CHAMBAL FERTILISERS
AND CHEMICALS LIMITED

Laying the foundation of a sustainable future

Annual Report 2013-14

CONTENTS

DIRECTORS

S.K. Poddar
Chairman

Shyam S. Bhartia
Co-Chairman

Anil Kapoor
Managing Director

R.N. Bansal

Dipankar Basu

K.N. Memani

C.S. Nopany

Radha Singh

Marco Wadia

SENIOR EXECUTIVES

Abhay Baijal
Chief Financial Officer

A.K. Bhargava
Vice President - Works

D.L. Birla
Executive President – BTM

V.K. Gupta
Vice President – Marketing

Vinod Mehra
President – Projects

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

K. Satishchandra
Executive President-India Steamship

AUDITORS
S.R. Batliboi & Co. LLP
Chartered Accountants

BRANCH AUDITORS
Singhi & Co.
Chartered Accountants

COST AUDITORS
K.G. Goyal & Associates

Registered Office: Gadepan, Distt. Kota, Rajasthan, PIN - 325 208
Tel No.0744-2782915 ; Fax No.07455-274130
Corporate Office: "Corporate One", First Floor, 5, Commercial Centre, Jasola, New Delhi- 110 025
Tel. Nos.: +91-11-46581300, 41697900; Fax No.: +91-11-40638679
Email: isc@chambal.in Website: www.chambalfertilisers.com (CIN: L24124RJ1985PLC003293)

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 29th Annual Report on the business and operations of the Company together with audited accounts for the financial year ended March 31, 2014.

1. **Financial Results and Appropriations**

(Rs. in crore)

Particulars	2013-14	2012-13
(a) Turnover (excluding excise duty)	7976.42	7337.48
(b) Gross Profit after Finance Cost but before Exceptional Items, Depreciation and Tax	576.23	666.81
(c) Depreciation / Amortization	230.31	222.04
(d) Profit before Exceptional Items and Tax	345.92	444.77
(e) Exceptional Items	-	(11.96)
(f) Profit before Tax	345.92	456.73
(g) Provision for Current Tax	40.14	121.07
(h) Provision for Deferred Tax	2.71	30.05
(i) Profit after Tax	303.07	305.61
(j) Balance of Profit Brought Forward	1229.01	1065.92
(k) Profit available for Appropriation	1532.08	1371.53
(l) Reversal of Dividend on Equity Shares held by CFCL Employees Welfare Trust (Trust)	0.87	-
(m) Appropriations:		
· General Reserve	50.00	50.00
· Proposed Dividend on Equity Shares	79.08	79.08
· Tax on Dividend	13.44	13.44
· Proposed Dividend on Equity Shares held by Trust	(0.43)	-
(n) Balance Carried Forward to Balance Sheet	1390.86	1229.01

2. **Operations:**

The Company has three business segments viz. Fertiliser, Shipping and Textile with Fertiliser being the largest amongst them. The Fertiliser Division comprises of manufacturing of Urea and Single Super Phosphate (SSP) and trading of fertilisers and other agri-inputs. The Company has registered an increase in the turnover of Own Manufacture Fertilisers mainly due to increase in prices of Natural Gas, depreciation in value of Indian Rupee vis-à-vis US$ (as the Natural Gas prices are denominated in US$) and increase in sales volume of Urea. There was decrease in turnover from Trading segment mainly due to reduction in prices of traded fertilisers and lower sales of traded SSP and pesticides. The Shipping business continues to under-perform. The turnover of Shipping Division is higher mainly because of revenue from in-chartered ships and foreign exchange rate variations. The Textile business has performed better in comparison to the previous year with higher turnover and increase in profitability.

The Fertiliser Business faced challenges on various fronts during the year under review. The higher inventories of phosphatic fertilisers in the market had dampening effect on sales of traded fertilisers. The un-favorable policy of Urea pricing in respect of production beyond re-assessed capacity has forced the Company to restrict production of Urea. During last few years, the Government of India has resorted to under-provisioning for fertiliser subsidy in the union budget. This has resulted into long delays in payment of subsidy to the fertiliser companies thereby substantially increasing industry's interest burden.

The Shipping business continues to be under stress with freight rates and asset prices struggling at low levels. The signs of recovery were visible in January 2014 but the freight rates have again come down. The sustainable recovery in the shipping industry is likely to take some more time.

The performance of Textile business remained satisfactory with signs of stress during the later part of the Year. The Textile Business was able to achieve slightly better sales and profitability in comparison to the previous year.

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

3. **Dividend**

The Board recommends dividend @ Rs. 1.90 per equity share of Rs. 10 each (Previous Year – Rs. 1.90 per equity share) for the financial year ended March 31, 2014. The total outgo on this account will be Rs. 92.52 crore including dividend distribution tax.

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

The Company is committed to maintain highest standards of Corporate Governance and strives to improve the corporate governance standards. Corporate Governance Report for the Financial Year 2013-14 is attached as Annexure "D". The declaration of the Managing Director confirming compliance with the 'Code of Conduct and Ethics' is enclosed as Annexure "E" and Auditors' Certificate confirming compliance with the conditions of Corporate Governance is enclosed as Annexure "F".

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

IMACID is a joint venture of your Company with two other partners i.e. Tata Chemicals Limited and OCP, Morocco. Each of the three partners hold equal stake in the joint venture (i.e. 33.33% each). IMACID is engaged in the manufacture of phosphoric acid (P_2O_5) in Morocco.

During the calendar year 2013, IMACID produced 368,294 MT of P_2O_5 against a design capacity of 430,000 MT of P_2O_5. The sales during the year 2013 were 351,480 MT of P_2O_5 against the previous year sales of 254,919 MT of P_2O_5 and 54,436 MT of DAP (equivalent of 25,421 MT of P_2O_5 tolled through OCP). The plant was shut down from March 22, 2013 to May 7, 2013 due to adverse market conditions.

During the year 2013, IMACID achieved revenue of Moroccan Dirham (MAD) 2135.72 million (Rs. 1471.35 crore) against revenue of MAD 2264.13 million (Rs. 1388.86 crore) achieved during the year 2012. The profit after tax of IMACID was MAD 83.15 million (Rs. 57.28 Crore) during the year 2013 as against MAD 9.26 million (Rs. 5.68 crore) in the previous year.

IMACID achieved production and sales of 62,192 MT and 74,768 MT respectively of P_2O_5 with operating income of MAD 308.85 Million (Rs. 229.80 crore) during January – March 2014 quarter.

6. Subsidiaries

(i) Chambal Infrastructure Ventures Limited and its Subsidiaries

Chambal Infrastructure Ventures Limited ("CIVL") is a wholly owned subsidiary of your Company. CIVL was set up to pursue the business opportunities in Power Sector. CIVL had established two down-stream wholly owned subsidiaries viz. Chambal Energy (Chhattisgarh) Limited and Chambal Energy (Orissa) Limited for setting up power projects in the states of Chhattisgarh and Odisha, respectively. CIVL has identified suitable site for its project in Odisha and necessary approvals in this regard were being pursued. There was no activity during the year for power project in Chhattisgarh.

(ii) CFCL Overseas Limited, Cayman Islands and its Subsidiaries

CFCL Overseas Limited is a wholly owned subsidiary of your Company and a holding entity for software business. CFCL Technologies Limited, the flagship Company which controls the entire software business, is a subsidiary of CFCL Overseas Limited. CFCL Technologies operates business through its step-down subsidiaries mainly in USA and India.

The software business continued its focus on conservation of resources, cost optimization and making necessary investments to turnaround the business. The Software Business generated EBITDA of USD 4.98 million in calendar year 2013. Revenue of Software business saw a marginal decrease, from USD 78.20 million in 2012 to USD 74.80 million in 2013, driven by weak origination market.

The software business as a whole incurred a net loss of USD 5.90 million during the year 2013 as against net loss of USD 18.10 million incurred in the year 2012.

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

India Steamship Pte. Limited, Singapore is a wholly owned subsidiary of your Company mainly into chartering business. There was no business activity in this entity during the year. The Board of Directors of this company declared dividend of USD 3.25 per share amounting to USD 3,509,876 during the year, out of accumulated profits.

India Steamship International FZE, UAE is a wholly owned subsidiary of India Steamship Pte. Limited Singapore. There was no business activity in this entity during the year under review.

(iv) India Steamship Limited, India (ISL)

ISL is a wholly owned subsidiary of your Company. During the year, the issued and subscribed capital of the Company was reduced to Rs. 25,00,000/- (Rupees Twenty Five Lac only) divided into 2,50,000 (Two Lac Fifty Thousand) fully paid up equity shares of Rs. 10/- each from Rs. 51,05,00,000 (Rupees Fifty One Crore Five Lac only) divided into 50,000 (fifty thousand) equity shares of Rs. 10/- each fully paid up, 4,10,00,000 (Four Crore Ten Lac) partly paid up equity shares of Rs. 10/- each {Rs. 0.50 per share paid up} and 1,00,00,000 (One Crore) non-cumulative redeemable partly paid preference shares of Rs. 10/- each {Re. 1/- per share paid up} vide order dated November 28, 2013 passed by Hon'ble High Court of Rajasthan at Jaipur.

There was no business activity in ISL during the year under review.

Exemption: The Government of India vide its circular dated February 8, 2011 granted general exemption to the companies from attaching with Annual Report, the copies of the Balance Sheet, Statement of Profit and Loss, Board of Directors' Report and Auditor's Report of its subsidiaries. Accordingly, the Board approved non-attachment of aforesaid documents of subsidiaries with the Annual Report of the Company. The Consolidated Financial Statements presented by the Company include the financial information of its subsidiaries, as applicable. The Company will make available the Annual Accounts of its subsidiaries along with relative detailed information upon request by investors of the Company or its subsidiaries. The Annual Accounts of the subsidiaries will be available for inspection by any shareholder at the corporate offices of your Company and respective subsidiaries during office hours.

7. Health, Safety and Environmental Protection

Your Company gives high priority to Health, Safety and Environment protection and operates with the motto of 'Safety First'. This aspect is reflected in the day to day operations of the Company. The senior management of the Company continuously monitors the progress and performance of the Company on the parameters of Health, Safety and Environment Protection. The Company strives for continuous improvement through benchmarking studies and other appropriate methodologies. The efforts are always on to deeply engrain the safety aspects in the people involved in the operations of the Company. Your Company has established and is maintaining an Integrated Management System at Gadepan; based on OHSAS-18001:2007, ISO-14001:2004, ISO-9001:2008. The township at Gadepan is also OHSAS-18001 & ISO-14001 certified.

(a) Health & Hygiene

The health assessment and occupational disease monitoring of employees and associates is done through regular periodic medical examinations.

A well equipped occupational health centre in the campus at Gadepan works round the clock to provide Health Services to employees, their families, contractor work force and villagers in the vicinity of the plants. New medical equipment and services are added to continuously upgrade the facilities at health centre.

Necessary training was imparted to the employees and workers to enhance their awareness towards health related matters. Some of our employees are certified first-aiders.

(b) Safety Management

A strong occupational – health and safety management system OHSAS-18001:2007 is in place in your Company in Fertiliser Division at Gadepan to ensure occupational health & safety of employees, contractor workforce as well as equipment and machinery.

Further, your Company has implemented, in its operations at Gadepan, Process Safety Management System developed by Occupational Safety & Health Administration (OSHA) for proactive identification, assessment & control of hazards.

To maintain and improve upon the well established safety systems, extensive trainings were conducted by internal & external experts on rescue, work at height, working inside confined space, fire fighting & emergency handling, electrical safety, material handling, road safety, etc.

As a new initiative, contractors' safety committee has been formed under chairmanship of maintenance head for further increasing their involvement and improvement in safety compliance and ownership.

The concept of Behavior Based Safety (BBS), introduced last year for safety improvement in the bagging plant is working satisfactorily through selected BBS Champions; which include representatives from employees and contractors' staff. Noticeable improvement in work culture is visible such as reporting of observations for safety improvement, reduction in unsafe acts & conditions and injuries.

Various safety projects have been undertaken to improve safety system of SSP plant at Gadepan. A unique initiative of providing automated machine guards in moving machinery was undertaken to ensure safe operations.

We have a well established safety reward system for encouraging employees and contractors' staff for achieving safety excellence. The Company gave rewards for safe million man-hours, safe shutdown, reduction of injuries in bagging, best near miss reporting, best safety performance by a department, etc.

Your company is associated with international and national safety institutions of repute such as National Safety Council of US, British Safety Council, International Fertiliser Association, National Safety Council of India and other Govt. bodies. Safety month, National Safety Day, Road Safety Week, Fire Service Day & World Environment Day, etc., campaigns were organized involving employees, their families and contractors' staff at Gadepan.

School children and staff were introduced to fire fighting & emergency handling equipments and procedure at Fire Station. As a special drive towards improvement in road safety, film shows and discussion by experts were organised for township residents. Environment safety workshop and fire fighting demo was organised for ITI Sangod students at ITI Sangod.

Emergency handling: Your Company has a well-defined "Onsite Disaster Management Plan". Regular mock drills & fire drills were conducted to verify the emergency preparedness. Prompt services for fire fighting were provided to surrounding villages. The on-site emergency plan and Mutual Aid & Response Group document has been thoroughly revised this year.

(c) **Environment Management**

i. Environment Protection - Environment protection is the top priority of the management. A strong Environment Management System ISO- 14001:2004 is in place in Urea and Ammonia production activities and the Township at Gadepan. Extensive environmental monitoring is carried out to assess pollution risk to all personnel working directly or indirectly with us or residing in surrounding areas and necessary corrective & preventive actions are taken.

ii. Sustainable Development – Your company is totally committed to sustainable development and has undertaken various environment improvement programmes to conserve natural and other resources viz. Rain Water Harvesting, Ground Water Recharging, Energy Conservation Measures, Pollution Control, Use of Solar Energy, etc. Few initiatives taken by your Company are installation of LED street lights, variable frequency drives, upgradation of synthesis gas compressor, installation of ammonia product heater, etc.

iii. Waste Management – Your Company continues to follow the 3R concept (Reduce, Re-use and Re-cycle) for waste management. Almost 100% condensate is recycled back to the system. Your Company has adopted best practices to manage solid / hazardous waste disposal after proper categorization. Recyclable waste is disposed off and saleable items are sold to approved recyclers. Use of polythene bags is strictly prohibited in the Gadepan campus.

iv. Green belt Development– Your Company's complex at Gadepan is experiencing a positive change in Ecology due to development of a dense green belt/ forest with thousands of trees & shrubs in an area of about 153 hectares. This has provided habitat to many species of birds which includes large number of peacocks. Only treated waste water is used in maintaining green belt through a 65 kilometer long irrigation network spread all over the complex.

v. Water conservation– Your Company continuously works on various water optimization measures as our area is water scarce. Water audits and studies have been conducted through internal and external experts to explore more avenues of water conservation. Kalisindh water river mapping has been done for studying intake water quality. Special efforts have been made in optimization of water consumption at Gadepan. The specific consumption of water is 4.98 cubic meters per MT of Urea this year against the water consumption norms of 8.0 cubic meters per MT of Urea for fertiliser industry.

(d) **Quality Management**

Your Company is ISO 9001:2008 certified and adequate attention is accorded to maintain quality of end product and processes. To enhance customer satisfaction quality assurance is ensured at all stages of manufacturing processes and maintenance & support services. Quality is continually improved by determining and taking care of internal and external customer requirements, future needs and expectations. Regular quality reviews are conducted and feedback from end-users is valued high as they are pillars for quality improvement and sustenance.

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

HSEQ system is continually improved by conducting Hazards & Risk assessments, periodic audits by teams of trained internal auditors and external agencies of repute. Learning visits to other good performing organizations were conducted and their better practices were adapted as per our own requirements. To strengthen the audit, various internal audits were conducted on systems such as ammonia storage, fire water pump house, safety showers, first-aid boxes, pull chords, etc.

(f) **Achievements**

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

- 1st prize (Platinum) in Large Size Category (FICCI Safety

Systems Excellence Awards for Manufacturing 2013)

- Certificate of appreciation from National Safety Council of India for Occupational Safety & Health for 2009-2011 ("National Safety Council of India 2012" Safety Awards)
- Certificate of appreciation from Associated Chambers of Commerce and Industry of India for Corporate Social Responsibility (ASSOCHAM CSR Excellence Awards 2013-14)

8. Corporate Social Responsibility (CSR)

Your Company is committed in improving the quality of life of people with a special focus on neighboring areas. Your Company has taken number of initiatives for the community development in consultation with local administration at the village, block and district levels. Your Company has also formed an NGO – KK Birla Memorial Society to undertake CSR activities, in particular the Public-Private-Partnership (PPP) Schemes.

The Company has undertaken various CSR initiatives during the year under review, brief details of some of which are given below:

a) Education

CFCL is extending quality education to children from rural community by providing admission to Chambal Fertilisers DAV School. More than 50% students in this school are from surrounding rural community.

Your Company has adopted 24 primary and upper primary government schools of nearby 22 villages under PPP Scheme of Government of Rajasthan. Your Company completed renovation of Government schools and construction of girls' toilets in each school and Stationary, school bags, note books and sweaters were provided to around 2000 students. The Company also organized sports, drawing and cultural competitions to motivate these children and prizes were given to them. Your Company is adopting another 5 Secondary & Senior Secondary and 3 Primary schools to take care of entire school education in its CSR project area.

A reputed NGO has been engaged in improving learning level of school children. The aim is to provide quality education to school children in partnership with Sarva Shiksha Abhiyan and Rastriya Madhyamik Shiksha Abhiyan of Government of India. The Company gave financial assistance for a few under-privileged girl students and for purchase of Genset for a school for blind children.

b) Technical Education

Your Company had adopted Government Industrial Training Institute (ITI) – Sangod in 2010-11 under PPP scheme. After complete renovation of the building and introduction of 4 new trades, the ITI has established itself as one of the top ITIs in Rajasthan under the guidance of your Company. The institute has been able to achieve 100% placement of the students in last 2 years. Encouraged by the success, your Company has adopted another ITI at Sultanpur (Rajasthan).

c) Vocational Education

Your Company has set up a vocational training center at Gadepan and Kundanpur villages to empower unemployed rural youth specially women. During this year, around 120 women were trained in 'Tailoring & Stitching Course' and 'Beautician Course'.

d) Community Health Care

The Company operates a mobile Health Care Unit in 23 surrounding villages and provides free medical check up and medicines to people at their doorsteps. Ambulance facilities are also provided to community round-the-clock for taking patients to Kota hospitals in emergency situations, thus benefiting over 300 cases.

During the year, around 15,451 people were treated for different ailments. The community also avails the services of specialists in various fields such as pediatrics, gynecology, skin, dental, eye, etc. during their visits and free camps organized for them. Over 3,550 patients benefited during such visits and camps.

The Company has contributed Rs. 30 lac to Manorama Devi Birla Charitable Trust to support their community healthcare initiatives in Uttarakhand.

e) Rural Infrastructure

The Company has constructed pavement roads in Pachara, Motikuan, Bamori, Cheensa, Palaitha, Gadepan Ki Jhopariyan, Sarola, etc. villages to improve quality of life of rural folks. Pavement road and drain facility construction was completed in entire Gadepan village under PPP scheme.

The Company alongwith its employees provided relief by way of constructing 32 green houses, 16 toilets and 10 water storage tanks with filtration units in 4 villages of Chamoli district in Uttarakhand.

