	57.37
- CFCL Employees Group Gratuity Scheme	-	427.71
- India Steamship Staff Provident Fund *	1.65	6.71
Total	500.07	860.04

* included current year Nil (previous year in discontinued operations in the Statement of Profit and Loss in respect of erstwhile Shipping Division of the Parent Company {refer note 46(A)}).

(C) Key Management Personnel

(Rs. in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Compensation **		
-Short Term Employee Benefits:		
Mr. Anil Kapoor	532.75	473.91
Mr. Abhay Baijal	123.53	111.06
Mr. Rajveer Singh	65.17	55.19
-Share Based Payments:		
Mr. Rajveer Singh	2.94	-
Total	724.39	640.16
Interest Income on Loan		
Mr. Anil Kapoor	0.03	0.12
Total	0.03	0.12
Repayment of Loan		
Mr. Anil Kapoor	2.15	-
Total	2.15	-
Commission to Non-Executive Directors		
Mr. Saroj Kumar Poddar	5.00	5.00
Mr. Nimesh Nagindas Kampani	5.00	2.71
Mr. Vivek Mehra	2.67	-
Mr. Kashi Nath Memani	-	2.29
Mr. Aditya Narayan	2.33	5.00
Mr. Chandra Shekhar Nopany	5.00	5.00
Ms. Radha Singh	5.00	5.00
Mr. Marco Philippus Ardeshir Wadia	5.00	5.00
Total	30.00	30.00
Sitting Fees to Non-Executive Directors		
Mr. Saroj Kumar Poddar	1.50	2.00
Mr. Nimesh Nagindas Kampani	2.00	1.25
Mr. Vivek Mehra	1.70	-
Mr. Kashi Nath Memani	-	0.75
Mr. Aditya Narayan	1.80	4.35
Mr. Chandra Shekhar Nopany	2.90	2.60
Ms. Radha Singh	4.50	5.10
Mr. Marco Philippus Ardeshir Wadia	4.05	4.80
Total	18.45	20.85

** The liabilities for the gratuity, leave, post retirement medical benefits, long service award scheme and settlement allowance are provided on an actuarial basis and determined for the Parent Company as a whole rather than for each of the individual employees. Accordingly, the said liabilities cannot be ascertained separately for Managing Director, Chief Financial Officer and Company Secretary, hence not included, except for the amount actually paid.

III Outstanding Balances from Related Parties
(A) Joint Venture

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Other Current Financial Assets		
Indo Maroc Phosphore, S.A. - IMACID	7.63	7.25
Total	7.63	7.25

(B) Post Employment Benefit Plans

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Other Current Liabilities		
CFCL Employees' Provident Fund	33.84	31.13
Chambal Fertilisers and Chemicals Limited		
Senior Staff Superannuation Fund	7.51	6.54
India Steamship Staff Provident Fund	0.14	0.14
Total	41.49	37.81
Other Current Assets		
India Steamship Staff Gratuity Insurance Scheme	42.15	42.15
Total	42.15	42.15

(C) Key Management Personnel

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current Loans		
Mr. Anil Kapoor	-	2.15
Total	-	2.15
Other Current Liabilities		
Mr. Saroj Kumar Poddar	4.50	4.50
Mr. Nimesh Nagindas Kampani	4.50	2.06
Mr. Vivek Mehra	2.40	-
Mr. Kashi Nath Memani	-	2.44
Mr. Chandra Shekhar Nopany	4.50	4.50
Mr. Aditya Narayan	2.10	4.50
Ms. Radha Singh	4.50	4.50
Mr. Marco Philippus Ardeshir Wadia	4.50	4.50
Total	27.00	27.00

Note 1: Transactions and Balances with the Subsidiaries and Joint Venture to the extent eliminated on consolidation are not included.

Note 2: Outstanding Balances are unsecured and their settlement occurs in cash.

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

Details of Stock Options held by Key Management Personnel under the ESOS to purchase equity shares of the parent Company are as follows:

Key Management Personnel	Grant date	Expiry Period (Financial Year)	Exercise Price (in Rs.)	As at March 31, 2019 Number Outstanding	As at March 31, 2018 Number Outstanding
Mr. Anil Kapoor	September 16, 2010	2019-2020 to 2023-2024	73.50	1,39,000	1,39,000
Mr. Abhay Bajjal	September 16, 2010	2019-2020 to 2023-2024	73.50	90,000	90,000
Mr. Rajveer Singh	September 16, 2010	2020-2021 to 2023-2024	73.50	51,000	54,000
Total				2,80,000	2,83,000

Each stock option entitles the holder to acquire 1 equity share of Rs.10.

31. Gratuity and Other Post-Employment Benefit Plans:

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018 *
Gratuity Plan - (Liability)	(684.18)	(347.64)
Provident Fund - Asset *	270.93	312.31
Post Retirement Medical Benefits Plan - (Liability)	(419.15)	(320.82)

*Plan asset of Rs.270.93 Lakhs (Previous year: Rs.312.31 Lakhs) 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

The Parent Company has a defined benefit gratuity plan. Benefit is being paid as under-

(i) (A) In case of retirement or death while in service, 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 erstwhile 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 last drawn salary for each completed year of service. The Scheme is funded with insurance companies in the form of qualifying insurance policies except in the case of crew employees of the 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, a 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 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 defined benefit gratuity plans.

b) Post Retirement Medical Benefit Plan

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 is managed by the Trustees. 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, 2019.

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 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 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 2019: (Rs. in Lakhs)

Particulars	As at April 1, 2018	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, 2019
(A) Gratuity plan: *														
Defined Benefit Obligation	(3,148.25)	(227.27)	(267.60)	(494.87)	176.14	-	-	0.84	(70.54)	(69.70)	-	-	(0.01)	(3,536.69)
Fair Value of Plan Assets	2,800.61	-	213.77	213.77	(174.55)	12.68	-	-	-	12.68	-	-	-	2,852.51
Benefit (Liability)	(347.64)			(281.10)	1.59	-	-	-	-	(57.02)	-	-	(0.01)	(684.18)
(B) Post Retirement Medical Benefits Plan:														
Defined Benefit Obligation	(320.82)	(15.68)	(24.90)	(40.58)	12.16	-	-	-	(69.91)	(69.91)	-	-	-	(419.15)
Fair Value of Plan Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit (Liability)	(320.82)			(40.58)	12.16	-	-	-	-	(69.91)	-	-	-	(419.15)

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	(2,943.97)	(210.22)	(119.60)	(329.82)	115.24	-	-	28.16	(30.72)	(2.56)	-	-	12.86	(3,148.25)
Fair Value of Plan Assets	2,340.51	-	173.55	173.55	(103.98)	(39.86)	-	1.03	-	(38.83)	-	429.38	(0.02)	2,800.61
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)

* Nil (Previous year : Rs.87.01 Lakhs) included in discontinued operations in the statement of profit and loss in respect of erstwhile Shipping Division of the Parent Company (refer note 46(A)).