9. Disclosure of Particulars

The Company strives to make the plants as energy efficient as possible and reviews various options to conserve energy on regular basis. The improvement in energy efficiency not only helps in environment protection but it also adds to the bottom-line of the Company. The requisite information with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo in terms of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is set out in Annexure "A" attached hereto.

Information required to be furnished in Form A is not applicable to shipping industry. The Company has 5 double hull Aframax Tankers and these ships are more energy efficient as compared to the old vessels. The Shipping Division has no information to furnish in Form B regarding technology absorption.

10. Investor Service Centre

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

The equity shares of your Company are listed at National Stock Exchange of India Limited and BSE Limited. The Company has paid annual listing fees to these Stock Exchanges for the Financial Year 2014-15.

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

11. Fixed Deposits

Your Company has discontinued accepting new deposits with effect from July 1, 2008. As on March 31, 2014, your Company had 4 depositors with fixed deposits of Rs. 1.45 lac, who did not claim their Fixed Deposit amount despite being reminded regularly.

12. Employees Stock Option Scheme

The members of the Company had approved CFCL Employees

Stock Option Scheme 2010 ("ESOS 2010") on August 27, 2010 for issue and allotment of options exercisable into not more than 41,62,000 equity shares of face value of Rs. 10/- each to eligible employees and Managing Director of the Company. Each option when exercised would be converted into one fully paid up equity share of Rs. 10 of the Company. The ESOS 2010 is administered by the Compensation Committee of the Board of Directors of the Company. Disclosure pursuant to the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 is given in Annexure - "B".

13. Personnel

Your Company recognizes the contribution of its highly motivated human resource in its performance and growth. Your Company has very healthy work environment matched with adequate compensation packages which enables it to attract and retain high caliber employees. Information in accordance with section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, forms part of this Report and is attached hereto as Annexure "C".

14. Directors

The Board consists of nine directors - eight non-executive directors and a Managing Director. Three directors namely M/s. R.N. Bansal, Marco Wadia and C.S. Nopany are due for retirement by rotation at the forthcoming Annual General Meeting. M/s. Marco Wadia and C.S. Nopany are eligible and have offered themselves for re-appointment. In pursuance of Section 149 of the Companies Act, 2013, the Board is recommending appointment of M/s. Marco Wadia, Dipankar Basu, Kashi Nath Memani and Ms. Radha Singh as Independent Directors of the Company to hold office for 3 (three) consecutive years for a term upto the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2017. The Directors proposed to be appointed / re-appointed are not relatives (as defined under the Companies Act, 2013 and Rules thereunder) *inter-se* or of any other director of the Company.

Mr. R.N. Bansal has expressed his unwillingness for re-appointment. Mr. Bansal has been associated with the Company for last 18 years and the Company immensely benefitted from his rich knowledge and experience. The Board expresses its sincere gratitude and appreciation of the contribution made by Mr. Bansal as a Director of the Company.

Other information on the directors is provided in Corporate Governance Report annexed to this Report as Annexure "D".

15. Auditors

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

M/s. S. R. Batliboi & Co. LLP, Statutory Auditors and M/s. Singhi & Co., Branch Auditors of Shipping Business of the Company, are retiring at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your director are seeking the re-appointment of the Statutory Auditors and Branch Auditors from the conclusion of ensuing 29th Annual General Meeting (AGM) of the Company till the conclusion of 31st AGM of the Company.

The Board of Directors of the Company appointed M/s. K.G. Goyal & Associates, Cost Accountants for conducting audit of cost records of the Company for the financial year 2013-14. The Company has filed with the Ministry of Corporate Affairs (MCA), Government of India, the Cost Audit Report and Compliance Report for the Financial Year 2012-13 for the Fertilizer and Textile Divisions of the Company on September 18, 2013 as against the last date of filing on September 30, 2013.

16. Directors Responsibility Statement

Your Directors hereby report:

a) that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;

b) that the Directors had 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, 2014 and of the profit of the Company for the year ended March 31, 2014;

c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the Directors have prepared the annual accounts on a going concern basis; and

e) that the Company has adequate internal systems and controls in place to ensure compliance of laws applicable to the Company.

17. Consolidated Financial Statements

In accordance with 'Accounting Standard 21 – Consolidated Financial Statements', the consolidated financial statements form part of this Report & Accounts. These consolidated financial statements also incorporate the 'Accounting Standard 27 – Financial Reporting of interest in Joint Ventures issued by the Institute of Chartered Accountants of India. The consolidated financial statements have been prepared on the basis of audited financial statements received from subsidiaries and joint venture entity.

18. Acknowledgements

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

By order of the Board

Place: New Delhi
Date : May 09, 2014

S. K. Poddar
Chairman

Annexure "A" to Directors' Report

I. **Disclosure of Particulars with respect to Conservation of Energy:**

a) **Energy Conservation measures taken**

The following measures were taken during the Financial Year 2013-14:

(i) **Fertiliser Division**

- Installation of Variable Frequency Drives (VFD) in Ammonia feed pumps in Urea-I plant.
- Installation of VFD in lean & Boiler Feed Water pumps in Ammonia-I plant.
- Installation of Ammonia product heater in Ammonia-I plant.
- Up-rating of synthesis gas compressor in Ammonia-I plant.
- Installation of additional cooling tower cell for Ammonia-I and Urea – II plants.
- De-bottlenecking of Forced Draft fan suction duct to reduce the cyclic variation in combustion air pressure.

(ii) **Textile Division**

- Installation of 42 Variable Frequency Drives (VFD) in Humidification Plant & Waste collection system.
- Installation of 2500 light-emitting diode (LED) tubes of 20 watt each in replacement of 36 watt tubes.
- Installation of 12 LED Street Lights of 60 watt each in replacement of 250 watt Sodium lamps.

b) **Additional Investments and proposals, if any, being implemented for reduction of consumption of energy**

The following energy saving measures are proposed to be implemented during the Financial Year 2014-15:

(i) **Fertiliser Division**

- Installation of additional Cooling Tower cell for Ammonia-II plant.
- Installation of Motor for Urea-II Cooling Tower pump, in place of turbine.

(ii) **Textile Division**

- Installation of 5000 LED tubes of 20 watt each in replacement of 36 watt tubes.
- Installation of 30 LED Street Lights of 60 watt each in replacement of 250 watt Sodium lamps.
- Installation of 160 Energy efficient motors in replacement of conventional motors on machines in Humidification plant.
- Heat Recovery System (Plate Heat Exchanger) to recover the heat from hot effluent of dye house.

c) **Impact of the measures at (a) & (b) above for the reduction of energy consumption and consequent impact on the cost of production of goods**

The energy conservation measures in Fertiliser Division mentioned at (a) above have resulted in a saving of approximately 1% of energy consumption per MT of Urea and those listed at (b) above are expected to result in a saving of approximately 0.2% of energy consumption per MT of Urea after implementation.

The energy conservation measures in Textile Division mentioned at (a) above will result in saving of around 115,000 units per month (approximate saving of Rs. 5.75 Lac per month) and those listed at (b) above are expected to result in saving of around 108,000 electricity units per month and 40 MT of boiler fuel (approximate saving of Rs. 7.20 Lac per month).

d) Total energy consumption and energy consumption per unit of Production As per Form 'A' given below:

Form "A"

Sl. No.	Particulars	Unit	2013-14 Current Year	2012-13 Previous Year
A	Power and Fuel Consumption			
1	Electricity			
	(a) Purchased			
	Unit	MWH	97,676.66	90797.78
	Total Amount	Rs. Lac	5564.50	4592.51
	Rate/Unit	Rs./ KWH	5.70	5.06
	(b) Own generation			
	(i) *Through diesel generator*			
	Unit	MWH	528.76	1773.85
	Units per KL of furnance oil	KWH	-	4.02
	Units per KL of HSD	KWH	3.71	3.78
	Cost /Unit	Rs./kwh	12.53	10.43
	(ii) *Through steam turbine/generator*			
	Quantity	MWH	1,59,667.86	162859.28
	Unit per SM^3 of Gas	KWH/SM^3	4 .49	4.33
	Cost/Unit	Rs. / KWH	5.05	4.21
2	Coal (specify quality and where used)			
	(a) *Charcoal (for Steam Generation for Dye House)*			
	Quantity	KG	6,970.00	3700.00
	Total cost	Rs. Lac	1.24	0.61
	Average rate/Unit	Rs./KG	17.84	16.53
	(b) *Steamcoal (For Steam generation for Dye House)*			
	Quantity		-	0.00
	Total Cost		-	0.00
	Average Rate/Unit		-	0.00
	(c) *Rice Husk (For Steam generation for Dye House)*			
	Quantity	MT	2,820.23	2538.98
	Total Cost	Rs. Lac	127.59	114.01
	Average Rate/Unit	Rs./MT	4.52	4.49
	(d) *Petcoke (For Steam generation for Dye House)*			
	Quantity	KG	4,86,999.00	30793.00
	Total Cost	Rs. Lac	48.71	3.10
	Average Rate/Unit	Rs./KG	10.00	10.08
3	Furnance oil			
	Quantity	KL	63.54	235.02
	Total amount	Rs. Lac	29.55	114.65
	Average rate	Rs./KL	46508.34	48782.95
4	Others/internal generation			
	a) *Natural Gas (Ammonia & SSP - Fuel, Power & Steam)*			
	Quantity	$1000SM^3$	5,12,260.32	553320.30
	Total Cost	Rs. Lac	123257.76	105519.08
	Average rate/Unit	$Rs./1000SM^3$	24061.55	19070.16
	b) *Naphtha (Ammonia-Fuel, Power & Steam)*			
	Quantity	MT	885.47	677.20
	Total Cost	Rs. Lac	214.75	164.33
	Average rate/Unit	Rs./MT	24252.37	24265.76
	c) HSD			
	Quantity	KL	280.08	219.36
	Total Cost	Rs. Lac	36.72	90.31
	Average Rate/Unit	Rs./KL	13110.53	41167.51
B	CONSUMPTION PER MT OF UREA PRODUCTION			
	Electricity (purchased and own generation)	KWH/MT	85.84	81.11
	Natural Gas (Ammonia-Fuel, Power & Steam)	SM^3/MT	263.43	264.23
	Naphtha (Ammonia-Fuel, Power & Steam)	KG/MT	0.46	0.32
C	CONSUMPTION PER MT OF SSP PRODUCTION			
	Electricity (purchased)	KWH/MT	47.75	61.04
	Natural Gas (Fuel-SSP)	SM^3/MT	8.14	19.34
D	CONSUMPTION PER MT OF YARN PRODUCTION			
	Electricity (purchased and own generation)	KWH/MT	4,363.18	4484.28
	Furnance oil	KL/MT	0.00	0.01
	HSD	KL/MT	0.01	0.01

II. Technology Absorption

Efforts made in technology absorption as per Form B.

FORM B

(Disclosure of particulars with respect to Technology Absorption)

Research and Development (R&D)

i) The Company is a manufacturing organization and is not engaged in any major Research and Development activity. However, continuous efforts are made to improve the quality and efficiency and to develop new product /product mix.

ii) Expenditure on R &D (Textile Division)

a) Capital – Rs. 57.97 Lac

b) Recurring – Rs. 16.72 Lac

c) Total - Rs. 74.69 Lac

d) Total R&D Expenditure as a percentage of total turnover : 0.20%

Technology Absorption, Adaptation and Innovation

i) Efforts in brief, made towards technology absorption, adaptation and innovation.

a) Fertiliser Division

- Installation of Ammonia product heater in Ammonia-I.
- Up-rating of Synthesis gas compressor in Ammonia-I.
- Installation of New CO^2 Absorber in Ammonia-I.
- Up-gradation of Distributed Control System with latest version (CENTUM-CS 3000) in Urea-I.
- Reliability improvement by installing enhanced instrumentation (2/3 voting)
- Forced Draft fan suction duct replaced with new one to reduce the cyclic variation in Combustion air pressure.

b) Textile Division

- Roving stop motion with spindle monitoring installed on 5 Ring Frames in synthetic section. This will reduce process waste along with improving life of machine parts.
- Auto-doffing installed on 7 Ring Frames in cotton section. This will reduce manpower requirement and improve machine efficiency & yarn quality.
- Replacement of Evenness Tester and Single Yarn Strength Tester with upgraded versions. New equipments are faster and give more analysis.

ii) Benefits derived as a result of the above efforts

a) Fertiliser Division

- Energy Efficiency improvements
- Improvement in the reliability
- Operational flexibility

b) Textile Division

- Reduction in process waste
- Increase in productivity
- Reduction of manpower
- More reliable quality assessment.

iii) Information related to technology imported (imported during the last 5 years reckoned from the beginning of the financial year):

a) Technology Imported: Advanced aero bundles for synthesis gas compressor

b) Year of import: 2013-14

c) Has technology been fully absorbed: Yes

III. Foreign Exchange Earnings and Outgo

Foreign Exchange used : Rs. 189996.79 lac

Foreign Exchange earned : Rs. 40615.89 lac

Annexure "B" to the Directors Report

Disclosure as at March 31, 2014 pursuant to Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

I) Options Granted	Date of Grant	Options Granted
	16.09.2010	28,50,000
	22.01.2011	3,00,000
	10.05.2011	2,20,000
	17.10.2011	1,00,000
	11.05.2012	2,70,000
	Total Options Granted	**37,40,000**
II) Pricing Formula	The latest available closing price on the stock exchange on which the Shares of the Company are listed, prior to the date of the meeting of the Board/ Committee in which Options are granted.	

III) Options Vested	15,38,500
IV) Options Exercised	1,88,800
V) Total no. of shares arising as a result of exercise of options	1,88,800
VI) Options Lapsed	6,75,900
VII) Variation of terms of options	During the year, the Company has modified CFCL Employees Stock Option Scheme 2010 (ESOS) to align the ESOS with the requirements under circular dated January 17, 2013 read with circular dated May 13, 2013 issued by Securities and Exchange Board of India. However, there was no variation in terms of options.
VIII) Money realised by exercise of options (Rs.)	1,38,83,835
IX) Total no. of options in force	28,75,300
X) Employee wise details of Options Granted to:	
a) Senior Managerial personnel	Name — No. of options Mr. Anil Kapoor — 1,50,000 Mr. Abhay Baijal — 1,00,000 Mr. A.K. Bhargava — 1,00,000 Mr. V.K. Gupta — 1,00,000 Mr. Vinod Mehra — 1,00,000 Mr. M.S. Rathore — 1,00,000
b) Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during that year	No options were granted during the Financial Year 2013-14.
c) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
XI) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard 20 'Earning Per Share'	Not applicable
XII) a) Method of calculation of employee compensation cost	The Company has calculated the employee compensation cost using the intrinsic value of stock options.
b) The difference between the employee compensation cost so computed at XII(a) above and the employee compensation cost that shall have been recognized if it had used the fair value of the options.	If the employee compensation cost was calculated using fair value of options based on Black Scholes methodology, read with Guidance note on "Accounting for Employee Share based payment" issued by the Institute of Chartered Accountants of India, total cost to be recognised in the financial statements for the financial year 2013-14 would be Rs. 73.67 lac.
c) The impact of this difference on profits and on Earning Per Share of the Company.	The effect on the profits and earning per share, had the fair value method been adopted, is presented below: Rs. in Lac **Profit after Tax** As reported — 30307.10 Add: Intrinsic value compensation cost — 0.00 Less: Fair value compensation cost — 73.67 **Adjusted Profit** — 30233.43 **Earnings per share** (Basic & Diluted) (Rs.) As reported — 7.28 As Adjusted — 7.26
XIII) Weighted-average Exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	(i) Where exercise price equals the market price of the stock options:- Weighted average of exercise prices of options: Rs. 74.76 - Weighted average of fair values of options: Rs. 28.40 (ii) Where exercise price exceeds the market price of the stock options: Not applicable (iii) Where exercise price is less than the market price of the stock options: Not applicable
XIV) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information	The fair value has been calculated using the Black Scholes Option Pricing Model.

a) Date of Grant	Sept 16, 2010	January 22, 2011	May 10, 2011	October 17, 2011	May 11, 2012
b) Risk-free interest rate (%)	7.79	8.05	8.21	8.29	8.47
c) Expected life (years)	2.80	2.80	3.80	3.80	4.80
d) Expected volatility (%)	63.06	63.94	63.76	62.18	63.06
e) Expected dividend yield (%)	7.02	7.02	5.77	5.77	4.62
f) The price of the underlying share in market at the time of option grant (Rs.)	73.50	76.85	82.90	101.10	69.40

Annexure "C" to Directors' Report

Information pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Sr. No.	Name	Designation / Nature of Duties	Qualifications	Age (Years)	Experience (Years)	Date of Commencement of Employment	Remunaration Received (Rs.)	Last Employment: Employer's Name	Last Employment: Post Held
A. Employees who were employed throughout the year and were in receipt of remuneration in aggregate of not less than Rs. 60,00,000 for 12 months:									
1	Kapoor, A.	Managing Director	B.Tech., M.S.	60	34	11.12.2000	30,380,882	Cabot India Limited	Vice President-Technical
2	Baijal, A.	Vice President-Finance	B.E., P.G.D.M.	53	29	01.11.2003	8,057,339	Birla Home Finance Limited	Vice President-Operations
3	Bhargava, A.K.	Vice President-Works	B.E. (Chemical Engineering)	59	35	21.09.2009	6,207,546	Indian Farmers Fertiliser Cooperative Limited	General Manager
4	Mehra, V.	President-Projects	B.Tech. (Hons.)	62	40	01.01.1991	7,850,404	Zuari Industries Limited	Process Manager
5	Rathore, M.S.	Vice President- Legal, Corp.Com. & Secretary	M.A., L.L.B., F.C.S	58	41	28.09.1992	7,175,631	Rajasthan State Seeds Corporation Limited	Company Secretary
6	Satishchandra, K.	Executive President-India Steamship	B.E. (Mechanical), FICS (London), FICS (Delhi)	58	36	20.10.2011	13,331,279	Blue Lines Shipping	Head of Commercial
B. Employees who were employed for a part of the year and were in receipt of remuneration in aggregate of not less than Rs. 5,00,000 per month:									
1	Ahmed, M.F.	Master	Master - F.G.	48	26	NOTE 1	6,822,349	World Tanker Management Pte Ltd.	Master
2	Aakkalam, M.T.	Chief Officer	First Mate - F.G.	30	10	NOTE 1	3,147,583	Ist Employment	Not Applicable
3	Basu, K.	Master	Master - F.G.	38	12	NOTE 1	3,824,790	V. Ships	Chief Officer
4	Bhandari, A.	Second Engineer	MEO-CL II (M)	32	12	NOTE 1	3,273,054	Transocean Shipping	Second Engineer
5	Bhatia, U.K.	Master	Master - F.G.	36	13	NOTE 1	4,961,351	Seaarland Management Services (India) Pvt. Ltd.	Chief Officer
6	Bhattacharjee, S.L.	Master	Master - F.G.	56	34	NOTE 1	1,159,032	V. Ships	Master
7	Biswas, G.	Chief Engineer	MEO-Class-I-(M)	41	17	NOTE 1	5,210,686	Mitsubushi Corporation	Second Engineer
8	Chakrabarti, P.	Second Engineer	MEO-CL II (M)	43	23	NOTE 1	3,673,161	Wallem Ship Management	Second Engineer
9	Chatterjee, A	Master	Master - F.G.	37	18	NOTE 1	5,854,129	The Great Eastern Shipping Co. Ltd.	Master
10	Choudhuri, S.S.	Chief Engineer	MEO-Class-I-(M)	43	14	NOTE 1	1,504,500	Varun Shipping Co. Ltd.	Third Engineer
11	Das, B.	Master	Master - F.G.	45	11	NOTE 1	702,581	Qatar Shipping Co.	Master
12	Dasgupta, T.	Chief Engineer	MEO-Class-I-(M)	51	28	NOTE 1	4,661,513	The Great Eastern Shipping Co. Ltd.	Chief Engineer
13	Dey, K.	Chief Engineer	MEO-Class-I-(M)	40	21	NOTE 1	1,116,607	Thome Ship Management	Chief Engineer
14	Dhakarwal, S.K.	Master	Master - F.G.	58	34	NOTE 1	2,365,161	Hatef Shipping Co. Ltd.	Master
15	Giri, G.	Second Engineer	MEO-CL II (M)	50	25	NOTE 1	4,032,952	Five Star Shipping Co. Pvt. Ltd.	Second Engineer
16	Ghosh, D.	Chief Engineer	MEO-Class-I-(M)	46	26	NOTE 1	2,420,000	ESM Singapore	Chief Engineer
17	Garcha, B.S.	Chief Officer	Master - F.G.	46	26	NOTE 1	2,193,984	MSC Shipping Co.	Chief Officer
18	Jana, S.C.	Second Engineer	MEO-CL II (M)	59	34	NOTE 1	3,337,389	Nortrans Pte. Ltd.	Second Engineer
19	Jar, A.	Second Engineer	MEO-CL II (M)	32	13	NOTE 1	993,571	Shipping Corporation of India Limited	Second Engineer
20	Khan, M.I.	Chief Engineer	MEO-CL-I- (M)	35	11	NOTE 1	760,887	V. Ships	Second Engineer
21	Konsam, R.S.	Master	Master - F.G.	56	33	NOTE 1	2,499,292	Teekay Shipping Ltd.	Master
22	Kulhari, P.B.	Master	Master - F.G.	38	19	NOTE 1	1,640,452	The Great EasternShipping Co. Ltd.	Master
23	Kumar, M.	Master	Master - F.G.	42	25	NOTE 1	4,502,333	The Great Eastern Shipping Co. Ltd.	Master
24	Kumar, R.	Chief Officer	First Mate - F.G.	35	16	NOTE 1	2,379,734	Anglo Eastern Shipping Co.	Chief Officer
25	Kirtania, S.	Chief Engineer	MEO-CL-I-(M)	42	22	NOTE 1	4,172,258	Vellas Maritime Canada	Chief Engineer
26	Lamba, S.	Addl. Master	First Mate - F.G.	29	6	NOTE 1	3,602,847	SVS Marine Service Pvt. Ltd.	Chief Officer
27	Merchant, D.K.	Second Engineer	MEO-CL II (M)	32	11	NOTE 1	3,221,558	Mercator Shipping Co.	Second Engineer
28	Mukherjee, D.	Chief Officer	First Mate - F.G.	35	15	NOTE 1	4,092,549	Ist Employment	Not Applicable
29	Nag, J.	Deputy Manager	P.G.D.C.A & M Sc. (Physics)	60	18	01.01.1996	1,212,908	R.S. Software Ltd.	System Analyst & Project Leader
30	Naiya, P.	Chief Engineer	MEO-CL-I-(M)	39	10	NOTE 1	4,762,915	Fleet Management Ltd.	Second Engineer
31	Nayanam, N.	Chief Engineer	MEO-CL-I-(M)	38	14	NOTE 1	2,438,495	Genmar	Second Engineer
32	Ogale, A.S.	Chief Engineer	MEO-Class-I-(M)	37	11	NOTE 1	4,673,750	The Great Eastern Shipping Co. Ltd.	Chief Engineer
33	Pramanik, S.	Chief Engineer	MEO-Class-I-(M)	41	17	NOTE 1	554,667	Red Sea Marine	Chief Engineer
34	Perumal, J.T.	Chief Officer	First Mate - F.G.	33	12	NOTE 1	4,497,029	MMS Co. Ltd.	Chief Officer
35	Rai, R.	Master	Master - F.G.	55	34	NOTE 1	1,426,667	Stasco Shipmanagement	Master
36	Ratna, P.K.	Chief Officer	Master - F.G.	42	18	NOTE 1	4,712,371	Executive Ship Management	Chief Officer
37	Roy, H.	Second Engineer	MEO-CL II (M)	40	20	NOTE 1	1,416,167	V. Ships	Second Engineer
38	Sandhu, A.S.	Master	Master - F.G.	41	13	NOTE 1	4,581,613	Dymacom Tanker Management Ltd.	Master
39	Sett, A.K.	Chief Engineer	MEO-CL I (M)	65	39	NOTE 1	1,173,000	The Great Eastern Shipping Co. Ltd.	Chief Engineer
40	Sharma, D.	Chief Engineer	MEO-Class-I-(M)	54	23	NOTE 1	4,273,425	Shipping Corporation of India Limited	Chief Engineer
41	Shukla, N.	Chief Engineer	MEO-Class-I-(M)	37	17	NOTE 1	2,180,847	Torm Shipping	Chief Engineer
42	Singh, Y.	Master	Master - F.G.	39	15	NOTE 1	4,746,298	The Great Eastern Shipping Co. Ltd.	Chief Officer
43	Sreedharan, S.	Pumpman	B.Sc.	60	25	NOTE 1	692,298	N.A.	N.A.
44	Topiwala, M. K.	Addl. Master	Master - F.G.	36	13	NOTE 1	1,052,645	Mitsui OSK Lines	Chief Officer
45	Vijay Gopal, M.A.	Chief Engineer	MEO-Class-I-(M)	42	14	NOTE 1	3,899,485	Pratibha Shipping Co. Ltd.	Chief Engineer

NOTES:
1. These persons were employed on contractual basis on various dates during the year.
2. In accordance with clarification given by Ministry of Corporate Affairs, the remuneration has been computed on the basis of actual expenditure incurred by the Company.
3. None of the above employees is a relative of any Director of the Company.
4. None of the above employees himself or alongwith his spouse and dependent children holds 2% or more equity shares of the Company.
5. All appointments are/were on contractual basis.

Annexure "D" to Directors' Report

REPORT ON CORPORATE GOVERNANCE

a) Company's Philosophy

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

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

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

b) Board of Directors

As of March 31, 2014, the Board of Directors comprises of nine directors including a Managing Director. The non-executive directors bring an independent and wider perspective in Board deliberations and decisions on the matters of concern. They have an objective view of external factors affecting the Company in its business environment. These directors make a constructive contribution to the Company while considering the business plans devised by the management team.

Out of the eight non executive directors of the Company, five are independent including one woman director. All the independent directors have an in-depth knowledge of business, in addition to the expertise in their area of specialisation and satisfy the criteria of independence as defined under the Listing Agreement with the Stock Exchanges where the shares of the Company are listed.

M/s. R.N. Bansal, Marco Wadia and C.S. Nopany, Directors of the Company are retiring by rotation at the forthcoming Annual General Meeting. M/s. Marco Wadia and C.S. Nopany are eligible and have offered themselves for re-appointment. Mr. R.N. Bansal has expressed his unwillingness for re-appointment. In pursuance of Section 149 of the Companies Act, 2013, the Board is recommending appointment of M/s. Marco Wadia, Dipankar Basu, Kashi Nath Memani and Ms. Radha Singh as Independent Directors of the Company to hold office for 3 (three) consecutive years for a term upto the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2017.

The brief particulars of all the Directors are given below:

(i) Mr. Saroj Kumar Poddar

Mr Saroj Kumar Poddar (DIN: 00008654), Chairman of the Company, a gold medalist in B. Com (Hons) from Calcutta University, is the Chairman of Adventz group with a turnover of about USD 3 Billion. The group under the leadership of Mr Poddar, has promoted various seminal projects including joint ventures with leading international corporations. The most notable of these ventures are Hettich India Private Ltd (a joint venture with the Hettich Group of Germany), Texmaco UGL Rail Private Ltd. (a joint venture with the United Group of Australia) and MCA Phosphates Pte. Ltd. (a joint venture with Mitsubishi Corporation, Japan). Mr. Poddar was also instrumental in promoting Gillette India Limited (a venture with the Gillette Company of U.S.A), and he was founder Chairman since 1984 before relinquishing the position in December 2013.

A recipient of the Rashtriya Samman from the Central Board of Direct Taxes, Mr. Poddar is a keen collector of contemporary Indian art and involved in the promotion and development of art, culture and sports. Mr. Poddar and his family promote young cricketers to go abroad for training and practice. They are currently involved in setting up a museum in Delhi with the theme 'India through the ages'. The museum will be named as 'K. K. Birla Academy' in the fond memory of Late Dr. K.K. Birla. The Project will be fully funded by the family and is to be commissioned in the coming years.

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

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

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

S. No.	Name of the Company	S. No.	Name of the Company
1	Adventz Investments and Holdings Limited	7	Texmaco Infrastructure & Holdings Limited$
2	Chambal Infrastructure Ventures Limited	8	Texmaco Rail & Engineering Limited
3	Paradeep Phosphates Limited	9	Zuari Cement Limited*
4	Gulbarga Cement Limited	10	Zuari Fertilisers & Chemicals Limited
5	Lionel India Limited	11	Zuari Global Limited
6	Simon India Limited	12	Zuari Agro Chemicals Limited

* Also Chairman of Audit Committee

$ Also Chairman of Investors/ Shareholders Grievance Committee

(ii) Mr. Shyam Sunder Bhartia

Mr. Shyam S. Bhartia (DIN: 00010484) is the Chairman and Managing Director of M/s. Jubilant Life Sciences Limited. He is a Commerce graduate and a fellow member of the Institute of Cost and Works Accountants of India. A leading industrialist of India, he has rich industrial experience in the Pharmaceuticals, Specialty Chemicals, Food, Oil and Gas (Exploration & Production), Aerospace and Information Technology sectors. He is a director on the boards of numerous companies both in India and overseas.

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

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

S. No.	Name of the Company	S. No.	Name of the Company
1	GeoEnpro Petroleum Limited	4	Jubilant Life Sciences Limited$
2	Jubilant Foodworks Limited	5	Vam Holdings Limited
3	Jublilant Generics Limited		

$ Also member of Investors Grievance Committee

(iii) Mr. Anil Kapoor

Mr. Anil Kapoor (DIN: 00032299) is B.Tech from Indian Institute of Technology, New Delhi and M.S. in Chemical Engineering from State University of New York, USA. Mr. Kapoor has started his career with Hindustan Petroleum Corporation Limited (erstwhile Esso India) in 1980. He was involved in hardcore engineering / plant operations during his tenure of around 7 years with ICI India Limited where he has handled both Explosives and Fertiliser plant operations. As General Manager –Projects, he has successfully set up state of the art world class Brewery of UB Group in India. Mr. Kapoor worked for around 5 years as Vice President – Technical with Cabot India Limited where he was responsible for entire plant operations including maintenance, logistics, etc. He has vast experience in the diverse fields of projects, operations, marketing, finance, strategic planning, logistics, etc. Mr. Kapoor had joined Chambal Fertilisers and Chemicals Limited (CFCL) in the Year 2000 as Vice President – Strategic Planning. Mr. Kapoor was elevated as President – Strategic Planning & Operations with additional responsibility of Fertiliser plant operations in the year 2004. He has been appointed as Managing Director of CFCL in the Year 2007.

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

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

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

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

(iv) Mr. Dipankar Basu

Mr. Dipankar Basu (DIN: 00009653) received his Master of Arts (Economics) degree from Delhi University. Mr. Basu is the former Chairman of State Bank of India. While serving as Chairman of State Bank of India, he served concurrently on the Boards of a number of SBI subsidiaries including those engaged in investment banking and fund management. Between 1996 and 1999, he served as a member of the Disinvestment Commission set up to advise the Government of India on public sector disinvestments. During 1997-98, Mr. Basu was a member of the Narasimham Committee on Banking Sector Reforms. Later, during 2004-06, he was a member of the Appointments Board constituted by Government of India for selection of Chairman and executive Directors of Public Sector Banks.

Mr. Basu brings with him long experience and wide knowledge of financial markets in India. He has several years of Board level experience in companies engaged in a wide spectrum of businesses- both financial and non-financial. He is at present a member of the Investment Advisory Committee of the Army Group Insurance Fund and of the Empowered Committee of External Commercial Borrowings of Reserve Bank of India.

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

S. No.	Name of the Company	S. No.	Name of the Company
1	Asian Paints Limited *	4	RAIN CII Carbon (Vizag) Limited*
2	Deepak Fertilisers & Petrochemicals Corp. Limited $	5	RAIN Industries Limited*
3	Peerless Securities Limited	6	The Peerless General Finance & Investment Company Limited

* Also Chairman/ Member of Audit Committee
$ Also Chairman of Shareholders Grievance Committee

(v) **Mr. Kashi Nath Memani**

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

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

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

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

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

S. No.	Name of the Company	S. No.	Name of the Company
1	AEGON Religare Life Insurance Company Limited*	6	ICICI Venture Funds Management Company Limited*
2	DLF Limited*	7	JK Lakshmi Cement Limited
3	Emami Limited	8	National Engineering Industries Limited*
4	Great Eastern Energy Corporation Limited*$	9	S Mobility Limited*
5	HT Media Limited*	10	Smart Ventures Limited

* Also Chairman/ Member of Audit Committee
$ Also Member of Shareholders Grievance Committee

(vi) **Mr. Chandra Shekhar Nopany**

Mr. Chandra Shekhar Nopany (DIN: 00014587) is an industrialist having vast industrial experience in diverse fields like sugar, shipping, textiles and fertilisers. He is a Chartered Accountant and Master of Science in Industrial Administration from Carnegie Mellon University, Pittsburgh, U.S.A. Mr. Nopany is the Chairman and Managing Director of M/s. The Oudh Sugar Mills Limited. He is also on the Board of Directors of several other companies promoted by Dr. K.K. Birla, including few subsidiaries and joint venture of the Company. Having contributed significantly to organic and inorganic growth of the K.K. Birla Group, he continues to lead as a new generation entrepreneur with concerted focus on efficiency and growth.

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

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

$ Also Chairman/ Member of Investors' Grievance Committee

(vii) **Ms. Radha Singh**

Ms. Radha Singh (DIN: 02227854) has retired from Indian Administrative Service. Prior to retirement, she was holding the position of Secretary, Agriculture and Cooperation, Government of India. She has 40 years' experience in public service, in several areas including rural and agricultural development, water resources, public finance and institution building. In her capacity as Agriculture and Cooperation Secretary, she also headed various national and international organizations as Board Member/ Chairperson.

In her long public career, she has held many high level policy and managerial positions in the Government of India. These included Secretary, Department of Animal Husbandry, Dairying and Fisheries, Additional Secretary/ Joint Secretary in the Ministry of Water Resources, Director General of the National Water Agency and positions in the Economic Affairs Department and field assignments. She had worked with the World Bank in Washington, DC, U.S.A. as an Institutional Specialist Consultant in several other capacities for six years (1993-1998).

Presently, Ms. Singh is Agriculture Advisor to FICCI and Trustee and the Secretary of the Rajendra Bhawan Trust, New Delhi, a charitable organisation in memory of the first President of the India. She is also an Independent Director on the Board of Syngenta Foundation for Sustainable Agriculture.

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

S. No.	Name of the Company	S. No.	Name of the Company
1	Yes Bank Limited*	2	LT Foods Limited$

* Also Member of Audit and Compliance Committee

$ Also Member of Investors' Grievance Committee

(viii) Mr. Marco Philippus Ardeshir Wadia

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

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

S. No.	Name of the Company	S. No.	Name of the Company
1.	Zuari Infraworld India Limited*	6.	Simon India Limited*
2.	Gobind Sugar Mills Limited$*	7.	Stovec Industries Limited*
3.	Johnson & Johnson Limited*	8.	Zuari Agro Chemicals Limited*$
4.	Jost's Engineering Company Limited	9.	Zuari Global Limited*$
5.	Paradeep Phosphates Limited	10.	Zuari Maroc Phosphates Limited

* Also Chairman/ Member of Audit Committee

$ Also Member of Shareholders'/Investors Grievance Committee

c) Meetings and Attendance

The Meetings of the Board are generally held at the Corporate Office of the Company at Jasola, New Delhi - 110025. The Board meetings are scheduled within forty five days from the end of the quarter in the manner that it coincides with the announcement of quarterly financial results wherein time gap between two consecutive meetings does not exceed four months. In case of urgency, additional board meetings are convened. During the year under review, four Board Meetings were held on April 30, 2013, July 31, 2013, November 8, 2013 and February 3, 2014.

The composition of the Board of Directors, their attendance at the Board Meetings held during the Financial Year 2013-14 and Annual General Meeting as also number of other directorships in Indian public limited companies and membership of the Committees of the Boards of such companies are as follows:

Name of Director	Category of Director	Whether Attended Last AGM	No. of Board Meetings attended	Other Directorships	Membership of Committee of other Boards	
					Chairman	Member
Mr. S. K. Poddar	NED/PG	No	4	12	2	0
Mr. S. S. Bhartia	NED/PG	No	4	5	NIL	1
Mr. Anil Kapoor	MD	Yes	4	4	NIL	NIL
Mr. R. N. Bansal	ID	No	4	2	1	1
Mr. D. Basu	ID	No	2	6	2	2
Mr. K.N. Memani	ID	No	4	10	5	3
Mr. C.S Nopany	NED/PG	No	4	8	2	1
Ms. Radha Singh	ID	No	4	2	NIL	2
Mr. Marco Ph. A. Wadia	ID	Yes	4	10	3	7

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

Notes:

(i) Directorship excludes Indian private limited companies, foreign companies and companies registered under section 25 of the Companies Act, 1956.

(ii) Committees mean Audit Committee and Investors/ Shareholders Grievance Committee.

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

d) Board Agenda

The calendar of Board meetings is scheduled well in advance and shared with Board members. The Board members are given a notice of more than a month before the meeting date except in case of emergent meetings. The Board members are provided with well structured and comprehensive agenda papers with background information and analysis to enable the Board members to take informed decisions. Agenda papers are generally circulated a week prior to the meeting of the Board. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. Depending upon the business expediency, additional or supplementary item(s) to the agenda are permitted to be taken at the Board Meetings.

e) Committees of the Board

In compliance of the provisions of the listing agreement, regulations / guidelines of Securities and Exchange Board of India (SEBI), other statutory provisions and to ensure timely and effective working of the Board and the Company, various committees have been constituted with specific terms of reference and scope. The committees operate as empowered agents of the Board. In your Company, there are eight Committees of the Board of Directors, which have been delegated adequate powers to discharge urgent business of the Company. These Committees are - (i) Audit Committee; (ii) Investors Grievance Committee; (iii) Remuneration Committee; (iv) Banking and Finance Committee; (v) Project Monitoring Committee; (vi) Quarterly Results Review Committee (vii) Compensation Committee; and (viii) Corporate Social Responsibility Committee. The Committees meet as often as required. The terms of reference and composition of these Committees are as follows:

(i) Audit Committee

- Terms of reference:

The terms of reference of the Audit Committee are in accordance with Section 292A of the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges. Apart from this, the Audit Committee also reviews:

- the contracts entered into by the Company related to traded products, valuing more than Rs. 75 million and the contracts entered in the register maintained under section 301 of the Companies Act, 1956, if any;
- Risk assessment and minimization procedures of the Company including Key and Non Key Risks in the business and operations of the Company; and
- Status of Inter Corporate Deposits placed by the Company.