Provident Fund:
Changes in the Defined Benefit Obligation and Fair Value of Plan Assets as at March 31, 2019 and March 31, 2018:

(Rs. in Lakhs)

Particulars	As at March 31, 2019			As at March 31, 2018		
	Defined benefit obligation	Fair value of plan assets	Benefit asset	Defined benefit obligation	Fair value of plan assets	Benefit asset
Opening Balance	(12,591.71)	12,904.02	312.31	(11,147.57)	11,493.38	345.81
Service Cost	(407.73)	-	(407.73)	(374.96)	-	(374.96)
Net Interest Expense	(968.45)	(1.03)	(969.48)	(829.96)	42.72	(787.24)
Benefits Paid	788.37	(788.37)	-	836.24	(836.24)	-
Return on Plan Assets (excluding amounts included in Net Interest Expense)	-	1,088.06	1,088.06	-	969.89	969.89
Actuarial Changes arising from changes in Financial Assumptions	-	-	-	-	-	-
Experience Adjustments	(159.96)	-	(159.96)	(216.15)	-	(216.15)
Settlement/ Transfer In	(42.73)	42.73	-	(2.91)	2.91	-
Contributions by Plan Participant / Employees	(957.25)	957.25	-	(856.40)	856.40	-
Contributions by Employer	-	407.73	407.73	-	374.96	374.96
Closing Balance	(14,339.46)	14,610.39	270.93	(12,591.71)	12,904.02	312.31

The Group expects to contribute Rs.230.65 Lakhs (Previous year : Rs.193.51 Lakhs) and Rs.522.87 Lakhs (Previous year : Rs.482.71 Lakhs) to gratuity trust and provident fund respectively in the next financial year.

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

Particulars	As at March 31, 2019	As at March 31, 2018
	%	%
Discount Rate:		
Gratuity Plan	7.30 to 7.80	7.60 to 7.76
Provident Fund	7.80	7.76
Post Retirement Medical Benefits	7.80	7.76
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	17.20
Female	21.60	21.60

A quantitative sensitivity analysis for significant assumptions as at March 31, 2019 is shown below:

Gratuity Plan of the Group:

Particulars	Year ended March 31, 2019		Year ended March 31, 2019	
	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)	(152.51)	153.77	155.01	(153.67)

Provident Fund of the Parent Company:

Particulars	Year ended March 31 2019	
	Discount Rate	
Sensitivity Level	0.50% Increase	0.50% Decrease
Impact on Defined Benefit Obligation (Rs. in Lakhs)	(1.81)	1.90

Post retirement medical benefits plan of the Parent Company:

Particulars	Year ended March 31, 2019		Year ended March 31, 2019	
	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)	(31.10)	32.16	32.39	(31.55)

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 in case of Provident Fund.

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

Gratuity plan for the Group:

Particulars	Year ended March 31, 2018		Year ended March 31, 2018	
	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	
	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 the Parent Company:

Particulars	Year ended March 31, 2018		Year ended March 31, 2018	
	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)	(23.80)	24.41	24.78	(23.98)

Sensitivities due to mortality and 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 and life expectancy are not applicable being a lump sum benefit on retirement in case of Provident Fund.

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 14.19 years (Previous year: 14.10 years).

Investment Pattern in Plan Assets:

Particulars	Gratuity		Provident fund	
	2018-19	2017-18	2018-19	2017-18
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, 2019				
Gratuity Fund	409.30	599.99	883.14	1644.26
Provident Fund	2853.17	1996.63	3238.09	6251.57
Post Retirement Medical Benefits Plan	15.24	73.89	88.25	241.77
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

Contribution to Defined Contribution Plans :

(Rs. in Lakhs)

Particulars	2018-19	2017-18
Pension Fund	146.13	136.47
Superannuation Fund	90.09	57.37
National Pension Scheme	44.97	38.36

32 Rights, Preference and Restrictions attached to Redeemable Preference Shares and Details about Share Warrants

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.

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. Each holder of Preference Shares shall be entitled to convert any or all of its Preference Shares, at any time, without the payment of any additional consideration, into such number of fully paid Ordinary Shares as is determined by multiplying the number of Preference Shares by a fraction (such fraction being the "Conversion Ratio") determined by dividing the Original Purchase Price by the Conversion Price determined in each case, in effect at the time of conversion. Any conversion of Preference Shares made pursuant to these Articles shall be effected by the redemption of the relevant number of Preference Shares and the issuance of an appropriate number of Ordinary Shares.

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.

Share Warrants

The subsidiary of the Parent Company, CFCL Ventures Limited is having below share warrants:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Exercise price (USD)	No. of shares	Exercise price (USD)	No. of shares
Ordinary shares	0.01	93450	0.01	93450
Series C Preference shares	12.71	47213	12.71	47213
Series G Preference shares	0.01	35210	0.01	35210
Series H Preference shares	4.62	643886	4.62	643886
Series H Preference shares	0.01	1878055	0.01	1878055
Series I Preference shares	0.01	1893333	0.01	1893333

None of the warrants have been exercised by the warrant holders of the CFCL Ventures Limited.

33. Subsidiaries

- (a) Nitrogenous Fertilizers are under the Concession Scheme as per the New Pricing Scheme (NPS) – Stage III, Modified NPS III, New Urea Policy 2015 for old urea plants and New Investment Policy 2012 (as amended) for new urea plant. The freight subsidy is as per the 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 has been reduced by Rs.132.08 Lakhs (Previous Year: Rs.593.87 Lakhs) being the subsidy income, pertaining to earlier years, but determined during the year.

- (b) Subsidy on Phosphatic and Potassic (P&K) fertilizers has been accounted for as per the concession rates based on Nutrient Based Subsidy Policy notified by the Government of India and Freight subsidy has been accounted for in line with the policy.
- (c) Subsidy on City Compost has been accounted as notified by the Government of India.