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

- Composition:

The Committee comprises of four Directors. M/s. R. N. Bansal and K. N. Memani being Chartered Accountants are financial experts. The Company Secretary is the secretary of the Committee. The permanent invitees include Managing Director, Chief Financial Officer, representatives of statutory auditors and internal auditors. Further, the cost auditor and other executives of the Company are invited in the audit committee meetings, as and when required. The Chairman of the Audit Committee was present at the last Annual General Meeting. The Committee met four times during the year on April 29, 2013, July 30, 2013, November 7, 2013 and February 3, 2014 and the attendance of the members at the meetings was as follows:

Name of the Member	Status	Category	Number of Meetings attended
Mr. Marco Wadia	Chairman	Independent	4
Mr. R. N. Bansal	Member	Independent	4
Mr. K.N Memani	Member	Independent	4
Ms. Radha Singh	Member	Independent	4

(ii) Investors Grievance Committee

· Terms of reference:

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

- **Composition:**

  The Committee comprises of three Directors. The Committee met four times during the year on April 15, 2013, July 31, 2013, November 8, 2013 and February 3, 2014 and the attendance of members at the meetings was as follows:

Name of the Member	Status	Category	Number of Meetings attended
Mr. R. N. Bansal	Chairman	Independent	3
Mr. Anil Kapoor	Member	Managing Director	4
Ms. Radha Singh	Member	Independent	4

Mr. M. S. Rathore, Vice President – Legal, Corporate Communication & Secretary, is the Compliance Officer of the Company and can be contacted at:

Chambal Fertilisers and Chemicals Limited
Corporate One, 1st Floor
5, Commercial Centre, Jasola
New Delhi-110 025

Tel: 91 11 41697900
Fax: 91 11 40638679
E-mail: ms.rathore@chambal.in

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

  The Company has 1,76,263 investors as on March 31, 2014. During the year under review, the status of requests and complaints received, was as follows:

Particulars	Opening Balance	Received	Total Resolved	Closing Balance
Requests	26	12,738	12757	7*
Complaints	0	345	345	0

* Since Redressed

(iii) **Remuneration Committee**

- **Terms of reference:**

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

- **Composition:**

  The Committee comprises of three Directors. The Committee met once during the year on April 29, 2013 and the attendance of members at the meeting was as follows:

Name of the Member	Status	Category	Meeting attended
Mr. R. N. Bansal	Chairman	Independent	Yes
Mr. C. S. Nopany	Member	Non-executive	Yes
Mr. Marco Wadia	Member	Independent	Yes

(iv) **Banking and Finance Committee**

- **Terms of reference:**

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

- **Composition:**

  The Committee comprises of four Directors. The Committee met once during the year on April 15, 2013 and the attendance of members at the meeting was as follows:

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

(v) **Project Monitoring Committee**

- **Terms of reference:**

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

- **Composition:**

  The Committee comprises of five Directors. The Committee met once during the year on April 15, 2013 and the attendance of members at the meeting was as follows:

Name of the Member	Status	Category	Meeting attended
Mr. C. S. Nopany	Chairman	Non-executive	Yes
Mr. R. N. Bansal	Member	Independent	No
Mr. Anil Kapoor	Member	Managing Director	Yes
Mr. K. N. Memani	Member	Independent	No
Ms. Radha Singh	Member	Independent	Yes

(vi) Quarterly Results Review Committee

- **Terms of reference:**

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

- **Composition:**

  The Committee comprises of three Directors. No meeting of the Committee was held during the Financial Year 2013-14. The composition of the Committee is as follows:

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

(vii) Compensation Committee

- **Terms of reference:**

  The Committee was constituted to formulate Employees Stock Option Scheme and its administration.

- **Composition:**

  The Committee comprises of four Directors. The Committee met once during the year on July 30, 2013 and the attendance of members at the meeting was as follows:

Name of the Member	Status	Category	Meeting attended
Mr. C. S. Nopany	Chairman	Non-executive	No
Mr. R. N. Bansal	Member	Independent	Yes
Mr. Marco Wadia	Member	Independent	Yes
Mr. K. N. Memani	Member	Independent	Yes

(viii) Corporate Social Responsibility Committee

- **Terms of reference:**

  The Committee was formed on February 3, 2014 and the terms of reference of the Committee are as prescribed under the Companies Act, 2013 and the Rules framed thereunder and it shall discharge such other functions as may be delegated by the Board of Directors from time to time.

- **Composition:**

  The Committee comprises of three Directors. No meeting of the Committee was held during the Financial Year 2013-14. The composition of the Committee is as follows:

Name of the Member	Status	Category
Mr. S.S. Bhartia	Chairman	Non-executive
Mr. C. S. Nopany	Member	Non-executive
Ms. Radha Singh	Member	Independent

f) **Details of remuneration paid to directors during the Financial Year 2013-14**

(i) **Executive Director**

(Amount in Rs.)

Managing Director	Salary	Performance Bonus	Perquisites	Retirement Benefits
Mr. Anil Kapoor	18,774,500	7,600,000	1,252,382	2,754,000

- The term of appointment of Mr. Anil Kapoor is upto February 15, 2015, which can be terminated by either party by giving three months' written notice to other party.
- No sitting fee is payable to Managing Director.

The Company has granted 150,000 stock options to the Managing Director during the Financial Year 2010-11. Each option is convertible into one equity share of Rs. 10 of the Company. The stock options were granted at the market price i.e. the latest available closing price on the stock exchanges where the shares of the Company are listed, prior to the date of the meeting of the Compensation Committee in which the options were granted. Out of 150,000 stock options granted to the Managing Director, 22,500 stock options vested on September 16, 2011, 22,500 stock options vested on September 16, 2012 and 30,000 stock options vested on September 16, 2013. The remaining 75,000 stock options shall vest as per the details given below:

Date of Vesting	Eligibility	
	No. of Options	% of total options
16.09.2014	37,500	25
16.09.2015	37,500	25

The stock options can be exercised within 5 years from the respective dates of vesting. Mr. Anil Kapoor has exercised 11,000 stock options till March 31, 2014.

(ii) Non - Executive Directors

The Company pays sitting fee for attending the meetings to its Non-Executive Directors @ Rs. 20,000 per Board meeting, Rs. 15,000 per Audit Committee meeting and Rs. 7,500 per meeting of other committees of the Board. Apart from the sitting fee, the Company pays commission to each of the Non Executive Directors subject to the maximum of Rs. 4,00,000 per annum. The details of sitting fee and the commission paid/ payable are as follows:

S. No.	Name of the Director	Sitting Fee Paid (Rs.)	Commission Paid for Financial Year 2012-13 (Rs.)	Commission payable for Financial Year 2013-14 (Rs.)
1.	Mr. S. K. Poddar	80,000	400000	400000
2.	Mr. S. S. Bhartia	87,500	400000	400000
3.	Mr. R. N. Bansal	1,77,500	400000	400000
4.	Mr. D. Basu	40,000	400000	400000
5.	Mr. K.N. Memani	1,47,500	400000	400000
6.	Mr. C. S. Nopany	1,02,500	400000	400000
7.	Ms. Radha Singh	1,77,500	400000	400000
8.	Mr. Marco Wadia	1,55,000	400000	400000

g) Remuneration Policy

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

Remuneration of employees largely consists of base remuneration, perquisites and also performance bonus and retention incentive at certain levels. The components of the total remuneration vary for different cadres and are governed by industry pattern, qualifications and experience of the employee, responsibilities handled by him/her, individual performance, etc.

h) Shareholding of Directors as on March 31, 2014

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

i) General Body Meetings

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

Financial year	Date	Time	Location
2012-13	13.09.2013	1030 hours	Registered Office of the Company at Gadepan, Distt. Kota, Rajasthan
2011-12	14.09.2012	1030 hours	Registered Office of the Company at Gadepan, Distt. Kota, Rajasthan
2010-11	16.09.2011	1000 hours	Registered Office of the Company at Gadepan, Distt. Kota, Rajasthan

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

Date of Annual General Meeting	Nature of approval
September 13, 2013	Amendment in 'CFCL Employees Stock Option Scheme 2010'.
September 16, 2011	Payment of commission to Non-Executive Directors.

(iii) Shareholders' approval through postal ballot was not sought for any matter last year.

(iv) The Company proposes to take the approval of the shareholders by postal ballot for authorizing the Board of Directors of the Company to mortgage, hypothecate, otherwise charge, alienate or dispose off any and all immovable and movable properties of the Company, in favour of banks, financial institutions, trustees for debenture holders and / or any other persons for securing any term loans or any other loans or any banking or financial or other facilities or arrangements granted / to be granted or provided / to be provided by them or any transaction connected therewith.

(v) Brief procedure for conducting the postal ballot

Notice of postal ballot will be sent to the members of the Company. The procedure for exercise of postal ballot and other details shall be provided in the postal ballot notice. The results of the postal ballot shall be declared at the ensuing Annual General Meeting.

j) Disclosures

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

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

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

iv) The Risk Management Policy framework is in place. The risks are reviewed on half yearly basis and the changes along with the revised risks are informed to the Board.

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

- Remuneration Committee.
- Maintenance of the office of Non-Executive Chairman at the Company's expense.

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

The Company has circulated Sustainability Report for the Financial Year 2012-13 by email, wherever the email addresses of the shareholders were available with the Company.

The Ministry of Corporate Affairs had issued Corporate Governance Voluntary Guidelines in December 2009. The Company has adopted the guidelines relating to following matters:

a) Certificate of Independence from Independent Directors;

b) Remuneration Committee;

c) Audit Committee;

d) Risk Management Framework;

e) Review of internal control system;

f) Appointment of auditors and their certificate of independence;

g) Remuneration to Non – Executive Directors; and

h) Appointment of internal auditor.

The Company is in the process of formulating appropriate methodology to adopt the remaining guidelines.

k) Means of Communication

(i) The Company regularly interacts with the shareholders through multiple channels of communication such as publication of results on quarterly, half-yearly and annual basis, published in the main editions of national and vernacular dailies (such as Mint, Rajasthan Patrika and Dainik Bhaskar), Annual Report, e-mails and the Company's website.

(ii) Information relating to shareholding pattern, quarterly corporate governance report, intimation of board meetings, etc. was also posted on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.

(iii) 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, Sustainability Reports, details of various services being provided to investors, guidance and procedure to be followed by the investors for transfer, transmission and transposition of the securities, dematerialisation, rematerialisation of shares, etc.

(iv) The Company had four Earning/ conference calls with investors/ analysts during the Financial Year 2013-14 in respect of its quarterly results, transcripts whereof are uploaded on the website of the Company.

(v) Management Discussion and Analysis Report forms part of this Annual Report.

l) Code of Conduct & Ethics

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

The Code of Conduct also serves as a tool in carrying out the Company's social responsibility in a more effective manner. This Code sets out a broad policy for one's conduct in dealing with the Company, fellow directors and employees and with the external environment in which the Company operates.

The declaration given by Managing Director of the Company with respect to affirmation of compliance of the Code by the Board Members and Senior Executives of the Company during the Financial Year 2013-14 is enclosed as Annexure - "E".

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

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has a Code of Internal Procedures and Conduct for Trading in Securities of the Company. The Code, *inter-alia*, prohibits purchase/ sale of shares of the Company by Directors, Officers, designated employees and their dependents while in possession of unpublished price sensitive information in relation to the Company.

n) General Shareholders' Information

(i) **29th Annual General Meeting**

Venue : Registered Office at Gadepan, Distt. Kota, Rajasthan - 325208
Time : 1030 hours
Day & Date : Thursday, September 18, 2014

(ii) **Financial Year** : April to March

(iii) **Tentative Financial Calendar**

Event	Date
Audited Annual Results (2013-14)	May 9, 2014
Mailing of Annual Report	August 2014
First Quarter Results	Early August 2014
Half Yearly Results	Early November 2014
Third Quarter Results	Early February 2015
Audited Annual Results (2014-15)	May 2015

(iv) **Book Closure**

The register of members and share transfer books of the Company shall remain closed from Tuesday, September 2, 2014 to Thursday, September 4, 2014 (both days inclusive).

(v) **Dividend Payment Date**: September 23, 2014

(vi) **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, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	CHAMBLFERT

The Company has paid annual listing fees for the Financial Year 2014-15 to BSE and NSE.

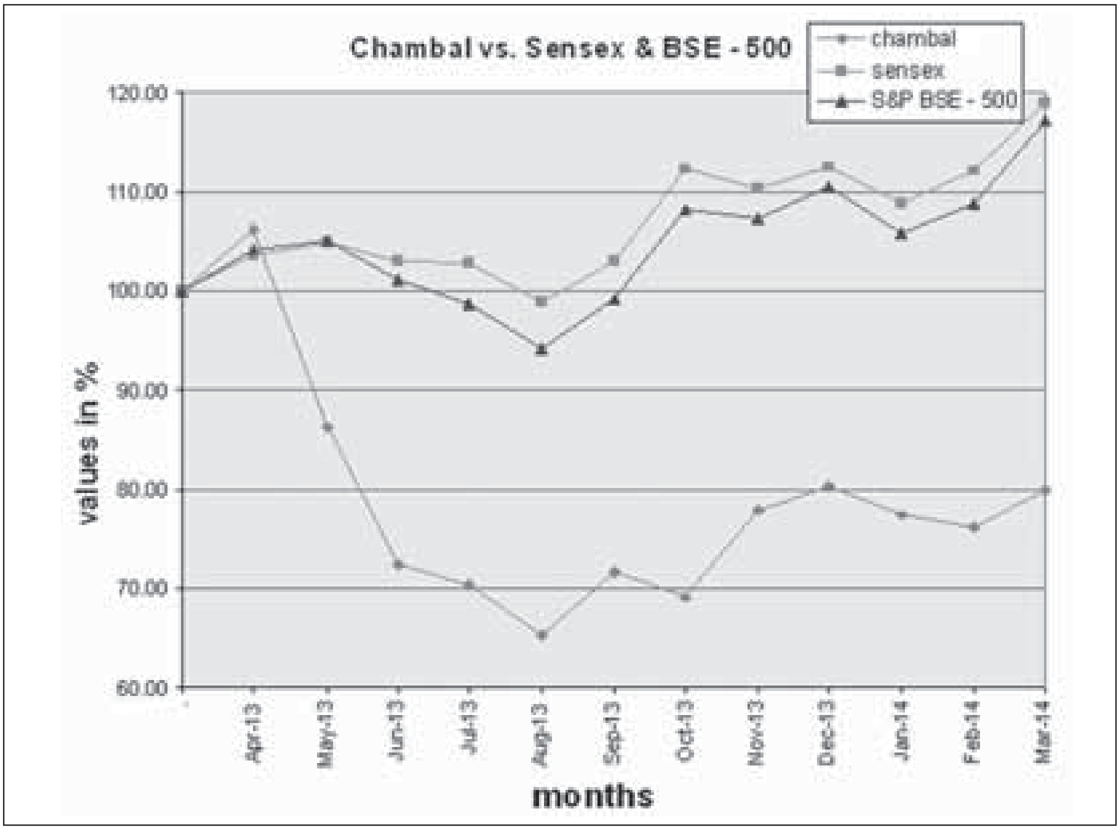
(vii) Market Price Data

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

(Amount in Rs.)

Month	BSE		NSE	
	High	Low	High	Low
April, 2013	56.65	49.95	56.65	50.05
May, 2013	52.75	42.60	52.85	42.60
June, 2013	46.40	32.60	46.50	32.60
July, 2013	39.45	32.65	39.50	32.70
August, 2013	38.15	30.60	38.20	30.90
September, 2013	36.50	32.20	36.55	32.30
October, 2013	38.75	34.35	38.70	34.30
November, 2013	40.35	34.75	40.35	34.75
December, 2013	41.10	37.60	41.15	37.35
January, 2014	41.55	37.60	41.55	37.55
February, 2014	39.45	36.10	39.65	36.00
March, 2014	40.70	37.55	40.70	37.55

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



The base of 100 is taken to be the closing price of shares and values of indices as on March 31, 2013.

(ix) Registrar and Transfer Agents & Share Transfer System

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

M/s. Zuari Investments Limited
Corporate One, First Floor, 5, Commercial Centre, Jasola, New Delhi- 110 025
Tel : 011 - 41697900, 46581300
Fax : 011 - 40638679
E-mail : isc@chambal.in

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

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

(x) Address for Correspondence:

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

Chambal Fertilisers and Chemicals Limited
Investor Service Centre
Corporate One, First Floor,
5, Commercial Centre, Jasola
New Delhi- 110 025
Tel : 011 - 41697900, 46581300
Fax : 011 - 40638679
E-mail : rajeshkumar.jain@chambal.in or rajveer.singh@chambal.in
Website : www.chambalfertilisers.com

(xi) 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, 2014, about 93% of the share capital of the Company was held in dematerialised form.

(xii) Transfer of shares in Unclaimed Suspense Account

Pursuant to Clause 5A (II) of the Listing Agreement, the Company has transferred to the 'Unclaimed Suspense Account' the unclaimed equity shares which were issued in physical form at the time of public issue, upon conversion of Cumulative Preference Shares into equity shares and pursuant to the scheme of Arrangement and Amalgamation between the Company and erstwhile India Steamship Company Limited. The details of such unclaimed shares are as under:

Particulars	No. of Shareholders	No. of Shares
Aggregate Number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2013	2,630	4,43,959
Number of shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account during the Financial Year 2013-14	7	1,595
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during Financial Year 2013-14	7	1,595
Aggregate Number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2014	2,623	4,42,364

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.

(xiii) Distribution of Shareholding

The distribution of shareholding as on March 31, 2014 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	1,50,445	85.35	2,72,68,379	6.55
2	501 to 1000	14,795	8.39	1,29,55,623	3.11
3	1001 to 5000	9,228	5.23	2,04,24,217	4.91
4	5001 to 10000	970	0.55	73,23,698	1.76
5	10001 to 100000	682	0.39	1,84,55,442	4.44
6	100001 to 500000	80	0.05	1,89,45,523	4.55
7	500001 & above	63	0.04	31,08,34,970	74.68
	Total	1,76,263	100.00	41,62,07,852	100.00

Details of Shareholding as on March 31, 2014 was as under:

S. No.	Category	No. of shares held	Shareholding (%)
1	Promoters	23,62,62,803	56.77
2	Financial Institutions, Banks & Mutual Funds	4,54,53,736	10.92
3	NRIs, Foreign Nationals, OCBs and FIIs	4,02,89,945	9.68
4	Indian Public	9,42,01,368	22.63
	Total	**41,62,07,852**	**100.00**

(xiv) Top ten shareholders as on March 31, 2014

S. No.	Name	No. of shares	% of issued share capital
1	Zuari Global Limited	5,90,15,360	14.18
2	The Hindustan Times Limited	5,10,74,209	12.27
3	SIL Investments Limited	3,18,13,455	7.64
4	Life Insurance Corporation of India	2,79,10,373	6.71
5	Nandini Nopany	1,58,09,667	3.80
6	Earthstone Holding (Two) Private Limited	1,36,56,476	3.28
7	Earthstone Investment & Finance Limited	84,24,515	2.02
8	Yashovardhan Investment & Trading Co. Ltd.	73,64,500	1.77
9	Uttam Commercial Ltd.	67,77,100	1.63
10	Ronson Traders Limited	60,04,000	1.44

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

(xvi) a) **Location of the Plants**

Fertiliser Plants : Gadepan, Distt. Kota, Rajasthan, India, PIN – 325 208.
Birla Textile Mills: Baddi, Distt. Solan, Himachal Pradesh, India, PIN -173 205.

b) **India Steamship - Shipping Division**

"Birla Building", 9th Floor, 9/1, R.N. Mukherjee Road, Kolkata – 700001.