34. Leases

(i) Assets taken on Lease

(a) Finance Leases -Parent Company

The lease payment made during the year amounts to Rs.33.86 Lakhs (Previous Year : Rs. 83.89 Lakhs), out of which Rs. 31.66 Lakhs (Previous Year : Rs. 64.68 Lakhs) has been adjusted against principle and Rs. 2.20 Lakhs (Previous Year : Rs. 19.21 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, 2019			As at March 31, 2018		
	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
Payable after one year but not more than five years	-	-	-	-	-	-
Payable after more than 5 years	-	-	-	-	-	-

-Subsidiary Company

The CFCL Ventures Limited has entered into finance lease for various items of computer and computer equipments. The obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

The break up of minimum lease payment outstanding is as follows:

(Rs. in Lakhs)

Period	As at March 31, 2019			As at March 31, 2018		
	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	57.94	48.90	9.04	-	-	-
Payable after one year but not more than five years	53.86	49.99	3.87	-	-	-
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.1,154.63 Lakhs (Previous Year : Rs.1,254.05 Lakhs).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, 2019	As at March 31, 2018
Payable within one year	1063.57	822.33
Payable after one year but not more than five years	3226.41	1871.78
Payable after more than five years	246.98	133.95

- (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.1,736.20 Lakhs (Previous Year : Rs.1,490.88 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, 2019	As at March 31, 2018
Receivable within one year	262.08	240.40
Receivable after one year but not more than five years	134.30	353.09
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, 2019 is Rs. 257.23 Lakhs (Previous Year: Rs. 231.36 Lakhs).

35. 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 ESOS, 4,162,000 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	2850000	300000	220000	100000	270000
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	2018-19	2017-18
	No. of options	No. of options
Outstanding at the beginning of the year	1756,900	2540400
Granted during the year	-	-
Forfeited during the year	50,000	40,000
Exercised during the year	371000	743500
Expired during the year	-	-
Outstanding at the end of the year	1335900	1756900
Exercisable at the end of the year	1335900	1756900
Weighted average remaining contractual life (in years)	0.49	1.29
Weighted average Exercise price (in Rs.)	74.76	74.76

The details of Exercise Price of Stock Options Outstanding as at March 31, 2019

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	11,18,000	0.38	73.50
2.	32.86	76.85	1,02,900	0.54	76.85
3.	38.44	82.90	49,000	0.69	82.90
4.	45.06	101.10	33,000	0.91	101.10
5.	34.97	69.40	33,000	1.29	69.40

The details of Exercise Price of Stock Options Outstanding as at March 31, 2018

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	14,85,000	1.15	73.50
2.	32.86	76.85	1,24,900	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, 2019	Year ended March 31, 2018
Expense arising from equity-settled Share-Based Payment Transactions	-	0.33
Total Expense arising from Share-Based Payment Transactions	-	0.33

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 :

As at March 31, 2019:-

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	0.38	0.54	0.69	0.91	1.29
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%

As at March 31, 2018:-

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 ("Trust") was constituted, inter alia, for the purpose of subscribing or acquiring equity shares of the 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 08, 2010 had approved grant of financial assistance upto Rs.3,000.00 Lakhs by the Company to Trust in such manner and on such terms as agreed between the trustee(s) of the Trust and Managing Director of the Parent Company for the purpose of subscribing or acquiring shares of the Parent Company. Trust is holding 13,35,900 equity shares (Previous Year : 16,96,900 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 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. The fair value of the shares is 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 determined using the Black-Scholes-Merton valuation model. The stock options vest equally over the period of 48 months and the exercise period is 10 years from the date of grant.

The following table details the Movement of Options under the Plan mentioned above:

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Number	Weighted Average Exercise Price (USD)	Number	Weighted Average Exercise Price (USD)
Options Outstanding at the beginning	-	-	-	-
Options Granted	2,01,000	1.09	-	-
Option Forfeited	-	-	-	-
Options Lapsed	-	-	-	-
Options Outstanding at the end	2,01,000	1.09	-	-
Options Exercisable	16,750	-	-	-

There has been no exercise of stock options during the year. The weighted average remaining contractual life for the stock options outstanding as at March 31, 2019 is 9.67 years (Previous Year: Nil). The weighted average fair value of options granted during the year was INR 139.82 (Previous Year: Nil).

The Subsidiary Company measures the fair value of stock options at the grant date using Black Scholes option pricing model taking into account the terms and conditions upon which the share options were granted. The inputs used in the option pricing model are as below:

Fair Value per share	USD 0.04
Exercise Price	USD 1.09
Average Risk-Free Interest Rate	2.60%
Expected Volatility of Share Price	100%
Expected Life of Options Granted (in years)	6.10
Expected Dividend Yield	Nil

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

The expense recognised during the year is shown in the following table:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Expense arising from equity-settled Share-Based Payment Transactions	0.46	-
Total Expense arising from Share-Based Payment Transactions	0.46	-

36. Interest in Other Entities:

(a) Interest in Joint Venture

The Group has 33.33% ownership interest in Indo Maroc Phosphore S.A. - IMACID (IMACID), which is engaged in manufacturing of phosphoric acid. IMACID is registered in Morocco. It was following calendar year for preparing its annual accounts, during the financial year, it has prepared its accounts for a period of 15 months i.e. January 01, 2018 to March 31, 2019 (comparative being 12 months from January 01, 2017 to December 31, 2017), so as to align its reporting period with that of the Parent Company. 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, 2019	As at March 31, 2018
Current Assets, including Cash and Cash Equivalents- Rs.45,763.69 Lakhs (Previous Year : Rs.36,765.23 Lakhs)	87991.98	66968.47
Non-Current Assets	17988.70	28676.62
Current Liabilities, including Trade Payables- Rs.22,731.73 Lakhs (Previous Year : Rs.31,082.08 Lakhs)	23277.67	33528.29
Non-Current Liabilities	-	-
Equity	82703.01	62116.80
Proportion of the Group's Ownership	33.33%	33.33%
Carrying amount of the Investment	27567.67	20705.60

Reconciliation to Carrying amount of the Investment in Joint Venture

Particulars	(Rs. in Lakhs)
Carrying amount of the Investment as on March 31, 2018	20705.60
Less: Dividend Received from Joint Venture during the year	5769.17
Add: Share of Profit of Joint Venture for the year	11668.12
Add: Exchange Differences on Translation for the year	963.12
Carrying amount of the Investment as on March 31, 2019	27567.67

Summarised Statement of Profit and Loss of the Joint Venture :

(Rs. in Lakhs)

Particulars	For the 15 months period ended 2018-19 (January 01, 2018 to March 31, 2019)	For the 12 months period ended 2017-18 (January 01, 2017 to December 31, 2017)
Income		
Revenue	247533.01	150851.90
Other Income	3005.35	1716.88
Total Revenue	250538.36	152568.78
Expenses:		
Cost of Materials Consumed	142578.03	93446.30
Changes in Inventories of Work-in-Process and Finished Goods	989.92	993.97
Employee Benefits Expense	6839.67	5187.57
Finance Costs	0.67	-
Other Expenses	51750.69	38901.71
Depreciation and Amortisation Expense	5542.39	3284.48
Total Expenses	207701.37	141814.03
Profit Before Exceptional Items and Tax	42836.99	10754.75
Exceptional Items - Income	-	3865.19
Profit after Exceptional Items and Before Tax	42836.99	14619.94
Tax Expense:		
Current Tax	7832.63	2843.73
Profit for the Year	35004.36	11776.21
Group's Share of Profit for the Year	11668.12	3925.40
Dividend received from Joint Venture	5769.17	982.59

The Group has no contingent liabilities or capital commitments relating to its interest in IMACID as at March 31, 2019 and March 31, 2018. The joint venture has no other contingent liabilities as at March 31, 2019 and March 31, 2018. The joint venture has capital commitment of Rs. 3,460.67 Lakhs as at March 31, 2019 (Previous Year : Rs.2,098.37 Lakhs).

The consolidated Ind AS financial statement includes group's share of net profit on the basis of Ind AS special purpose financial information audited by a chartered accountant firm in India. Statutory financial statement of the Joint Venture is being prepared as per local GAAP.

(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 operations	As at March 31, 2019	As at March 31, 2018
CFCL Ventures Limited	Cayman Islands	27.73%	27.73%

Information regarding Non-Controlling Interest

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Accumulated balances of material Non-Controlling Interest		
CFCL Ventures Limited	(9798.00)	(8735.83)
(Loss) allocated to material Non-Controlling Interest:		
CFCL Ventures Limited	(1066.12)	(478.98)

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 financial year ended March 31, 2019	For the financial year ended March 31, 2018
Income		
Revenue	8284.53	7990.42
Other Income	423.47	414.07
Total Revenue	8708.00	8404.49
Expenses:		
Employee Benefits Expense	3963.96	3501.30
Finance Costs	1252.33	853.38
Other Expenses	2533.16	2906.64
Depreciation and Amortisation Expense	2777.59	2249.90
Total Expenses	10527.04	9511.22
(Loss) before tax	(1819.04)	(1106.73)
Tax Expense:		
Current Tax	99.09	219.53
Deferred Tax Charge/ (Credit)	17.11	(90.13)
Income Tax Expense	116.20	129.40
(Loss) after tax	(1935.24)	(1236.13)
Other Comprehensive Income (Net of Income Tax)	(6.30)	(322.22)
Total Comprehensive Income	(1941.54)	(1558.35)
(Loss) allocated to non-controlling interest	(536.74)	(343.36)
OCI allocated to non-controlling interest	(529.38)	(135.62)
Total comprehensive income allocated to non-controlling interest	(1066.12)	(478.98)

Summarised Balance Sheet:

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets and other current assets (current)	2552.50	3079.71
Goodwill, other intangible assets and other non-current assets (non-current)	8305.82	7726.28
Borrowings, trade and other payables (current)	15842.59	14870.25
Interest-bearing borrowings and other non-current liabilities (non-current)	98355.30	91518.62
Total equity	(103339.57)	(95582.86)
Attributable to:		
Non-controlling interest	(9798.00)	(8735.83)

Summarised Cash Flow Information:

(Rs. in Lakhs)

Particulars	For the Financial Year ended March 31, 2019	For the Financial Year ended March 31, 2018
Operating activities	2546.62	1311.59
Investing activities	(2225.15)	(1971.02)
Financing activities	790.74	(782.00)
Net Increase/ (Decrease) in Cash and Cash Equivalents	1112.21	(1441.43)

37. Figures pertaining to the subsidiaries have been re-classified wherever considered necessary to bring them in line with the Parent Company's financial statements.

38. 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:

- 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.
- 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.
- 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, 2019 was assessed to be insignificant.
- The carrying amount of bank deposits, trade receivables, cash and cash equivalents, investment at amortised cost, other current financial assets, trade payables, fixed rate borrowings and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.
- The fair value of investments carried at fair value through profit and loss is determined using income market approach and net assets value method.

39. Fair value measurements**(i) Financial instruments by category**

(Rs. in Lakhs)

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
-Equity shares	2.22	-	-	2.22	-	-
-Government Securities	-	-	0.26	-	-	0.26
-Bonds	2450.00	-	-	-	-	-
Employee Loans	-	-	86.16	-	-	124.72
Security deposits	-	-	1280.93	-	-	1298.61
Trade receivables	-	-	482740.69	-	-	253469.27
Cash and cash equivalents	-	-	6453.78	-	-	6291.94
Bank balances other than above	-	-	1656.93	-	-	1474.52
Foreign Currency Option Contracts	56.45	-	-	15.80	-	-
Other receivables	-	-	13856.60	-	-	22951.00
Total Financial Assets	2508.67	-	506075.35	18.02	-	285610.32

(Rs. in Lakhs)

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial Liabilities						
Borrowings - Floating rate	-	-	450075.70	-	-	315648.47
Finance Lease Obligation	-	-	98.89	-	-	32.21
Borrowings - Fixed rate	-	-	416196.32	-	-	256299.07
Redeemable Preference Shares	38150.79	-	-	35955.30	-	-
Trade Payables	-	-	98816.98	-	-	30342.43
Derivative Financial Liabilities	2320.33	-	-	7.94	-	-
Payable for Capital Goods	-	-	60139.25	-	-	21663.30
Other payables	0.42	-	20781.69	0.40	-	15293.62
Total Financial Liabilities	40471.54	-	1046108.83	35963.64	-	639279.10

(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, 2019:

(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	31.03.2019	56.45	-	56.45	-
Assets for which fair values are disclosed					
Investment in Equity Instruments	31.03.2019	2.22	-	-	2.22
Investment in Bonds	31.03.2019	2450.00	-	-	2450.00
Employee Loans	31.03.2019	66.63	-	66.63	-
Security Deposits	31.03.2019	830.21	-	830.21	-

There have been no transfers between level 1, level 2 and level 3 fair value hierarchy during the period.

Quantitative disclosures - fair value measurement hierarchy for liabilities as at March 31, 2019:

(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	31.03.2019	2320.33	-	2320.33	-
Liabilities for which fair values are disclosed					
Redeemable preference shares	31.03.2019	38150.79	-	-	38150.79
Warrants	31.03.2019	0.42	-	-	0.42
Borrowings - Floating rate	31.03.2019	450075.70	-	450075.70	-
Finance Lease Obligation	31.03.2019	98.89	-	-	98.89

There have been no transfers between level 1, level 2 and level 3 fair value hierarchy during the period.