Annexure "E'' to Directors' Report

DECLARATION OF MANAGING DIRECTOR

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges. I, Anil Kapoor, Managing Director of Chambal Fertilisers and Chemicals Limited, declare that all Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct and Ethics during the year 2013-14.

Place : New Delhi
Date : May 9, 2014

Anil Kapoor
Managing Director

Annexure "F'' to Directors' Report

AUDITORS' CERTIFICATE

To

The Members of Chambal Fertilisers and Chemicals Limited

We have examined the compliance of conditions of corporate governance by Chambal Fertilisers and Chemicals Limited, for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges(s).

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

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

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

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

per Anil Gupta
Partner
Membership No.: 87921

Place : Gurgaon
Date : May 9, 2014

Annexure "G" to Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company operates Fertiliser, Shipping and Textile businesses. The Management Discussion and Analysis Report covering the aforesaid business segments of the Company is as under:

FERTILISER DIVISION

I. Industry Structure and Developments

(a) Raw Material

Natural Gas is the main input for production of Urea. The requirement is met through domestic gas and imported Re-gasified Liquefied Natural Gas (RLNG). The Gas prices in last few years has been on rising trend due to increase in crude oil prices and increased demand of LNG in Japan.

RLNG constitutes a major part of gas supplies and its cost has been rising due to increase in prices as well as weakening of the Rupee against the US Dollar. The development in domestic market indicates increase in the domestic gas prices. The dwindling gas supplies from KG-D6 gas fields and other domestic sources is an area of concern. The supplies of natural gas to your Company from KG-D6 gas fields have been curtailed since second quarter of the Financial Year 2013-14 due to reduction in production of gas. The Company resorts to spot gas purchase to meet the shortfall as a result of reduction in supplies of domestic gas.

(b) Demand-Supply Scenario

Urea production has been almost stagnant in India for many years whereas there has been steady increase in demand of urea, resulting into significant gap between demand and supply. India imported around 7 million MT of Urea during the year 2013-14, constituting about 23% of the total urea consumption in the country. Imported Urea prices were volatile during the year and varied between USD 300 and USD 408 per MT.

(c) Developments in Government Policies

New Pricing Scheme (NPS) Stage III which was valid upto March 31, 2010, has been further extended provisionally. The government has notified the modification in NPS Stage III, which should provide some relief to the existing urea units including your Company.

In order to reduce the dependence on imports, the Government of India (GOI) announced a New Investment Policy 2012 (NIP) for attracting fresh investments in Urea sector. However, GOI later on decided to keep NIP on hold. It is expected that NIP will be notified soon.

Government of India proposes to give fertilizer subsidy directly to the farmers instead of routing it through fertilizer manufacturers. The task force constituted under the chairmanship of Mr. Nandan Nilekani to implement the direct subsidy to farmers has suggested a three phase roadmap for this purpose. Under Phase - I, the data regarding supply of fertilizers upto to the retailer point has to be captured in the system. Phase – II envisages payment of fertilizer subsidy to the retailers and the subsidy is proposed to be paid directly to the farmers under Phase – III. The Government of India has already rolled out Phase – I during the year and the subsidy payment has been linked to acknowledgement of receipt of material by retailer. Pilot Project implementation of Phase – II is in progress in few districts and the final phase roll out is likely to take some more time.

II. Opportunities & Threats

Your Company plans to expand existing capacities at Gadepan to produce additional 1.30 Million MT per annum prilled Urea through a Brown-field Expansion Project (Gadepan-III Project). The Board of Directors had approved the setting up of the project at a cost not exceeding USD 850 million. The Company had issued Letter of Intent to the Lump-Sum-Turn-Key contractors for Gadepan–III Project. The implementation of Gadepan-III Project will place the Company in a different league and will further strengthen its position in Urea segment. Since Government of India has put New Investment Policy 2012 on hold, further action for expansion plans of the Company will be taken after the Government announces the revised policy.

Implementation of Nutrient Based Subsidy by the Government of India has given major impetus to the trading activity of the Company. The Company's strong marketing network and brand provides leverage in ramping up its sales of traded products.

The Company is running its Single Super Phosphate (SSP) production facility at Gadepan. There is a good potential for SSP business as there are not many big players in production of SSP. This industry is plagued by the presence of a number of small players who sometimes resort to unethical practices.

Urea production beyond re-assessed capacity is becoming unviable for most of the urea manufacturing units due to increased cost of RLNG, expected price rise in domestic gas and fall in the international urea prices. The Urea industry needs immediate policy intervention from the Government to sustain the production beyond re-assessed capacity. If the Government does not come out with appropriate policy urgently to support the production beyond re-assessed capacity, the Urea units will be forced to cut down production, resulting into increased imports of Urea and foreign exchange outgo. The proposed increase in domestic gas prices will have a huge impact on the subsidy burden of the Government and consequent increase in the working capital requirements of fertilizer industry including your Company.

III. Risks and Concerns

The Urea segment of Fertiliser Industry operates in the Government controlled regime placing high dependence on Urea pricing policy of the Government of India. During last few years, the Government of India has resorted to under-provisioning for fertilizer subsidy in the union budget. This has resulted into long delays in payment of subsidy to the fertilizer companies thereby substantially increasing industry's interest burden.

High volatility in foreign exchange rates, likely reduction in demand of DAP due to high market prices, higher interest costs due to delay in payment of subsidy and the extended credit period in the market may impact the profitability from trading activities of the Company. The likelihood of reduction in production of Urea due to un-favourable Government policy for production beyond re-assessed capacity is another area of concern.

IV. Outlook

Subject to risks and concerns mentioned above, the Urea industry is unlikely to face any challenge in terms of sales volumes in near future in view of demand-supply gap. The outlook of traded fertilsers also looks positive in view of lower inventory in the trade channel.

V. Operational and Financial Performance

The performance of Fertiliser Division is summarized below:

Particulars	2013-14	2012-13
Urea Production (MT in lac)	19.41	20.92
Urea Sales (MT in lac)	20.96	20.25
Single Super Phosphate (SSP) Production (MT in lac)	1.03	0.31
SSP Sales (MT in lac)	0.64	0.31
Sales including Agri inputs (Rs. in crore)	7014.36	6669.25
EBIDTA (Rs. in crore)	626.75	676.97

The Company had to curtail the production of Urea due to unviable Government policy for production beyond certain level. Therefore, the overall production of Urea during the year under review was lower than that of last year.

The turnover of traded products was Rs. 2628.81 crore during the financial year 2013-14 in comparison to Rs. 3043.62 crore in the previous year. The sales of various products were as under:

Particulars	(Quantity) (MT in lac)	(Quantity) (MT in lac)
Product	**2013-14**	2012-13
Di- Ammonium Phosphate (DAP)	6.04	5.99
Muriate of Potash	0.42	0.60
Single Super Phosphate (SSP)	0.54	1.50
Other Fertilisers	0.60	0.93
Pesticides – (Rs. in Crore)	249.67	272.50
Seeds – (Rs. in Crore)	51.56	41.46

Your Company has setup an additional marketing office at Indore during the year to focus more in Madhya Pradesh.

VI. Material Developments in Human Resources/ Industrial Relations

Your Company is committed to its employees who are instrumental in the Company's performance and continued growth. In order to keep the workforce motivated, your Company focuses in the following areas:

i. Promotes open and engaging work environment.

ii. Provides ample opportunities for learning and growth, thereby building employee capability.

iii. Fair and equitable treatment without bias for gender, caste, religion, etc.

The Company is operating two high-tech plants at Gadepan, Rajasthan which requires qualified and trained manpower. The retention of trained and experienced manpower in competitive market is very critical for efficient operations of the Company.

Your Company makes suitable interventions as continuous process including engagement surveys, retention incentives for key personnel, etc., as a part of its talent retention and augmentation strategy. The Company inducts fresh talent from premier Engineering and Management institutes at entry level to feed its talent pipeline on a continual basis. Priority is always given to trained internal resources when it comes to career growth opportunities through job rotation, job enrichment and promotion. Wherever essential, the personnel are recruited externally to bridge critical gaps in knowledge and experience. An appropriate manpower plan is in place for planned future growth of the Company.

Training and development of its people for their growth aligned with business needs, is an on-going process. Apart from in-house training programmes, the employees were nominated for various external Management Development Programs. As on March 31, 2014, total employee strength of fertilizer division was 924. The Fertiliser division continues to maintain open and cordial employee relations across all locations.

INDIA STEAMSHIP-SHIPPING DIVISION

I. Industry Structure & Developments

The dry bulk, containers and tankers are three major segments of Shipping Industry. Your Company operates Aframax Tankers. The shipping industry has been going through recession since 2009 and hopefully it is at the bottom of the economic cycle at present. An upward trend was witnessed in December 2013 and January 2014 but could not be sustained due to lack of fundamentals. Since the shipping industry's performance is directly linked to the Global economy, any positive or negative development directly impacts the shipping industry.

The global seaborne crude oil trade is expected to improve in the year 2014, as strong Asian crude imports are expected to more than offset the further projected drop in US import volumes. The crude tanker supply is expected to grow at a relatively slow pace of 1.7% over the year. The slowing fleet growth with fall in deliveries is expected to help the fundamentals to be much more balanced than in previous years, when supply growth considerably outstripped the increase in demand. Firm crude demand, driven by the growth in refinery capacity across many parts of the Asia Pacific region, is expected to support Aframax demand in 2014.

II. Opportunities and Threats

The consolidation of the global fleet of ships is underway signifying positivity in the market. New building prices for crude tankers increased across all vessel types except Aframaxes. The benchmark price for a new build Aframax remained steady and second-hand market is also looking up.

The crude tanker markets are generally weak, following a significant tightening in January 2014 when average spot earnings reached three-year highs. The shipping industry has been on a downtrend since 2009 and the present recession has been the longest known in the past 20 years. There were few spikes in between but overall market scenario has remained subdued. The freight and asset prices seem to have bottomed out and there is now hope for an upside.

III. Risk and Concerns

The shipping being global industry, the developments in the world economy are bound to have its bearing on this industry. The Chinese government finally announced long-awaited reforms that are intended to change the structure of the Chinese economy and allow growth to continue at a rapid pace. United States averted a severe crisis but a government shutdown did have a negative impact on economic activity. However, a number of major emerging markets have quickly gone from an environment of optimism about future growth to one of uncertainty.

The geo-political situation in Ukraine, Libya, Iran and Syria are of grave concerns to Shipping Industry.

IV. Outlook

Global oil production in 2014 is projected to increase by 1.9%. This positive sentiment is reflected in the tonnage growth in the tanker segment. The VLCC deadweight demand is expected to increase gradually. Growth in demand is being mainly driven by an expected increase in demand in non-OECD regions. Aframax tanker deadweight demand is projected to increase by around 2% in 2014 which is giving hope for improved rates in the near future.

V. Financial and Operational Performance

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

Particulars	2013-14	2012-13
Sales (Rs. in crore)	589.28	309.67
EBIDTA (Rs. in crore)	105.50	94.39

VI. Material Developments in Human Resources development/ Industrial Relation

Human Resources continue to be the thrust area for the organization. The committed on-shore staff continuously provides prompt and efficient support and guidance to the floating staff which results in effective performance and operational efficiency at all times. The organization's focus and emphasis on Occupational Health and Safety, Quality and Protection of environment further drives the performance of its employees. Training programs for shipboard officials help us to build an efficient and well-qualified cadre of experienced seafarers for its fleet. The shipping division had 64 employees in its shore office and 138 floating staff onboard as on March 31, 2014. The Employee relations continued to be cordial during the year.

BIRLA TEXTILE MILLS - SPINNING DIVISION

I. Industry Structure and Developments

India is the second largest textiles manufacturer worldwide after China. India ranks next to China and USA in the cotton production and consumption trend. The textiles manufacturing is a pioneer activity in the Indian manufacturing sector and it has a primordial importance in the economic life of the country.

Almost one quarter of the world's spindle activities is hosted in India. India is also significant textiles fiber and yarn manufacturer with 12% share of the world's production volume.

II. Opportunities & Threats

Garment export from India increased by 15.5 per cent to USD 14.94 billion in 2013-14. India's textile sector may see improvement next year amid a pickup in exports, supporting the outlook for Asia's third biggest economy. With demand from the USA, an important market for India's textile sector, picking up recently, 2014 may be a better year for the sector. The depreciation of the Indian rupee against the US dollar may also boost earnings for the sector.

India's weak consumer sentiment, high inflation and low wage growth have been dampening textiles and apparel sales. Incremental capital investments in debt reliant textile industry is expected to remain subdued given the high interest rates and banks' unwillingness to lend to the sector.

III. Risk & Concerns

The primary risk factor is raw material prices, mainly cotton, which is the largest component of cost. Since cotton is an agri-produce, it suffers from climatic volatility in the major cotton producing countries, in turn impacting supply of cotton.

Availability of quality power at reasonable price is critical for sustainability of the industry. However, power cost has been steadily increasing, adding to input cost pressure in the industry. The non-availability of skilled manpower along with high labour cost is another area of concern for textile industry.

The Company is making all out efforts to cope up with the challenges through continuous cost rationalisation, process improvements, diversification of products, training of workforce, improving efficiencies and creating a strong customer oriented approach.

IV. Outlook

India is major player in the global textile industry, with textile exports providing about 27 per cent of the country's total foreign exchange and 3 percent of the country's GDP. The Indian Government has planned substantial investments in the textile and apparel sector in their 11th five year plan including investments in new textile parks, investment incentives, etc. A number of reputed international apparel retail brands have invested in long-term growth in India.

With economic scenario in the USA and European Union showing signs of revival, demand for textiles from these consumers is expected to go up. This would help in the growth of textile exports from the country.

V. Operational & Financial Performance

The summarized performance of Textile Division during the year was as under:

Particulars	2013-14	2012-13
Yarn Production (MT)	19780	18701
Sale of Yarn (MT)	18580	19163
Sales (Rs. in crore)	396.01	379.52
EBIDTA (Rs. in crore)	42.94	37.25
Spindle utilisation	96%	93%

VI. **Material development in human resources / industrial relations**

Being a labour intensive industry, availability of the trained and experienced human resource is critical for textile business. The training and development of the work force is a continuous process enabling the Company to achieve better efficiencies in its operations. Presently, the manpower deployments comprises of 1369 workers, 255 staff members and 116 trainees.

The Industrial relations remain cordial during the year.

INTERNAL CONTROL SYSTEM

The Company has a strong system of internal controls comprising authorization levels, supervision, checks and balances and procedures through documented policy guidelines and manuals. These systems ensure that all transactions are authorized, recorded and reported correctly and compliance with policies and statutes are made.

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

The Company places prime importance on an effective internal audit system. During the year, the internal audit was carried out jointly by the internal audit team of the Company and M/s. Deloitte Touche Tohmatsu India Private Limited based on the internal audit programme duly approved by the Audit Committee. The internal audit programme is aligned to the previous years' observations, suggestions from the operating managers, statutory auditors and also the risk areas.

The internal audit carries out audit effectively throughout the year covering all areas of operations including the follow up action. The audit approach is based on random sample selection and takes into consideration the generally accepted business practices. The internal audit reports are first discussed by the Management Committee and subsequently placed before the Audit Committee of the Board of Directors along with the direction/ action plan recommended by the Management Committee. The directions are implemented by the respective divisions and Action Taken Report is placed before the Audit Committee.

CAUTIONARY STATEMENT

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Chambal Fertilisers and Chemicals Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Chambal Fertilisers and Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act. 1956, read with General Circular 8/2014 dated 4 April, 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (b) 'In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
   (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
   (d) The report on the accounts of the Shipping division audited under Section 228 by a person other than the company's auditor has been forwarded to us as required by clause (c) of sub-section (3) of Section 228 and have been dealt with in preparing our report in the manner considered necessary by us;
   (e) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;
   (f) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Other Matter

We did not audit the total assets of Rs.156939.78 lacs as at March 31, 2014, total revenues of Rs.58928.25 lacs and net cash inflows amounting to Rs.398.18 lacs for the year then ended, included in the accompanying financial statements in respect of Shipping Division and CFCL Employees Welfare Trust ('Trust') not visited by us, whose financial statements and other financial information have been audited by other auditors and whose report has been furnished to us. Our opinion, in so far as it relates to the affairs of such division and Trust is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

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

Place : Gurgaon
Date : May 09, 2014

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory requirements" of our report of even date

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

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

(b) Fixed assets have been physically verified by the management during the year based on a phased programme of verifying all the assets over a period of two years, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on physical verification.

(c) There was no disposal of a substantial part of fixed assets during the year.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) (a) The Company has granted loans to two companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.4000 lacs and the year end balance of loans granted to such parties is Rs.4000 lacs.

(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.

(c) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest has been regular.

(d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

(e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, related to the manufacture of urea, SSP, cotton yarn and synthetic yarn and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us. no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of the Dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
Rajasthan Sales Tax Act, 1994	Sales tax demand on usage of natural gas other than urea manufacture.	352.34	1996 to 2001	Rajasthan High Court, Jodhpur
The Income Tax Act, 1961	Demand raised on short deduction of TDS.	165.32	2010-11 to 2013-14	Commissioner of Income Tax (Appeals), Kota and Deputy Commissioner of Income Tax, CPC-TDS, Ghaziabad
Service Tax Law, Finance Act, 1994	Demand raised in respect of service tax not paid on tax deducted at source (TDS) portion on services received from foreign parties.	2.43	2008-09	Customs, Excise & Service Tax Appellate Tribunal, New Delhi
Central Excise Act, 1944	Demand raised on account of wrong input credit of CENVAT credit taken	52.52	2008-09 to 2009-10	Commissioner, (Appeals), Chandigarh
Himachal Pradesh Tax on entry of goods into Local Area Act, 2010	Entry Tax	254.65	March 2011, 2011-12 and 2012-13 and 2013-14	High Court, Himachal Pradesh

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank. The Company did not have any outstanding debentures and loan from financial institution during the year.

(xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhil mutual benefit fund society.
Therefore, the provisions of clause 4 (xiii) of the Companies (Auditors Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In respect of dealing! trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The Company does not hold such securities at the year end.

(xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from financial institutions.

(xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 30 I of the Companies Act. 1956.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

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

Place : Gurgaon
Date : May 09, 2014

BALANCE SHEET AS AT MARCH 31, 2014

(Rs. in Lacs)

Particulars	Notes	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	41395.45	41620.79
Reserves and surplus	4	177225.34	157559.03
		218620.79	199179.82
Non-Current liabilities			
Long-term borrowings	5	101908.53	112710.57
Deferred tax liabilities (net)	6	41880.83	41609.79
Other long term liabilities	7	375.31	366.33
Long-term provisions	8	2522.69	3588.34
		146687.36	158275.03
Current liabilities			
Short-term borrowings	9	330099.40	375140.95
Trade payables	10	18646.62	46346.09
Other current liabilities	11	51474.56	48051.90
Short-term provisions	12	12082.38	17071.35
		412302.96	486610.29
Total		777611.11	844065.14
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	13	263075.75	259800.43
Intangible assets	14	138.39	119.12
Capital work-in-progress		4233.54	4422.57
Intangible assets under development		20.40	-
Non-current investments	15	56035.10	54440.42
Long term loans and advances	16	16820.69	17720.42
Other non-current assets	17	1711.16	1461.56
		342035.03	337964.52
Current assets			
Inventories	18	64212.32	122677.99
Trade receivables	19	344049.11	343362.71
Cash and bank balances	20	2366.23	22471.47
Short-term loans and advances	21	18374.83	10602.24
Other current assets	22	6573.59	6986.21
		435576.08	506100.62
Total		777611.11	844065.14
Summary of significant accounting policies	2 (a)		

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

As per our report of even date

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

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

Anil Kapoor
Managing Director

S.K. Poddar
Chairman

per Anil Gupta
Partner
Membership No - 87921

Abhay Baijal
Chief Financial Officer

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

Place : Gurgaon
Date : May 09, 2014

Place : New Delhi
Date : May 09, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(Rs.in Lacs)

Particulars	Notes	Year ended March 31, 2014	Year ended March 31, 2013
Income			
Revenue from operations (gross)		800512.01	736177.95
Less: Excise Duty		2322.98	2095.99
Revenue from operations (net)	23	798189.03	734081.96
Other income	24	16146.69	8523.64
Total Revenue (I)		814335.72	742605.60
Expenses:			
Cost of materials consumed	25	221707.05	188263.85
Purchase of traded goods	26	187058.56	315386.31
Decrease/ (Increase) in inventories of finished goods, work-in-progress and traded goods	26	57616.76	(66604.81)
Employee benefits expense	27	14871.70	14058.47
Depreciation and amortization expense	13 & 14	23030.58	22204.34
Finance costs	28	19895.23	12962.20
Freight to charter-in ship		22796.67	4208.76
Other expenses	29	232766.91	207649.16
Exceptional item	30	-	(1195.73)
Total Expenses (II)		779743.46	696932.55
Profit before tax (I - II)		34592.26	45673.05
Tax expenses:			
Current tax		10009.33	12137.89
Tax related to earlier years	48	(5995.21)	(30.68)
Deferred tax charge		271.04	3004.59
Total tax expense		4285.16	15111.80
Profit for the year		30307.10	30561.25
Earnings per equity share {nominal value of share Rs.10 (Previous year Rs.10)}			
Basic and Diluted (in Rs.)	31	7.28	7.34
Summary of significant accounting policies	2 (a)		

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

As per our report of even date

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

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

Anil Kapoor
Managing Director

S.K. Poddar
Chairman

per Anil Gupta
Partner
Membership No - 87921

Abhay Baijal
Chief Financial Officer

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

Place : Gurgaon
Date : May 09, 2014

Place : New Delhi
Date : May 09, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Rs.in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
A. Cash flow from operating activities :		
Profit before tax	34592.26	45673.05
Adjustments for :		
Depreciation/ Amortisation	23030.58	22204.34
(Profit) on sale of Current Investments	(1104.91)	(1819.43)
Exceptional Item	-	(1195.73)
Unrealised foreign exchange fluctutaion	781.21	813.71
Premium on forward contracts amortised	12296.22	14022.30
Provision for (gain) on derivative transaction	(1389.02)	(687.10)
Loss/ (profit) on disposal of fixed assets (net)	169.85	(727.83)
Provision for doubtful advances and debts	81.96	644.22
Reversal of provision for doubtful advances	(573.98)	-
Liabilities no longer required written back	(48.43)	(99.98)
Catalyst charges written off	508.08	440.43
Irrecoverable debts/ advances written off	-	10.84
Interest expense	19345.31	11929.46
Interest (income)	(4688.77)	(1977.78)
Dividend (income) on investment in Joint Venture and Subsidiary	(5020.77)	-
Operating profit before working capital changes	77979.59	89230.50
Movement in working capital :		
(Increase) in trade receivables	(775.92)	(141197.41)
Decrease / (increase) in inventories	57719.11	(71714.99)
(Increase) in other current assets	(203.40)	(156.95)
(Increase) in loans and advances	(356.41)	(81.94)
(Decrease) / increase in trade payables, other liabilities and provisions	(35367.57)	18339.34
Cash generated from/ (used in) operations	98995.40	(105581.45)
Direct taxes paid (net of refunds)	(14740.23)	(18424.74)
Net cash flows from / (used in) operating activities	84255.17	(124006.19)
B. Cash flow from investing activities		
Purchase of fixed assets including CWIP and capital advances	(11806.02)	(7575.87)
Proceeds from sale of fixed assets	581.85	3060.10
Purchase of investments	(1002184.68)	(465015.24)
Proceeds from sale of non trade investments	1001204.91	461619.43
Proceeds from reduction of share capital of a subsidiary company	490.00	-
Inter Corporate deposits given- repaid	6662.27	14600.00
Inter Corporate deposits given	(8612.27)	(13650.00)
Deposits (with original maturity more than three months)	(540.63)	(6590.23)
Advance repaid / (given) against purchase of shares of subsidiary company	142.00	(142.00)
Proceeds of deposits matured (with original maturity more than three months)	6590.23	541.88
Interest received	4777.35	1971.88
Dividend received	3512.54	-
Net cash flow from / (used in) investing activities	817.55	(11180.05)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Rs.in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
C. Cash flow from financing activities		
Proceeds from long term borrowings	541.86	10297.77
Repayment of long term borrowings	(26285.30)	(20274.22)
Availment of buyers credit	152152.99	232462.34
Repayment of buyers credit	(235931.39)	(223837.63)
Net proceeds from short term borrowings	39409.53	147180.60
Interest paid	(19853.27)	(12387.97)
Dividend paid	(7832.30)	(7878.10)
Tax on dividend paid	(1343.97)	(1282.88)
Net cash flow from / (used in) financing activities	(99141.85)	124279.91
Net (decrease) in cash and cash equivalents (A+B+C)	(14069.13)	(10906.33)
Cash and cash equivalents at the beginning of the year	15914.72	26821.05
Cash and cash equivalents at the end of the year	1845.59	15914.72
Components of cash and cash equivalents as at		
Cash / cheque / draft on hand	9.25	6.44
Balances with banks :		
- On unpaid dividend / preference share capital / fixed deposit accounts*	1017.36	944.56
- on current accounts	670.10	265.92
- on cash credit accounts	87.86	14641.35
- on saving account	54.72	26.66
- on deposits accounts	540.63	6590.23
Cash and bank balances	2379.92	22475.16
Less: Fixed deposits not considered as cash equivalents	540.63	6590.23
Cash and cash equivalents as per note no.20	1839.29	15884.93
Add: Foreign Exchange fluctuation on overseas account	6.30	29.79
Net cash and cash equivalents	1845.59	15914.72

Summary of significant accounting policies **2 (a)**

*Bank balances of Rs.1017.36 lacs (Previous year Rs.944.56 lacs) are earmarked for payment of unpaid dividend / fixed deposit accounts/unclaimed preference share capital and will not be available for use for any other purposes.

As per our report of even date

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

per Anil Gupta
Partner
Membership No - 87921

Place : Gurgaon
Date : May 09, 2014

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

Anil Kapoor
Managing Director

S.K. Poddar
Chairman

Abhay Baijal
Chief Financial Officer

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

Place : New Delhi
Date : May 09, 2014

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. Corporate Information

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

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention except for derivative financial instruments which have been measured at fair value.

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

a) Summary of significant Accounting Policies

i) Change in Accounting Policies

(a) In line with standard tested industry practice, spares purchased and delivered on board by Shipping Division of the Company during the year have been treated as consumption. Due to above change, spares lying unconsumed at the year-end amounting to Rs.31.28 lacs have been treated as consumption and year end spares stock has been decreased by the same amount. Had the Company continued the earlier accounting policy, profit of the Company would have been higher by Rs.20.65 lacs (net of tax of Rs.10.63 lacs) and inventory of stores and spares would have been higher by Rs.31.28 lacs.

(b) Till March 31, 2013, the fertiliser division of the Company was accounting for liability in respect of its scheme towards post retirement medical benefits to its employee on payment basis. The division has, during the year, changed the basis of such liability from payment basis to accrual basis. The division has during the year, provided for such liability of Rs.170.12 lacs on the basis of year end actuarial valuation. The above change has resulted into profit of the Company being lower by Rs.112.30 lacs (net of tax of Rs.57.82 lacs).

ii) Use of Estimates

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

iii) Tangible Fixed Assets

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

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

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

iv) Depreciation on Tangible Fixed Assets

Depreciation is provided using Straight Line Method as per the useful life of the asset estimated by the management which are equal to the rates prescribed under Schedule XIV to the Companies Act, 1956 other than the cases as mentioned in para (i) to (vii) below where the rate of depreciation is higher than those prescribed in Schedule XIV to the Companies Act, 1956. A major portion of the plant at Fertiliser division of the Company has been considered as continuous process plant.

Sl. No.	Assets	Useful life/rate
(i)	Second hand fixed assets at Textile division	On technically assessed remaining useful lives of such assets ranging from 3 to 7 years.
(ii)	- Leasehold Land - Leasehold Improvement - Assets under finance lease	Amortised over 99 Years Ranging from 4 to 15 Years Ranging from 3 to 9 Years These assets are amortised over the period of respective leases or useful life of assets, whichever is lower.
(iii)	Insurance/ Machinery Spares	Over the remaining useful lives of mother assets ranging from 1 to 18 years.
(iv)	Ships of Shipping Division	On technical evaluation of remaining useful life in case of old ships, which is 10 years and as per Companies Act, 1956 in case of new ships.
(v)	Fixed assets of Shipping Division other than ships	On written down value method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
(vi)	Vehicles	Depreciated over 5 years.
(vii)	Certain Plant and Machinery of fertiliser division	On technically assessed remaining useful life of such asset, ranging from 1 to 2 years.

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

v) Intangible Assets

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

Software

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

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

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

vi) Impairment of tangible and intangible assets

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

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

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

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

vii) Leases

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

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV of the Companies Act, 1956.

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

viii) Government grants and subsidies

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

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

ix) Investments

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

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

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

x) Inventories

Inventories are valued as follows:

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

* Included under the inventory of stores and spares.

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

xi) Borrowing Costs

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

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

xii) Revenue Recognition

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

(a) Sale of Goods

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

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

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

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

(b) Income from operations of Ships

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

(c) Interest

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

(d) Dividend

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

(e) Insurance Claims

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

(f) Export Benefits

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

xiii) Foreign Currency Translation

(a) Initial recognition

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

(b) Conversion

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

(c) Exchange differences

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

i) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

ii) Exchange differences arising on other long-term foreign currency monetary items are accumulated in the 'Foreign Currency Monetary Item Translation Difference Account' and amortized over the remaining life of the concerned monetary item.

iii) All other exchange differences are recognized as income or as expense in the period in which they arise.

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

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

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

xiv) Retirement and other employee benefits

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

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

(b) Superannuation Fund is a defined contribution scheme. Liability in respect of Superannuation Fund to the concerned employees of Fertiliser and Shipping division is accounted for as per the Company's Scheme and contributed to Life Insurance Corporation of India (LIC) / ICICI Prudential Life Insurance Company Limited (ICICI) every year. The divisions does not have any other obligation, other than the contribution payable to the superannuation fund. The divisions recognizes contribution payable to the superannuation fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

(c) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. However, in respect of Fertiliser division, the Company has taken policies from LIC, ICICI and Birla Sunlife Insurance Company Limited (BSLI) and for Shipping and Textile divisions, the Company has taken a policy from LIC to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with LIC, ICICI and BSLI is provided for as liability in the books.

(d) Retirement benefit in the form of post retirement medical benefits is a defined benefit obligation in case of fertiliser division of the Company and is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year.

(e) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

(f) The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

xv) Income Taxes

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

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

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

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

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

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

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

xvi) Segment Reporting Policies

Identification of segments

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

Allocation of common costs

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

Unallocated items

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

Segment accounting policies

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

xvii) Earnings per share

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

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

xviii) Provisions

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

xix) Cash and Cash equivalents

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

xx) Derivative Instruments

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

xxi) Employee Stock Option Scheme

Measurement and disclosure of the employee stock option scheme is done in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

xxii) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

xxiii) Basis of classification of Current and Non Current

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Revised Schedule VI notified under the Companies Act, 1956.

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

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

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

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014

(Rs. in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 3 : 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
Less : 2,253,402 Equity Shares of Rs.10/- each, fully paid up acquired by CFCL Employees Welfare Trust ("Trust") from the secondary market (refer note no. 49)	225.34	-
	41395.45	41620.79

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

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

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

Name	March 31, 2014		March 31, 2013	
	No. of Shares	% holding	No. of Shares	% holding
Zuari Global Limited (formely known as Zuari Industries Limited)	59,015,360	14.18	59,015,360	14.18
The Hindustan Times Limited	51,074,209	12.27	50,081,715	12.03
SIL Investments Limited	31,813,455	7.64	31,813,455	7.64
Life Insurance Corporation of India	27,910,373	6.71	27,910,373	6.71

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

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 4 : RESERVES AND SURPLUS		
Capital Reserve (arising on forfeiture of shares)		
Balance as per the last financial statements	20.95	20.95
Capital Redemption Reserve		
Balance as per the last financial statements	25.00	25.00
Securities Premium Account		
Balance as per the last financial statements	641.59	641.59
General Reserve		
Balance as per the last financial statements	29695.36	24695.36
Add: Transferred from Statement of Profit and Loss	5000.00	5000.00
Less : Excess of investment over and above face value of equity shares held by Trust (refer note no. 49)	1518.79	-
	33176.57	29695.36
Tonnage Tax Reserve under Section 115 VT of Income Tax Act,1961		
Balance as per the last financial statements	425.00	425.00
Tonnage Tax Reserve (utilised) account under Section 115 VT of Income Tax Act,1961		
Balance as per the last financial statements	3850.00	3850.00
	3850.00	3850.00
Surplus in the statement of profit and loss		
Balance as per the last financial statements	122901.13	106591.90
Add : Profit for the year	30307.10	30561.25
Reversal of proposed dividend on equity shares held by Trust {net of expenses (refer note no. 49)}	87.21	-
Less : Appropriations		
Proposed Equity Dividend {amount per share Rs.1.90 per share (Previous year Rs.1.90 per share)}	7908.05	7908.05
Proposed dividend on equity shares held by Trust	(42.81)	-
Tax on Proposed Equity Dividend	1343.97	1343.97
Transfer to General Reserve	5000.00	5000.00
Net surplus in the statement of profit and loss	139086.23	122901.13
	177225.34	157559.03

(Rs. in Lacs)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non Current	Current Maturities	Non Current	Current Maturities
NOTE 5: LONG-TERM BORROWINGS				
Secured Loans:				
Term loans from banks				
- Rupee term loans	1932.00	2000.00	3932.00	1517.00
- Foreign currency term loans	99774.37	20626.15	108544.96	22081.27
Finance lease obligation	202.16	31.45	233.61	24.00
	101908.53	22657.60	112710.57	23622.27
Less : Current maturities shown under other current liability (refer note no.11)	-	22657.60	-	23622.27
	101908.53	-	112710.57	-

Notes:

i. Rupee term loans of Rs.3932.00 lacs (including current maturities of Rs.2000.00 lacs) (Previous year Rs.5449.00 lacs and Rs.1517.00 lacs respectively) carry interest rate in the range of 11.10%-12.75% p.a. Out of these, one term loan amounting to Rs.1880.00 lacs is repayable in 8 quarterly installments of Rs.235 lacs each starting from June 30, 2014. Another term loan amounting to Rs.1992 lacs is repayable in 7 quarterly installments of Rs.250 lacs each starting from June 30, 2014 and last installment of Rs.242 lacs. Another term loan amounting to Rs.60 lacs is repayable in 12 monthly installments of Rs.5 lacs each starting from April 30, 2014. These loans are secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the Company, both present and future (save and except assets of shipping division), subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.

ii. Foreign currency term loans of USD 518.61 lacs (Rs.31075.00 lacs including current maturities of Rs.8266.53 lacs) (Previous year Rs.38495.28 lacs and Rs.10882.94 lacs respectively) carry interest rate in the range of 3/6 months LIBOR plus 1.45%-4.50% p.a. Out of these, one term loan amounting to USD 62.50 lacs (Rs.3745.00 lacs) is repayable in 2 equal quarterly installments starting from June 09, 2014. Another term loan amounting to USD 208.11 lacs (Rs.12469.84 lacs) is repayable in 14 equal quarterly installments starting from June 20, 2014. Another term loan amounting to USD 48.00 lacs (Rs.2876.16 lacs) is repayable in 12 equal quarterly installments starting from May 27, 2014. Another term loan amounting to USD 200.00 lacs (Rs.11984.00 lacs) carry interest rate of 6 months LIBOR plus 2.75% p.a. and is repayable in 4 equal quarterly installment starting from August 06, 2015. These loans are secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the Company, both present and future (save and except assets of shipping division), subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.

iii. (a) Foreign currency term loan of USD 280 lacs (Rs.16777.60 lacs including current maturities of Rs.2396.80 lacs) (Previous year Rs.17372.80 lacs and Rs.2171.60 lacs respectively) carry interest @ 3 months LIBOR plus 1.125% p.a. The loan is repayable in 8 quarterly installments of USD 10.00 lacs each (Rs.599.20 lacs) starting from June 08, 2014 and the last installment of USD 200.00 lacs (Rs.11984.00 lacs). The loan is secured by first priority mortgage on the Company's vessel-Ratna Puja and assignment of earnings, insurance and requisition compensation in respect of such vessel.

(b) Foreign currency term loan of USD 410 lacs (Rs.24567.20 lacs including current maturities of Rs.2396.80 lacs) (Previous year Rs.24430.50 lacs and Rs.2171.60 lacs respectively) carry interest @ 3 months LIBOR plus 0.875% p.a. The loan is repayable in 23 quarterly installments of USD 10.00 lacs each (Rs. 599.20 lacs) starting from June 09, 2014 and the last installment of USD 180.00 lacs (Rs.10785.60 lacs). The loan is secured by first priority mortgage on the Company's vessel-Ratna Shalini and assignment of earnings, insurance and requisition compensation in respect of such vessel and second priority mortgage on the Company's vessel-Ratna Puja and assignment of earnings, insurance and requisition compensation in respect of such vessel.

iv. The aforesaid loan {iii (a) and iii(b)} are further secured by standby letter of credit of USD 251.50 lacs (Rs.15069.88 lacs) issued by a bank in India.

v. Foreign currency term loans of USD 800.75 lacs (Rs.47980.72 lacs including current maturities of Rs.7566.02 lacs) (Previous year Rs.50327.65 lacs and Rs.6855.13 lacs respectively) carry interest @ 3 months LIBOR plus 0.40% p.a. One tranch of the aforesaid term loan amounting to USD 250 lacs (Rs.14980.00 lacs) is repayable in 25 equal quarterly installment starting from April 22, 2014. Another tranch of the aforesaid term loan amounting to USD 250 lacs (Rs.14980.00 lacs) is repayable in 25 equal quarterly installment starting from June 03, 2014. Another tranch of the aforesaid term loan amounting to USD 300.75 lacs (Rs.18020.72 lacs) is repayable in 26 equal quarterly installment starting from April 15, 2014.These loans are secured by first priority mortgage on the Company's three vessels i.e. Ratna Shruti, Ratna Shradha and Ratna Namrata and assignment of earnings, insurance and requisition compensation in respect of such vessels.

vi. Finance lease obligation of Rs.233.61 lacs (including current maturities of Rs.31.45 lacs) (Previous year Rs.257.61 lacs and Rs.24.00 lacs respectively) is repayable in 53 monthly installments of Rs.6.77 lacs each (i.e. lease obligation including interest) starting from April, 2014 and carry interest rate of around 27.34% p.a. This is secured by assets acquired under the facility.