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 38)					
Investment in equity instruments	31.03.2018	2.22	-	-	2.22
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 fair value hierarchy 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 38)					
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	-

There have been no transfers between level 1, level 2 and level 3 fair value hierarchy during the period.

Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the charges in level 3 items: (Rs. in Lakhs)

	Investment in Bonds
As at March 31, 2017	-
-Additions	-
As at March 31, 2018	-
- Additions	3500.00
- Fair Value Loss on Financial Instrument measured at Fair Value through Profit or Loss	(1050.00)
As at March 31, 2019	2450.00

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the value hierarchy together with a quantitative sensitivity analysis as at March 31, 2019 are shown as below:

Particulars	Valuation techniques	Significant unobservable inputs	Range (Net assets value) (Rs. in Lakhs)	Sensitivity of the inputs to fair value
As at March 31, 2019			2450.00	
Investment in Bonds	Net Assets value method	Risk adjustment specific to counter party Earning factor of counter party		Increase (decrease) in risk of counter party by 5% would result in increase (decrease) in fair value by Rs.98.49 Lakhs and (Rs. 98.49 Lakhs) respectively. Increase (decrease) in earnings factor of counter party by 5% would result in increase (decrease) in fair value by Rs. 38.02 Lakhs and (Rs. 38.02 Lakhs) respectively.

40. In previous year 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).
41. 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.

42. **Income Tax Expense**

The major components of income tax expense are:

Profit or loss section

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(i) Continuing Operations		
Current Income Tax:		
Current income tax charge	22274.90	21379.46
Less: Capitalisation of current tax (refer note 28)	(88.76)	(60.08)
Adjustments in respect of current income tax of earlier years	(1149.84)	107.10
Deferred tax:		
Relating to origination and reversal of temporary differences	14115.16	2842.41
Add: Capitalisation of Deferred Tax (refer note 28)	88.76	60.08
Add: Deferred tax reclassified from Statement of Changes in Equity	-	164.24
Less: Minimum Alternate Tax(MAT) Credit Entitlement	(10381.81)	-
Income tax expense reported in the Statement of Profit and Loss for Continuing Operations (i)	24858.41	24493.21
(ii) Discontinued Operations		
Current Income Tax:		
Current income tax charge	-	(20.39)
Deferred tax:		
Relating to origination and reversal of temporary differences	-	539.10
Income tax expense reported in the statement of profit and loss for discontinued operations (ii)	-	518.71
Total income tax expense reported in the statement of profit and loss (i + ii)	24858.41	25011.92

Other Comprehensive Income (OCI) section

Tax related to items recognised in OCI:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net (Gain) on re-measurement of Defined Benefit Plans	(44.42)	(12.33)
Net (Gain) on Effective Portion of Exchange Differences on Hedging Instruments - Current Tax	-	(640.82)
Net (Gain) on Effective Portion of Exchange Differences on Hedging Instruments - Deferred Tax	(5936.58)	(482.80)
Income Tax Credited to OCI	(5981.00)	(1135.95)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Accounting Profit Before Tax from Continuing Operations	83343.05	73666.60
Profit Before Tax from Discontinued Operations	-	886.43
Accounting Profit Before Income Tax	83343.05	74553.03
At India's statutory income tax rate of 34.944% (Previous Year : 34.608%)	29123.40	25801.31
Adjustments in respect of current income tax of earlier years	(1149.84)	107.10
	27973.56	25908.41
Tax effects of amount which are not deductible (taxable) in calculating taxable income-		
Corporate Social Responsibility Expenditure	272.02	263.94
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)

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Realisation of short term capital loss to reduce the current tax expense	(854.90)	(5570.31)
Deferred tax asset recognised on unused short term capital loss to be realised against the short term capital gain on sale of ships of erstwhile Shipping Division of the Parent Company		4604.43
Share of Net Profit of a Joint Venture accounted for using the Equity Method	(4077.31)	(1358.51)
Losses of subsidiary companies for which no deferred tax is recognised	645.68	301.86
Tax on Foreign subsidiary companies levied as different tax rates	99.09	219.53
Tax effects of dividend income from subsidiary companies/ joint venture, eliminated in the consolidated financial statements	1007.97	198.05
Deduction for Education cess as per High Court order for financial year 2008-2009	(296.80)	-
Other non-deductible expenses	89.10	263.77
At the effective income tax rate of 29.83% (Previous Year : 33.55%)	24858.41	25011.92
Income Tax Expense reported in the Consolidated Statement of Profit and Loss	24858.41	24493.21
Income Tax attributable to a Discontinued Operations	-	518.71
	24858.41	25011.92

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, 2019	As at March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Deferred Income Tax Liabilities				
Property, Plant and Equipment (including other intangible assets)	222428.75	21503.10	200925.65	(3442.24)
Interest income from Income tax refund, VAT refund etc. accrued in the books, to be offered to tax in the year of realisation	3.20	163.86	(160.66)	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	2654.37	2360.26	294.11	2360.26
Total Deferred Income Tax Liabilities	225086.32	24027.22	201059.10	(918.12)
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	99.77	620.10	(520.33)	(120.00)
Derivatives at fair value through profit or loss	-	-	-	(22.62)
Allowance for doubtful debts and advances	8997.91	648.23	8349.68	301.54
Leave encashment	1049.74	957.27	92.47	69.62
Gratuity	202.40	120.82	81.58	(44.15)
Carry Forward of Losses on account of Deduction u/s 35AD of Income Tax Act, 1961	182749.33	-	182749.33	(4604.43)
Deferred Tax on cash flow hedge	2613.94	482.80	2131.14	482.80
Re-measurement Gain/ (Loss) on Defined Benefit Plans	53.44	12.37	41.07	(31.50)
Exchange Differences on Translation of Foreign Operations	-	-	-	164.24
Foreign Currency Translation Difference	-	-	-	1.45
MAT Credit Entitlement	10381.81	-	10381.81	-
Deferred Tax Income			2247.65	(2884.93)
Total Deferred Income Tax Assets	206148.34	2841.59	-	-
Net Deferred Tax Liabilities	18937.98	21185.63	-	-

Reflected in the balance sheet as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	(114.71)	(128.62)
Deferred tax liabilities	19052.69	21314.25
Net deferred tax liabilities	18937.98	21185.63

Reconciliation of deferred tax liabilities (net):

Opening Balance	21185.63	18299.25
Tax Expense during the year recognised in profit or loss	14203.92	3440.14
Tax (Income) during the year recognised in OCI	(5981.00)	(495.13)
Tax (Income) during the year recognized in 'Capital-work-in-progress' (refer note 28)	(88.76)	(60.08)
MAT Credit Entitlement	(10381.81)	-
Foreign Currency Translation Difference	-	1.45
Closing Balance	18937.98	21185.63

During the year ended March 31, 2019 and March 31, 2018, 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.48,734.21 Lakhs (Previous year: Rs.51,440.71 Lakhs) that are available for offsetting for four to six 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 financial year 2018-19 as there are no other tax planning opportunities or other evidence of recoverability in the near future.

In respect of ISGN Corporation, a step down subsidiary of the Parent Company, the Group has not recognised deferred tax asset as at year end due to significant tax losses. The management of the step down subsidiary is of the view that, considering the probability of taxable profit against which such unused tax losses or unused tax credits can be utilised, there is uncertainty that sufficient taxable profit will be available against which unused tax losses or unused tax credits can be utilised.

43. 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 the approved policies of the Group. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The management 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, 2019 and March 31, 2018.

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, 2019 and March 31, 2018.

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, 2019		
USD Borrowings	+50	(513.54)
USD Borrowings	-50	513.54
INR Borrowings	+50	(103.63)
INR Borrowings	-50	103.63
March 31, 2018		
USD Borrowings	+50	(142.24)
USD Borrowings	-50	142.24
INR Borrowings	+50	(8.63)
INR Borrowings	-50	8.63

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 foreign exchange risk of the Parent Company arises mainly out of import of fertilisers and foreign currency borrowings. The major part of the long term borrowings of the Parent Company comprises of External Commercial Borrowings/Foreign Currency Term Loans availed for financing of new Urea plant of the Parent Company. The repayment of these loans will start from financial year 2019-20. Revenue from Urea produced and sold from New Urea Plant is governed by New Investment Policy- 2012 (as amended) of the Government of India. The revenue of the Parent Company from new Urea Plant is linked to US Dollars in terms of New Investment policy 2012. Accordingly, the Parent Company has natural hedge against fluctuation of foreign exchange rates and did not enter into transactions to hedge foreign exchange risk in respect of aforesaid foreign currency borrowings.

In order to mitigate the foreign exchange risk in respect of imported fertilisers, the Parent Company continuously monitors its foreign exchange exposure and hedges its foreign exchange risk in this regard, to the extent considered necessary, through forward contracts and option structures.

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, 2019

(Rs. in Lakhs)

Currency	Financial Assets		Financial liabilities				Net Exposure to Foreign Currency
	Receivable from subsidiary companies / Joint Venture	Other receivables	Trade and Other Payables	Borrowings	Derivative Financial Liabilities	Interest accrued but not due on borrowings	
USD	7.63	2142.16	54918.16	541763.18	144904.42	1173.86	(740609.83)
EURO	-	-	914.75	-	-	-	(914.75)
SGD	-	-	1.29	-	-	-	(1.29)

For the year ended March 31, 2018

USD	7.26	839.36	95.48	388842.86	75938.69	705.86	(464736.27)
EURO	-	14.77	-	-	-	-	14.77
SGD	-	-	1.29	-	-	-	(1.29)

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, 2019	Effect on Profit before Tax for the Year Ended March 31, 2018	Effect on Other Comprehensive Income for the Year Ended March 31, 2019	Effect on Other Comprehensive Income for the Year Ended March 31, 2018
USD Sensitivity				
INR/USD increase by 5%	(1,417.81)	(652.12)	(21,122.19)	(15,084.66)
INR/USD decrease by 5%	1,417.81	652.12	21,122.19	15,084.66
SGD Sensitivity				
INR/SGD increase by 5%	(0.06)	(0.06)	-	-
INR/SGD decrease by 5%	0.06	0.06	-	-
EURO Sensitivity				
INR/EURO increase by 5%	(45.74)	(0.74)	-	-
INR/EURO decrease by 5%	45.74	0.74	-	-

Impact on Hedging Activities

Disclosure of effects of hedge accounting on Financial Position and Financial Performance:

(a) **Financial Position**

(Rs. in Lakhs)

As at March 31, 2019									
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:									
Borrowings	-	418336.79	-	418336.79	30.09.2027	1:1	USD 1 : INR 65.85	20222.14	(20,222.14)

(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:									
Borrowings	-	298148.47	-	298148.47	30.09.2027	1:1	USD 1 : INR 64.48	3233.30	(3233.30)

* The entire amount of Borrowings taken for Gadepan-III Plant has been designated as hedging instrument against highly probable forecasted revenue being hedged item from Gadepan-III Plant, therefore the hedge ratio is 1:1.

(b) Financial Performance

(Rs. in Lakhs)

For the Year Ended March 31, 2019				
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	(16,988.84)	-	-	Not Applicable

(Rs. in Lakhs)

For the 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 Financial year 2018-19	Foreign Currency Risk Financial year 2017-18
Derivative Instruments		
Cash Flow Hedging Reserve		
Opening at the beginning of the Year	(2109.68)	-
Add: Changes in Borrowings	(16988.84)	(3233.30)
Less: Amounts reclassified to profit or loss	-	-
Less: Current Tax relating to above	-	640.82
Less: Deferred Tax relating to above	5936.58	482.80
Closing at the end of the Year	(13161.94)	(2109.68)

c) Commodity Price Risk

Commodity price risk of the Parent Company arises from the ongoing purchase of natural gas and imported fertilisers required for its operating activities.

- (i) Natural gas is the major raw material for manufacture of Urea. The prices of Natural Gas are linked to international crude oil prices which varies with the fluctuation in the prices of crude oil, demand supply pattern, etc. The Parent Company is not affected by price volatility of natural gas as the cost of natural gas is pass through under the applicable policies of Government of India. The Parent Company did not enter into any transaction for hedging the fluctuations in the prices of natural gas.
- (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 Prices of imported fertilisers may fluctuate due to demand supply scenario, outage of plants, fluctuation in prices of raw materials, etc. The Parent Company takes following steps to mitigate the risk pertaining to fluctuation in prices:
 - a) Dynamic sourcing strategy and review of demand and supply on regular basis;
 - b) No long term commitments;
 - c) Constant review of market condition including costing of competitors.

The Parent Company did not enter into any transactions to hedge the risk pertaining to fluctuation in prices.