(Rs. in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 6 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Differences in depreciation and other differences in block of fixed assets as per tax and financial books	44201.33	44210.66
Gross Deferred Tax Liabilities	44201.33	44210.66
Deferred Tax Assets		
Effect of expenditure debited to statement of profit and loss in the current year/ earlier years but allowable for tax purposes in following years	367.02	297.19
Provision for gratuity	112.12	60.09
Provision for leave encashment	749.62	707.57
Provision for doubtful debts and advances	173.68	145.83
Provision for Mark to Market (MTM) loss on derivative contract	918.06	1390.19
Gross Deferred Tax Assets	2320.50	2600.87
Net Deferred Tax Liabilities	41880.83	41609.79
NOTE 7 : OTHER LONG TERM LIABILITIES		
Trade Payable (other than Micro and Small Enterprises)	374.91	366.33
Earnest money / security deposits	0.40	-
	375.31	366.33
NOTE 8 : LONG TERM PROVISIONS		
Provision for gratuity (refer note no.36)	103.15	96.40
Provision for post retirement medical benefits (refer note no.36)	162.91	-
Provision for loss on derivative contract	2256.63	3491.94
	2522.69	3588.34
NOTE 9 :SHORT-TERM BORROWINGS		
Secured Loans:		
From Banks:		
- Rupee loans	189393.07	61053.05
- Cash credit facilities	5902.13	4984.90
Unsecured Loans:		
Commercial Papers	-	30000.00
From Banks:		
- Rupee loans	4400.00	65500.00
- Foreign currency loans	128119.30	212574.86
- Packing credit foreign currency loans	2284.90	1028.14
	330099.40	375140.95

i Rupee loans include Rs.80893.07 lacs (Previous year Rs.33053.05 lacs) from consortium of Banks under Special Banking Arrangement against the subsidy on Urea and Phosphatic and Potassic (P&K) fertilisers receivable from the Government of India. The Banks have charged interest @ 10.40% p.a. (including 8% p.a. paid by Government of India directly to banks). Accordingly, Rs.327.35 lacs (Previous year 30.63 lacs) (at the rate of 2.40% p.a.) have been charged as interest expense. These loans are secured by hypothecation of subsidy receivables upto Rs.80900.00 lacs (Previous year Rs. 33600.00 lacs) from Government of India.

ii Rupee loans of Rs. 65000.00 lacs are to be secured by second charge on the Company's current assets (except assets of Shipping Division), carry interest @ 10.40% p.a.

iii Rupee loans of Rs. 43500.00 lacs (Previous year Rs. 28000.00 lacs) carrying interest in the range of 10.15% - 10.30% p.a. and Cash credit facilities carrying interest in the range of 9.95% - 14.95% p.a., from banks are secured by hypothecation of all the Company's current assets including all stocks and book debts and other movables, both present & future (except assets of Shipping Division). These loans are further secured by second charge on all the immovable properties (except assets of Shipping Division) of the Company.Rupee loans, Foreign currency loans and Packing credit foreign currency loans carry interest in the range of 10.15% - 10.25% p.a., 0.63% - 1.89% p.a.and 2.33% - 3.49% p.a. respectively.

Maximum amount of commercial papers outstanding during the year - Rs.172500.00 lacs (Previous year Rs.117500.00 lacs).

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 10 : TRADE PAYABLES		
Trade payables		
Outstanding dues to Micro and Small Enterprises (refer note no.42)	43.58	46.57
Outstanding dues to other than Micro and Small Enterprises	18603.04	46299.52
	18646.62	46346.09

(Rs. in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 11 : OTHER CURRENT LIABILITIES		
Current Maturity of long term borrowings (refer note no. 5)	22657.60	23622.27
Interest accrued but not due on loans	658.59	1131.51
Advance from customers	877.93	822.76
Earnest money / security deposits	5777.48	4716.31
Unclaimed statutory liabilities (as referred in Section 205C of the Companies Act, 1956):*		
- Unpaid dividend	1017.36	941.61
- Unpaid preference share capital	-	2.95
- Unpaid matured deposit	2.98	7.46
- Unpaid interest on above	1.22	1.71
Payable for capital goods	2936.41	1708.30
Forward contracts payable	13925.02	11081.69
Book overdraft	-	124.07
Statutory obligation payable	1580.05	1608.22
Accrued employee liabilities	1884.58	1972.07
Other liabilities	155.34	310.97
	51474.56	48051.90

* Amount payable to Investor Education and Protection Fund is Rs.0.12 lac (previous year Rs.1.10 lacs), since paid on due date.

Particulars		As at March 31, 2014	As at March 31, 2013
NOTE 12 : SHORT-TERM PROVISIONS			
Provision for employees benefits			
Provision for gratuity (refer note no.36)		194.48	31.16
Provision for leave encashment		2211.75	2099.85
Provision for post retirement medical benefits (refer note no.36)		7.21	-
Others Provisions:			
Provision for taxation (net of advance tax payments)		-	5075.80
Provision for wealth tax		15.38	14.47
Provision for loss on derivative contract		444.35	598.05
Proposed dividend on equity shares	7908.05		
Less : Proposed dividend on equity shares held by Trust	42.81	7865.24	7908.05
Tax on proposed equity dividend		1343.97	1343.97
		12082.38	17071.35

NOTE 13 : TANGIBLE ASSETS

(Rs in lacs)

Particulars	Land-Freehold	Land-Leasehold	Buildings	Leasehold Improve-ments	Leasehold Improve-ments (on Finance Lease)	Railway Siding	Plant & Machinery	Factory Equipment	Office Equipment	Furniture & Fittings	Vehicles	Ships	Total
Cost													
At 1 April 2012	325.59	587.28	17159.86	651.08	302.26	2205.11	299879.90	1756.84	2038.56	640.87	903.95	184183.76	510635.06
Additions	417.61	344.52	1006.94	26.78	-	-	8155.67	221.49	273.69	49.49	212.49	90.28	10798.96
Deletions	-	-	-	-	-	-	(4879.17)	(24.34)	(164.85)	(6.53)	(204.89)	(7456.16)	(12735.94)
Adjustment	-	-	-	-	-	-	1073.72	-	(48.16)	-	-	8911.39	9936.95
At 31 March 2013	743.20	931.80	18166.80	677.86	302.26	2205.11	304230.12	1953.99	2099.24	683.83	911.55	185729.27	518635.03
Additions	-	-	1586.96	21.57	-	-	10669.66	191.73	256.08	36.62	158.70	387.23	13308.55
Deletions	-	(344.52)	(28.92)	-	-	-	(5838.13)	(23.79)	(71.37)	(14.36)	(119.65)	-	(6440.74)
Adjustment	-	-	85.05	-	-	-	2092.29	-	-	-	-	11627.58	13804.92
At 31 March 2014	743.20	587.28	19809.89	699.43	302.26	2205.11	311153.94	2121.93	2283.95	706.09	950.60	197744.08	539307.76
Depreciation													
At 1 April 2012	-	132.24	4775.94	200.53	79.97	1596.94	199571.05	1020.66	1124.87	441.41	396.96	37855.00	247195.57
Charge for the year	-	5.94	393.60	74.13	34.54	104.74	11245.57	84.68	178.40	29.30	135.39	9817.87	22104.16
Deletions	-	-	-	-	-	-	(4305.02)	(18.17)	(142.72)	(4.46)	(153.78)	(5820.08)	(10444.23)
Adjustment	-	-	-	-	-	-	-	-	(20.90)	-	-	-	(20.90)
At 31 March 2013	-	138.18	5169.54	274.66	114.51	1701.68	206511.60	1087.17	1139.65	466.25	378.57	41852.79	258834.60
Charge for the year	-	5.94	422.56	9.94	34.54	94.34	11549.21	89.11	152.16	90.42	159.99	10358.31	22966.52
Deletions	-	-	(0.99)	-	-	-	(5402.74)	(20.21)	(44.24)	(7.33)	(93.60)	-	(5569.11)
At 31 March 2014	-	144.12	5591.11	284.60	149.05	1796.02	212658.07	1156.07	1247.57	549.34	444.96	52211.10	276232.01
Net Block													
At 31 March 2013	743.20	793.62	12997.26	403.20	187.75	503.43	97718.52	866.82	959.59	217.58	532.98	143876.48	259800.43
At 31 March 2014	743.20	443.16	14218.78	414.83	153.21	409.09	98495.87	965.86	1036.38	156.75	505.64	145532.98	263075.75

Notes :

1. Freehold land includes Rs.0.81 lac (Previous year 0.81 lac), which is yet to be registered in the Company's name.
2. Deletion from leasehold land of Rs. 344.52 lacs represents surrender of land taken from Gujarat Industrial Development Corporation.
3. Gross Block and Accumulated Depreciation of Buildings includes Rs.0.71 lac (Previous year Rs.0.71 lac) and Rs.0.58 lac (Previous year Rs.0.57 lac) respectively represent undivided share in assets jointly owned with others.
4. Adjustment to Plant & Machinery includes additions of Rs.2108.72 lacs (Previous year additions of Rs.1073.72 lacs), adjustment to Building includes additions of Rs.85.05 lacs (Previous year Nil) and adjustment to ships includes additions of Rs.11627.58 lacs (Previous year additions of Rs.8911.39 lacs) being variations in rupee liability in respect of foreign currency.
5. Adjustment from Plant and Machinery includes Cenvat Credit of Rs. 16.43 lacs (Previous year Nil) related to earlier years but availed during the year.
6. Capital work in progress (CWIP) includes pre-operative expenses amounting to Rs.3179.16 lacs (Previous year Rs.1463.70 lacs) (Refer note no.34). Further, CWIP includes Rs.164.73 lacs (Previous year Rs.9.35 lacs) being variations in respect of foreign currency.

(Rs. in Lacs)

Particulars	Software	Total
NOTE 14 : INTANGIBLE ASSETS		
Gross Block		
At 1 April 2012	1006.47	1006.47
Purchase	55.04	55.04
Deduction	(1.53)	(1.53)
Adjustment	48.15	48.15
At 31 March 2013	1108.13	1108.13
Purchase	83.33	83.33
Deduction	-	-
At 31 March 2014	1191.46	1191.46
Amortization		
At 1 April 2012	868.35	868.35
Charge for the year	100.18	100.18
Deduction	(0.42)	(0.42)
Adjustment	20.90	20.90
At 31 March 2013	989.01	989.01
Charge for the year	64.06	64.06
Deduction	-	-
At 31 March 2014	1053.07	1053.07
Net Block		
At 31 March 2013	119.12	119.12
At 31 March 2014	138.39	138.39

(Rs. in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 15 : NON-CURRENT INVESTMENTS		
(Valued at cost unless otherwise stated)		
A. Investment in Equity Instruments		
Trade (Unquoted)		
Joint Venture		
- 206,667(Previous year 206,667) shares of Moroccan Dirham 1000 each fully paid up in Indo Maroc Phosphore S.A. (IMACID)	8513.32	8513.32
Subsidiary Companies		
- 1,079,962 (Previous year 1,079,962) equity shares of Singapore $ 1 each fully paid up in India Steamship Pte. Limited, Singapore	286.04	286.04
- 250,000 (Previous year 50,000) equity shares of Rs.10 each fully paid up & Nil (Previous year 41,000,000) equity shares of Rs.10 each (Re.0.50 per equity share paid up) in India Steamship Limited**	25.00	415.00
Non Trade (Unquoted)		
- 20,000 (Previous year 20,000) equity shares of Rs.10 each fully paid up in Shivalik Solid Waste Management Limited	2.00	2.00
Subsidiary Company		
- 50,000,000 (Previous year 50,000,000) ordinary shares of US$ 0.001 each fully paid up in CFCL Overseas Limited $	21.78	21.78
- 4,900,000 (Previous year 4,900,000) equity shares of Rs.10/- each fully paid up in Chambal Infrastructure Ventures Limited	490.00	490.00
B. Investment in Preference Shares		
Trade (Unquoted), fully paid up		
Subsidiary Company		
- Nil (Previous year 10,000,000) non-cumulative redeemable preference shares of Rs.10 each (Re.1 per preference share paid up) in India Steamship Limited**	-	100.00

Particulars	As at March 31, 2014	As at March 31, 2013
		(Rs. in Lacs)
Non Trade (Unquoted), fully paid up		
Subsidiary Company		
- 102,199,447 (Previous year 98,689,447) non cumulative preference shares of US$ 1.00 each fully paid up in CFCL Overseas Limited* $	46696.45	44611.77
C. Investment in Government Securities		
Non Trade (Unquoted)		
- 6 Year National Savings Certificates VIII Issue (lodged with Govt. Authorities.)	0.09	0.09
- Indira Vikas Patra	0.20	0.20
D. Investment in Bonds & Debentures (Unquoted)		
Non Trade (Unquoted)		
- 218 (Previous year 218) 5% Non Convertible Debentures of Woodlands Hospital and Medical Research Centre Ltd of Rs.100 each fully paid up	0.22	0.22
	56035.10	54440.42
Aggregate amount of unquoted investments	56035.10	54440.42

* The Company has made further investment of Rs.2084.68 lacs (Previous year Rs.5215.24 lacs) in its wholly owned subsidiary CFCL Overseas Limited, Cayman Islands.

$ The Company has investments of Rs.46718.23 lacs (Previous year Rs.44633.55 lacs) in the Share Capital of CFCL Overseas Limited, Cayman Islands. CFCL Overseas Limited, in turn has investment in its subsidiary CFCL Technologies Limited. Further, the Company has given corporate guarantee of Rs.13182.40 lacs (Previous year Rs.11943.80 lacs) to a bank on account of loan given by bank to its step-down subsidiaries. The Company has further provided letter of continued financial support to the said company. As per the latest consolidated financial statements of CFCL Technologies Limited, their accumulated losses have resulted in erosion of significant portion of the net worth of these companies. This being long-term strategic investment and also in view of projected profitable operations of these subsidiaries in near future, in the opinion of management, no provision for diminution in value of investment is required to be made as per Accounting Standard 13 "Accounting for Investment" notified by Companies (Accounting Standards) Rules, 2006 (as amended).

Further, CFCL Overseas Limited has invested in the non cumulative convertible preference shares of its subsidiary CFCL Technologies Limited (CTL). CTL has issued Series A1, Series B1, Series C1, Series D1, Series E1, Series F1, Series G and Series H non cumulative convertible preference shares to CFCL Overseas Ltd. Conversion ratio of different series of non cumulative convertible preference shares into ordinary shares of CTL are as follows-Series A1, & B1 will be converted in the ratio of 1:1.22, Series C1, D1, E1 will be converted in the ratio of 1:1.68, Series F1 will be converted in the ratio of 1:1.33 and Series G and H will be converted in the ratio of 1:1, This conversion is subject to adjustments set forth, if any, in the Articles of Assocaition of CTL.

** The shareholders of India Steamship Limited (ISL) has approved reduction of its capital including extinguishment of entire liability in respect of uncalled capital and share premium pertaining to partly paid equity shares and uncalled capital pertaining to partly paid preference shares. The reduction of capital has been approved by the Hon'ble Rajasthan High Court at Jaipur and accordingly share capital of ISL has been reduced to 250,000 equity shares of Rs.10 each fully paid up.

NOTE 16 : LONG TERM LOANS AND ADVANCES

(Unsecured, considered good unless stated otherwise)		
Advances and loans to subsidiaries (refer note no. 37)	448.26	303.16
Capital advances	692.58	726.32
Balances with statutory/ government authorities	20.09	20.09
Loans to employees		
a) Secured, considered good	250.53	320.97
b) Unsecured, considered good	52.85	23.43
Advance against purchase of shares of a subsidiary company (refer note no. 37)	-	142.00
Advance fringe benefit tax (Net of Provision for fringe benefit tax)	3.70	3.70
Advance Income Tax (Net of Provision for taxation)	13503.65	14295.63
Prepaid expenses	1116.00	1189.51
Deposits - others	733.03	695.61
	16820.69	17720.42
Included in Loans to employees:		
i. Dues from director of the Company	-	2.54
ii. Dues from officer of the Company	0.29	3.72

NOTE 17 : OTHER NON-CURRENT ASSETS

(Unsecured, except to the extent stated and considered good)		
Catalysts in use (valued based on life technically assessed)	1695.93	1457.45
Non current bank balance (refer note no. 20)	13.69	3.69
Interest accrued on fixed deposits	1.54	0.42
	1711.16	1461.56

(Rs. in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 18 : INVENTORIES (VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)		
Stores and spares {Including in transit Rs.31.43 lacs (Previous year Rs.33.21 lacs)}	10811.70	11044.70
Catalysts in use (valued based on life technically assessed)	525.06	381.66
Naphtha	526.80	741.55
Raw materials {Including in transit Rs.134.87 lacs (Previous year Rs.60.01 lacs)}	6445.73	7068.87
Loose tools	25.11	18.70
Packing materials	419.21	347.04
Waste (at net realisable value)	35.35	47.33
Work-in-process	2672.02	2588.36
Finished goods {Including in transit Rs.5174.05 lacs (Previous year Rs.4489.66 lacs)}	18104.89	33358.95
Traded goods {Including in transit Nil (Previous year Rs.8252.45 lacs)}	24646.45	67080.83
	64212.32	122677.99

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 19 : TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	306.50	1.60
Unsecured, considered good (Including subsidy receivable from Government of India Rs.38603.91 lacs (Previous year Rs.33801.48 lacs)	40305.01	34452.43
Unsecured, considered doubtful	100.19	10.67
Less: Provision for doubtful receivables	100.19	10.67
	40611.51	**34454.03**
Other receivables		
Secured, considered good*	4046.11	3715.37
Unsecured, considered good (Including subsidy receivable from Government of India Rs.258532.43 lacs (Previous year Rs.224869.28 lacs)	299391.49	305193.31
	303437.60	308908.68
	344049.11	343362.71

*Secured trade receivables includes Rs.349.02 lacs (Previous year Rs.251.29 lacs) secured against letter of credit.