(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 funding requirements. 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, 2019						
Borrowings	463048.28	69732.44	67945.00	135890.00	133781.70	870397.42
Redeemable preference shares	-	-	-	-	38150.79	38150.79
Finance lease obligation	48.90	49.99	-	-	-	98.89
Trade and other payables	158956.23	-	-	-	-	158956.23
Other financial liabilities	23082.55	-	19.89	-	-	23102.44
	645135.96	69782.43	67964.89	135890.00	171932.49	1090705.77
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 obligations	32.21	-	-	-	-	32.21
Trade and other payables	52005.73	-	-	-	-	52005.73
Other financial liabilities	15283.22	-	-	18.74	-	15301.96
	323620.23	24202.45	50572.23	104159.72	176232.75	678787.38

44. 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, 2019	As at March 31, 2018
Equity Share Capital	41620.79	41620.79
Other Equity	246703.56	208934.73
Debts (Long term and Short term both (including current maturities))*	904521.70	607935.05
Total	1192846.05	858490.57

* The Parent Company has set up new urea plant at Gadepan (Gadepan-III Plant). The above debt includes Rs. 4,28,318.50 Lakhs (Previous Year: Rs.2,98,148.47 Lakhs) towards the Gadepan-III Plant, which has commenced commercial production from January 01, 2019. Majority of the balance debt is towards working capital requirement.

Under the terms of the borrowing facilities pertaining to Gadepan-III Plant, the Parent Company is required to comply with certain financial covenants from Financial Year 2019 -20 onwards.

45. Distribution Made and Proposed

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash Dividend on Equity Shares Declared and Paid:		
Final dividend (for the year ended on March 31, 2018 @ Rs.1.90 per share)	7907.95	7907.95
Dividend distribution tax (DDT) on final dividend	1625.60	1609.87
Total	9533.55	9517.82
Proposed Dividend on Equity Shares:		
Dividend (for the year ended on March 31, 2019 @ Rs.2.00 per share and March 31, 2018: @ Rs.1.90 per share)	8324.16	7907.95
DDT on dividend	1711.06	1609.87
Total	10035.22	9517.82

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, 2019 and March 31, 2018.

46. (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, 2019	Year ended March 31, 2018
(a) Profit Before Tax	-	886.43
(b) Income Tax Expense	-	518.71
(c) Profit After Tax	-	367.72

Parent Company

Erstwhile Shipping Business

The financial information relating to the Discontinued operations is set out below:

(a) Financial performance and cash flow information

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue	-	6856.81
Less: Expenses	-	5567.72
Less: Finance Costs	-	355.47
Less: Depreciation and Amortisation Expense	-	47.19
Profit Before Tax	-	886.43
Tax Expense	-	518.71
Profit from Discontinued Operations	-	367.72

The net cash flows attributable to the Discontinued Operations are as below-

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Operating Activities	-	3224.37
Investing Activities	-	55916.56
Financing Activities	-	(59276.27)
Net cash (outflows)	-	(135.34)

46. (B) Assets classified as held for sale

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Property, plant and equipment classified as held for sale :		
- Plant and Equipment *	10.00	40.35
- Land-Freehold **	544.50	-
Total	554.50	40.35

* Net of loss of Nil (Previous Year: 14.81 Lakhs) for write down of the asset of property, plant and equipment.

** As at March 31, 2019, the management of the Parent Company was actively seeking a buyer to sell the freehold land. Subsequent to the year end, the Parent Company has entered into an agreement for sale of the freehold land and recorded a fair value gain of Rs.126.89 Lakhs, while classifying the freehold land as assets held for sale.

47. The Parent Company was in the process of setting up a New Urea plant namely Gadepan-III Plant under the New Investment Policy 2012 (as amended) at its existing plant location at Gadepan, Kota (Rajasthan) and the contracts for the Gadepan-III Plant were awarded on a 'Lumpsum Turnkey' (LSTK) basis. The expenses incurred on Gadepan-III Plant upto March 31, 2018 were included under Capital work in progress (CWIP) during the Financial Year 2017-18. The Parent Company has declared the commercial production from the Gadepan-III Plant from January 01, 2019, accordingly the amount lying under CWIP was capitalised during the Financial Year 2018-19.

48. **Additional information pursuant to Schedule III of Companies Act, 2013, "General instructions for the preparation of consolidated financial statements" for financial year 2018-19 and 2017-18**

S. No.	Name of the entity	2018-19							
		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	105.28	293238.17	82.41	48195.92	80.74	(10172.26)	82.87	38023.66
	Indian Subsidiaries								
1.	India Steamship Limited#	0.01	33.25	0.00	0.41	-	-	0.00	0.41
2.	Chambal Infrastructure Ventures Limited	0.14	387.79	0.03	18.72	-	-	0.04	18.72
3.	ISG Novasoft Technologies Limited ("ISGNTL")	0.08	233.02	(5.48)	(3204.03)	0.05	(6.30)	(7.00)	(3210.33)
	Foreign Subsidiaries								
1.	India Steamship Pte. Limited	0.01	16.43	(0.04)	(21.48)	(0.02)	2.40	(0.04)	(19.08)
2.	India Steamship International FZE ##	-	-	(0.01)	(7.25)	(0.00)	0.50	(0.01)	(6.75)
3.	CFCL Ventures Limited ("CVL")	(10.20)	(28399.01)	0.49	284.88	15.03	(1893.60)	(3.52)	(1608.72)
4.	ISGN Corporation	(1.71)	(4752.95)	3.57	2086.09	-	-	4.55	2086.09
	Non-controlling interests in subsidiary								
	CFCL Ventures Limited	(3.52)	(9798.00)	(0.92)	(536.74)	4.20	(529.38)	(2.32)	(1066.12)
	Interests in joint venture (as per equity method)								
	Indo Maroc Phosphore S.A. - IMACID	9.91	27567.65	19.95	11668.12	-	-	25.43	11668.12
	Total	100.00	278526.35	100.00	58484.64	100.00	(12598.64)	100.00	45886.00

Under Liquidation

liquidated on 28.02.2019

S. No.	Name of the entity	2017-18							
		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	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 'ISGNTL'	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	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. - IMACID	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

Note: Above figures for net assets and share in profit or (loss) of entities are after elimination of all intra group transactions.

49. The Group is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidya Mandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/ Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

50. 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	
	2018-19	2017-18	March 31, 2019*	March 31, 2018
Investment made in Corporate Bonds	94344.50	265751.01	2450.00	-

* This investment amount is net of Investments measured at fair value loss through profit or loss.

The details of Investment of the Parent Company are given in Note 5A and Note 8A.

51. Changes in Financial Liabilities arising from Financing Activities

(Rs. in Lakhs)

Particulars	As at March 31, 2018	Receipt	Repayment	Foreign Exchange Variation (Net)	Foreign Currency Translation	Transaction cost & Others	As at March 31, 2019
Long term Borrowings	315648.47	123761.94	(17500.00)	16988.84	-	(580.75)	438318.50
Short term Borrowings	158068.71	138808.31	-	-	-	-	296877.02
Buyers Credit/ Supplier's Credit	87149.76	270645.36	(236566.19)	(1909.63)	-	-	119319.30
Line of Credit	11080.60	676.60	-	-	-	-	11757.20
Redeemable Preference Shares	35955.30	-	-	-	2195.49	-	38150.79
Finance Lease Obligation	32.21	98.89	(32.21)	-	-	-	98.89
Total	607935.05	533991.10	(254098.40)	15079.21	2195.49	(580.75)	904521.70

52. The implementation of Modified NPS-III for payment on account of additional fixed cost to Urea Units by the Ministry of Chemicals and Fertilizers, Government of India, has been delayed inordinately. This delay has caused uncertainty in some of the aspects of aforesaid policy. Accordingly, the Parent Company has provided for Rs.19,727.24 Lakhs in the financial statements during the year ended March 31, 2019, which has been shown as 'Exceptional Items'.

53. As at March 31, 2018, in respect of ISG Novasoft Technologies Limited (ISGN India), a stepdown subsidiary of the Parent Company had unbilled foreign currency receivables aged more than one year aggregating to Rs. 7473.20 Lakhs (USD 1,08,05,668) from ISGN Corporation (ISGN USA), another stepdown subsidiary of the Parent Company. These unbilled receivables were accumulated over a period of time on account of Transfer Pricing requirements under the Income Tax Act and inability of ISGN USA to pay these receivables due to difficult financial condition. After considering the financial position and future business prospects of ISGN USA, ISGN India had deemed the same as doubtful of recovery and accordingly the aforesaid receivables of Rs. 7473.20 Lakhs (USD 1,08,05,668) had been fully provided for as at year end. Further, the ISGN India had provided for foreign currency balances relating to trade receivables of Rs. 26.67 Lakhs (USD 38,562) and other receivables of Rs. 63.04 Lakhs (USD 91,149) which were considered doubtful of recovery. Service tax input credit in relation to the aforesaid services had also been provided.

On April 03, 2019, ISGN India filed an application with the Reserve Bank of India ("RBI") seeking approval for write-off of aforesaid foreign currency unbilled receivables, which was returned by the RBI for making a fresh application through the Authorised Dealer (AD). ISGN India is in the process of filing such application through the AD and basis an external advise, it is of view that the aforesaid is in compliance with provisions of the Foreign Exchange Management Act, 1999.

54. Disclosure as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('Listing Regulations')

In accordance with the requirements of Listing Regulations, following is the transaction of the Parent Company with any person or entity belonging to the promoter/promoter group holding 10% or more shareholding in the Parent Company:

(Rs. in Lakhs)

Name of the Shareholder	% of Shareholding	Nature of Transaction	Year Ended March 31, 2019
The Hindustan Times Limited	13.06	Rent Expenses	26.52

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 Parent Company is having brought forward losses on account of claim under section 35AD of Income tax that will be used to offset future taxable income. The Parent Company has profitable operations that supports the recognition of deferred taxes on these losses. On this basis, the Parent Company has determined that it can recognise deferred tax assets on the tax losses carried forward.

The Group has Rs.48,734.21 Lakhs (Previous Year: Rs.51,440.71 Lakhs) of carried forward tax losses on long term / short term capital losses. These losses mainly 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 4 to 6 years and may be used to offset taxable long term/short term capital losses in the future. At present, the Group does not have any tax planning opportunities available that could partly support the recognition of these capital losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses (long term/short term capital losses) carried forward. If the Group would have been able to recognise all unrecognised deferred tax assets, profit and equity would have increased by Rs.13,373.06 Lakhs (Previous Year: Rs.14,318.82 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 31 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 39.

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

Pramit Agrawal
Partner
Membership No - 099903

Place : New Delhi
Date : May 16, 2019

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

Anil Kapoor
Managing Director
DIN: 00032299

Abhay Baijal
Chief Financial Officer

Place : New Delhi
Date : May 16, 2019

Saroj Kumar Poddar
Chairman
DIN: 00008654

Rajveer Singh
Company Secretary



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

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	Investments	Turn-over	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend	Extent of share-holding (in percentage)
1	Chambal Infrastructure Ventures Ltd.	02.01.2007	INR	-	940.00	(552.21)	388.09	0.30	-	26.51	18.94	0.22	18.72	-	100.00
2	CFCL Ventures Limited	19.03.2007	USD	1 USD = INR 69.16	0.28	(73089.81)	25838.94	98928.47	-	-	(183.42)	-	(183.42)	-	72.27
3	ISGN Corporation (1)	04.09.2007	USD	1 USD = INR 69.16	59.02	(13059.59)	10352.27	23352.84	-	8607.61	(1961.53)	-	(1961.53)	-	72.27
4	ISG Novasoft Technologies Limited (1)	25.11.2003	INR	-	3623.00	(2518.00)	2002.00	897.00	-	3502.00	406.00	116.00	290.00	-	72.27
5	INuva Info Management Pvt. Ltd. (Under Liquidation) (2)	01.11.2007	INR	-	2.38	8.99	13.59	2.22	-	-	(5.04)	-	(5.04)	-	51.32
6	India Steamship Pte. Limited	08.03.2007	USD	1 USD = INR 69.16	44.55	(28.12)	21.32	4.89	-	-	(21.48)	-	(21.48)	-	100.00
7	India Steamship Limited (Under Liquidation)	01.04.2011	INR	-	25.00	4.78	33.71	3.93	-	1.75	(2.69)	0.37	(3.06)	-	100.00

Notes:

- Wholly owned subsidiaries of CFCL Ventures Limited.
- ISG Novasoft Technologies Limited holds 71% shares in Inuva Info Management Pvt. Ltd.
- Investments exclude investments in subsidiaries. Profit/(Loss) after taxation does not include Other Comprehensive Income.
- India Steamship International FZE was liquidated during the financial year 2018-19.

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)				Considered in Consolidation	Not Considered in Consolidation
Indo Maroc Phosphore S.A. Morocco	31.03.2019	20.11.1997	206666	8513.32 *	Holding more than 20% shares and joint control	Not Applicable	27567.67	11668.12	23336.24

* The fair value of investment in the books of accounts of the Company as on March 31, 2019 is Rs. 28586.67 Lakhs.

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

Anil Kapoor
Managing Director
DIN: 00032299

Saroj Kumar Poddar
Chairman
DIN: 00008654

Abhay Bajjal
Chief Financial Officer

Rajveer Singh
Company Secretary

**Place : New Delhi
Date : May 16, 2019**

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"Corporate One", First Floor,
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New Delhi - 110025