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 20 : CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cheques/ drafts in hand	-	0.93
Balances with banks :		
On unpaid dividend / preference share capital / fixed deposit accounts	1017.36	944.56
On current accounts	670.10	265.92
On cash credit accounts	87.86	14641.35
On saving accounts	54.72	26.66
Cash on hand	9.25	5.51
	1839.29	15884.93
Other bank balances :		
Deposit with original maturity for more than 12 months	13.69	12.69
Deposit with original maturity for more than 3 months but less than 12 months	526.94	6577.54
	540.63	6590.23
	2379.92	22475.16
Less: Deposit with maturity more than 12 months disclosed under non-current assets (refer note no.17)	(13.69)	(3.69)
	2366.23	22471.47

(Rs. in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 21 : SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good unless stated otherwise)		
Advances and loans to subsidiaries (refer note no.37)	-	0.46
Advances recoverable in cash or in kind or for value to be received	2485.30	2746.71
(Considered doubtful Rs.109.56 lacs, Previous year Rs.95.37 lacs)		
Balances with statutory/ government authorities	2452.76	1526.04
(Considered doubtful Rs.275.09 lacs, Previous year Rs.296.85 lacs)		
Loans to employees		
a) Secured, considered good	56.23	66.62
b) Unsecured, considered good	28.92	19.94
Advance to CFCL Employees Welfare Trust (refer note no.44)	-	1710.10
(Considered doubtful Rs.Nil , Previous year Rs.573.98 lacs)		
Deposits - others	62.30	86.42
(Considered doubtful Rs.26.14 lacs Previous Year Rs.26.14 lacs)		
Inter - corporate deposits	6000.00	4050.00
Prepaid Expenses	1107.00	1388.29
Advance Income Tax (Net of Provision for taxation)	6593.11	-
	18785.62	11594.58
Less: Provision for doubtful advances	410.79	992.34
	18374.83	10602.24
Included in Loans to employees:		
i. Dues from director of the Company	2.65	1.60
ii. Dues from officer of the Company	3.42	3.23

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 22 : OTHER CURRENT ASSETS		
(Unsecured, except to the extent stated and considered good)		
Interest receivable on loans, deposits and others	181.15	236.30
Export benefits receivable	179.42	86.41
Insurance and other claims receivable	877.85	796.61
Unamortised premium on forward contracts	3563.01	5601.22
Receivable from subsidiary companies / Joint Venture (refer note no. 37)	102.72	73.57
Dividend receivable from Joint Venture (refer note no. 37)	1357.41	-
Fertilisers Companies Govt. of India bonds (at lower of cost and market value)	0.10	0.10
Assets held for disposal (lower of cost and market value)	311.93	192.00
	6573.59	6986.21

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(Rs. in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
NOTE 23 : REVENUE FROM OPERATIONS		
Sale of Products:		
Sale of own manufactured products (including subsidy on fertilisers)	478353.74	400515.72
Sale of traded products (including subsidy on fertilisers)	262682.84	304361.54
Sale of Services:		
Income from operations of shipping business	58928.25	30966.70
{Including Rs.27519.77 lacs from charter in ship (Previous year Rs.6508.06 lacs)}		
Other Opertating Revenue		
Export benefits	338.75	300.01
Others	208.43	33.98
Revenue from operations (gross)	800512.01	736177.95
Less : Excise duty #	2322.98	2095.99
Revenue from operations (net)	798189.03	734081.96

Excise duty on sales amounting to Rs.2322.98 lacs (Previous year Rs.2095.99 lacs) has been reduced from sales in statement of profit and loss and excise duty on increase/ (decrease) in stock amounting to Rs.(51.63) lacs (Previous year Rs.35.53 lacs) has been considered as (income)/ expense as per note no. 29 of the financial statements.

(Rs. in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Details of products sold		
Manufactured goods sold		
Urea	421258.29	349750.05
Ammonia	11377.97	9656.17
Single Super Phosphate (SSP)	6116.59	3157.47
Synthetic Man-made Fibers Yarn	17949.68	19373.24
Synthetic Fiber Yarn Waste	83.98	79.23
Cotton Yarn	20046.75	17222.45
Cotton Waste	1520.48	1277.11
	478353.74	400515.72
Traded products sold		
Di-ammonium Phosphate (DAP)	211155.85	229388.81
Muriate of Potash (MOP)	11954.53	18845.60
Pesticides	21539.14	23906.77
Seeds	4919.51	3990.50
SSP	3016.58	9886.50
Zinc	3015.71	3432.04
Micro Nutrients	3335.12	4406.56
Gypsum	793.48	1016.47
Complex (NPK Fertilisers)	1819.38	8049.28
Complex (Water soluble Fertilisers)	1133.54	556.76
Rock Phosphate	-	882.25
	262682.84	304361.54

NOTE 24 : OTHER INCOME

Interest on		
- Fertilisers bonds	0.01	0.01
- Employees loans	15.61	18.37
- Loans to subsidiaries (refer note no.37)	-	57.33
- Income Tax refunds	1485.65	675.00
- Deposits (Gross)	1377.79	876.30
- Payment from customers	1792.71	325.96
- Others	17.00	24.81
Dividend income		
- on investment in Joint venture and Subsidiaries - trade, non-current (refer note no.37)	5020.77	-
Rent received	13.58	9.83
Mark to Market gain on derivative transactions	1389.02	687.10
Insurance claims received	1190.07	817.94
Liabilities no longer required written back	48.43	99.98
Provision for doubtful advances and debts written back (net)	492.02	-
Profit on sale of non trade current investments	1104.91	1819.43
Profit on disposal of fixed assets (net)	-	727.83
Sale of scrap {Net of excise duty Rs.10.87 lacs (Previous year Nil)}	351.17	390.55
Miscellaneous income	1847.95	1993.20
	16146.69	8523.64

NOTE 25 : COST OF MATERIALS CONSUMED

Opening inventories	7068.87	4029.37
Add: Purchases	221083.91	191303.35
Less: Closing inventories	6445.73	7068.87
	221707.05	188263.85
Details of materials consumed		
Natural Gas	187561.46	160551.93
Neem Oil	429.39	483.60
Staple fibre	11991.08	11905.61
Cotton	15008.13	12010.15
Dyes and Chemicals	451.32	259.54
Rock Phosphate	5204.95	2508.82
Sulphuric Acid	863.03	528.58
Gypsum	197.69	15.62
	221707.05	188263.85

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

(Rs. in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013	(Increase)/ Decrease
Closing inventories			
- Work-in-process	2672.02	2588.36	(83.66)
- Finished goods	18104.89	33358.95	15254.06
- Traded goods	24646.45	67080.83	42434.38
- Waste	35.35	47.33	11.98
	45458.71	103075.47	57616.76
Opening inventories			
- Work-in-process	2588.36	1100.58	(1487.78)
- Finished goods	33358.95	19386.42	(13972.53)
- Traded goods	67080.83	15977.22	(51103.61)
- Waste	47.33	6.44	(40.89)
	103075.47	36470.66	(66604.81)
	57616.76	(66604.81)	
Details of purchase of traded goods			
DAP	144568.74	258264.86	
MOP	10540.26	10922.23	
Pesticides	19817.58	18448.37	
Seeds	4140.49	3417.12	
SSP	2927.42	9147.21	
Zinc	2538.14	2983.54	
Micro Nutrients	1391.29	3009.67	
Gypsum	349.56	453.05	
Complex (NPK Fertilisers)	0.18	7083.42	
Complex (Water soluble Fertilisers)	784.90	795.53	
Rock Phosphate	-	861.31	
	187058.56	315386.31	
Details of inventory			
Work in progress			
Ammonia	760.06	659.27	
SSP	1087.93	1215.02	
Synthetic Fiber	393.95	353.73	
Synthetic Yarn	119.00	92.86	
Cotton Fiber	216.16	189.90	
Cotton Yarn	93.03	75.62	
Other	1.89	1.96	
	2672.02	2588.36	
Finished goods			
Urea	9586.89	30628.15	
SSP	3538.42	3.64	
Synthetic Man-made Fibers Yarn	1120.00	2123.81	
Cotton Yarn	3859.58	603.35	
	18104.89	33358.95	
Traded goods			
DAP	17661.58	58742.41	
MOP	186.95	6.11	
Pesticides	5695.92	4315.85	
Seeds	-	73.57	
SSP	-	0.63	
Zinc	1.38	61.65	
Micro Nutrients	810.90	1759.32	
Complex (NPK Fertilisers)	-	1635.78	
Complex (Water soluble Fertilisers)	289.72	485.51	
	24646.45	67080.83	
Waste			
Synthetic Fiber Yarn Waste	1.02	-	
Cotton Waste	34.33	47.33	
	35.35	47.33	

(Rs. in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
NOTE 27 : EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus*	12955.23	12306.18
Contribution to provident and other funds	805.08	776.40
Gratuity expenses (refer note no.36)	269.92	243.68
Post retirement medical benefits (refer note no. 36)	175.82	-
Workmen and staff welfare expenses	665.65	732.21
	14871.70	14058.47
* Refer note no. 34		
NOTE 28 : FINANCE COSTS		
Interest (Including interest on Income tax Rs.93.87 lacs (Previous year Rs.20.19 lacs))	19345.31	11929.46
Bank charges and guarantee commission*	549.92	1032.74
	19895.23	12962.20
* Refer note no. 34		
Note 29 : OTHER EXPENSES		
Consumption of stores and spares (refer note no. 45 (b))*	4834.00	4082.58
Consumption of packing materials	8665.22	8009.89
Bagging and other services	1055.88	797.69
Power and fuel*	129149.88	110462.80
Catalyst charges written off	508.08	440.43
Rent (refer note no.41)	2701.90	2365.28
Rates and taxes	84.68	267.20
Insurance	2583.22	2339.62
Repairs and maintenance :		
- Plant & Machinery	2356.41	1738.63
- Ships	705.71	561.03
- Buildings	399.53	488.98
- Others	944.32	846.21
Ships bunker cost	12989.88	8522.28
Ships port dues	3804.76	2635.70
Ships special survey expenses	1156.14	734.04
Directors' sitting fees	10.87	11.98
Travelling and conveyance*	1509.28	1323.34
Communication costs	150.05	146.22
Printing and stationery	58.96	59.66
Legal and professional fees*	528.27	524.18
Auditor's remuneration (including Branch Auditors')		
As auditor:		
- Audit fee	44.72	44.61
- Tax audit fee	8.82	8.15
- Limited review fee	24.78	24.78
- Out of pocket expenses	5.62	5.14
In other manner:		
- Certification and other services	26.57	32.50
Excise duty on increase/ (decrease) in inventories	(51.63)	35.53
Freight and forwarding charges	38240.19	40862.76
Other selling expenses	652.43	935.62
Cash rebate to customers	493.22	419.79
Commission and brokerage to other than sole selling agents	2193.49	1123.87
Donations and contribution to :		
- Charitable institutions	53.80	15.38
- Satya Electoral Trust	200.20	-
Depletion of loose tools	20.63	15.22
Green belt development/ horticulture expenses	252.54	293.55
Provision for doubtful advances and debts	-	644.22
Loss on foreign exchange variation (net)	1406.22	176.95
Premium on forward contracts amortised	12296.22	14022.30
Loss on disposal of fixed assets (net)	169.85	-
Bank charges and guarantee commission (other than financing)	113.60	198.24
Irrecoverable debts and advances written off	-	10.84
Miscellaneous expenses*	2418.60	2421.97
	232766.91	207649.16

* Refer note no. 34

(Rs. in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
NOTE 30 : EXCEPTIONAL ITEM		
Reversal of Interest under AS 16 para 4(e)*	-	(1195.73)
	-	(1195.73)

* In pursuance of clarification dated August 9, 2012 issued by Ministry of Corporate Affairs, Government of India, the Company had in the last year changed the accounting policy w.e.f from April 1, 2011 in respect of foreign exchange fluctuation as prescribed under AS -16 para 4(e) and accounted for the foreign exchange differences arising from foreign currency borrowings purely as per AS-11 - "The Effects of Changes in Foreign Exchange Rates". Consequent to the above, Rs.1195.73 lacs earlier recognized as borrowing cost in Financial Year 2011-12 was reversed and shown as exceptional income during the previous year.

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
NOTE 31 : EARNINGS PER SHARE (EPS)		
Net profit as per Statement of profit and loss	30307.10	30561.25
Calculation of weighted average number of equity shares		
- Number of share at the beginning of the year	416207,852	416207,852
- Total equity shares outstanding at the end of the year	416207,852	416207,852
- Weighted average number of equity shares outstanding during the year	416207,852	416207,852
Basic and Diluted Earnings Per Share (In Rs.)	7.28	7.34
Nominal Value of Equity Shares (In Rs.)	10.00	10.00

32. (a) **CONTINGENT LIABILITES (NOT PROVIDED FOR) IN RESPECT OF :** (Rs. in Lacs)

S.No.	Particulars	2013-14	2012-13
i)	Outstanding amount against corporate guarantee given to Bank on account of loans given by such Bank to stepdown subsidiary Company. (refer note no.15)	13182.40	11943.80
ii)	Bills discounted with bank and remaining outstanding as on date.	-	153.06
iii)	Demand raised by Customs, Sales Tax and Income Tax (IT) authorities being disputed by the Company.*	469.79	582.74
iv)	Penalty levied by FERA Board under appeal before the Calcutta High Court.	1.30	1.30
v)	Claim against Nihat Shipping Company Limited in legal suits / notices, in which the Company has been made a party, is being contested, since the Company acted as Agents / Technical & Operational Managers.	222.04	222.04
vi)	Various labour cases	Amount not ascertainable	Amount not ascertainable
vii)	Other claims against the Company not acknowledged as debts.	386.77	343.75

* Brief description of liabilities for (iii) above :

(Rs. in Lacs)

S.No.	Particulars	2013-14	2012-13
1.	**Income Tax :**		
	Demand raised by IT authorities on account of various disallowances for AY 2003-04 including penalties.	1.28	1.28
	Demand raised by IT authorities on account of various disallowances for AY 2004-05 including penalties.	5.87	5.87
	Demand raised by IT authorities on account of various disallowances for AY 2008-09 including penalties.	123.23	-
	Demand raised by IT authorities on account of various disallowances for AY 2009-10.	98.50	90.00
	Demand raised by IT authorities on account of various disallowances for AY 2010-11.	70.33	323.96
	Demand raised by IT authorities on account of various disallowances for AY 2011-12.	104.37	-
	Demand raised by IT authorities on account of short deduction of TDS and interest thereon for AY 2008-09 to 2012-13.	0.99	74.94

(Rs. in Lacs)

S.No.	Particulars	2013-14	2012-13
2	**Sales Tax :**		
	Disallowance of VAT credit on raw materials used in the manufacturing of finished goods and lying in stock on April 1, 2006.	22.18	22.18
	Demand raised by The Asstt. Commissioner of Commercial Taxes, Patliputra Circle, Patna for FY 2006-07 & 2007-08 and pending matter before the Commercial Taxes Tribunal, Bihar, Patna	-	8.09
	Miscellaneous Rajasthan Sales Tax and Central Sale Tax demand.	38.47	38.47
3	**Service Tax / Excise Duty :**		
	Service Tax demand received on services from foreign parties in respect of service tax not paid on Tax deducted at source (TDS) portion.	4.57	4.57
4	**Land Tax**		
	Demand raised by Sub-registrar (Digod) towards levy of land tax on land at Gadepan, Kota for F.Y 2011-12 & F.Y. 2012-13.	-	13.38
	Total	469.79	582.74

(b) The Company had received a demand of Rs.352.34 lacs (Previous year Rs.352.34 lacs) from Sales Tax Department, Kota in an earlier year towards use of natural gas for ammonia fuel, power and steam generation for the period April, 1996 to May, 2001. The Company has obtained a stay from Hon'ble High Court of Rajasthan, Jodhpur on 11th July, 2001. However, in the event of the Company having to pay the above, it is reimbursable by Fertiliser Industry Coordination Committee (FICC) of Ministry of Chemicals and Fertilisers, the Government of India under Subsidy Scheme.

(c) The Company as well as other users of natural gas under HBJ Gas Pipeline had in earlier years received letters from GAIL (India) Limited (erstwhile Gas Authority of India Ltd), informing about the possibility of levy of excise duty on natural gas (presently not levied) with retrospective effect. The amount of such levy is not ascertainable. However, in the event of its levy, it is reimbursable by Fertiliser Industry Coordination Committee (FICC) of Ministry of Chemicals and Fertilisers, the Government of India under Subsidy Scheme.

(d) The Company as well as other users of Natural Gas under HBJ Gas Pipeline had received a letter in an earlier year from GAIL (India) Limited (erstwhile Gas Authority of India Ltd), informing about the possibility of levy of Central Sales Tax. The Company has been taking the delivery of Gas in the State of Rajasthan and has been accordingly paying Rajasthan Sales Tax on the supply. Therefore, the Company feels that no Central Sales Tax is payable by it. Further, the amount of such levy is not ascertainable. However, in the event of its levy, it is reimbursable by Fertiliser Industry Coordination Committee (FICC) of Ministry of Chemicals and Fertilisers, the Government of India under Subsidy Scheme.

(e) Under the Jute Packaging Material (Compulsory use of Packing Commodities) Act, 1987, a specified percentage of fertilisers dispatched were required to be supplied in Jute bags up to 31.8.2001. The provisions of the said Act were challenged in the Supreme Court, which upheld the constitutional validity of this Act in its judgment in 1996. In spite of making conscious efforts to step up use of jute packaging material, the Company had been unable to adhere to the specified percentage, due to strong customer resistance to use of jute bags. The Company had received show cause notice from the Office of the Jute Commissioner, Kolkata, for levying a penalty of Rs.7380.36 lacs (Previous year Rs.7380.36 lacs) for non compliance of the provisions of the said Act. The Company has obtained a stay order from Delhi High Court against the above show cause notice and has been advised that the said levy is not tenable in law and accordingly no provision has been considered.

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

33. CAPITAL AND OTHER COMMITMENTS

(Rs. in Lacs)

(a)	Particulars	2013-14	2012-13
	Estimated amount of contracts remaining to be executed on capital account (net of advances)	8030.91	11441.51

34. PRE-OPERATIVE EXPENDITURE

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

(Rs. in Lacs)

Particulars	2013-14	2012-13
Opening Balance	1463.70	54.72
Add : Expenditure during the year		
Salaries, wages and bonus	181.80	115.09
Consumption of stores and spares	-	12.49
Travelling and conveyance	9.45	5.34
Power and fuel	-	7.95
Legal and professional fees	1235.59	807.30
Bank charges and guarantee commission	0.04	0.04
Miscellaneous expenses	288.58	653.65
Total	3179.16	1656.58
Less : Allocated to fixed assets on commencement of production in SSP Plant	-	192.88
Net pre-operative expenditure (pending for allocation) *	3179.16	1463.70

*Related to upcoming urea manufacturing plant under the New Investment Policy 2012. However, the Company is in the process of getting the approval from the Government of India.

35. SEGMENT INFORMATION

Primary Segment : Business Segment

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

The Company's operating businesses are organized and managed separately according to the nature of products manufactured, traded and services provided. The four identifiable reportable segments are viz. Own Manufactured Fertilizers, Trading, Textile and Shipping. A description of the types of products and services provided by each reportable segment is as follows:

Own Manufactured Fertilizer segment includes manufacture and marketing of Urea & SSP. Urea price is fully controlled by the Government of India (GOI) and distribution is partly controlled.

Trading segment includes the purchase and sale of Fertilizers and Agricultural Inputs and this activity, though different in risk perception from own manufactured urea, is carried out mainly with an objective of providing Fertilizers/ Agricultural Inputs under one roof.

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

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

The following table presents segment revenue, results, assets & liabilities in accordance with AS-17 as on March 31, 2014 **(Rs. In lacs)**

Particulars	Own Manufactured Fertilisers		Trading		Shipping		Textile		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Revenue										
External Sales (including other operating revenue)	436440.42	360478.21	262880.70	304385.02	58928.26	30966.70	39939.65	38252.03	798189.03	734081.96
Inter Segment Sales	-	-	-	-	-	-	-	-	-	-
Total Sales	436440.42	360478.21	262880.70	304385.02	58928.26	30966.70	39939.65	38252.03	798189.03	734081.96
Results										
Segment Results	39416.28	47699.81	16027.88	22548.17	(1351.94)	(2205.67)	2620.91	2012.77	56713.13	70055.08
Unallocated Expenses (net)	-	-	-	-	-	-	-	-	12485.10	15626.08
Operating Profit before Exceptional Items	-	-	-	-	-	-	-	-	44228.03	54429.00
Exceptional Item	-	-	-	-	-	-	-	-	-	(1195.73)
Interest Expense	-	-	-	-	-	-	-	-	19345.31	11929.46
Interest Income	-	-	-	-	-	-	-	-	4688.77	1977.78
Dividend Income	-	-	-	-	-	-	-	-	5020.77	-
Income Tax	-	-	-	-	-	-	-	-	4285.16	15111.80
Net Profit after Exceptional Item	-	-	-	-	-	-	-	-	30307.10	30561.25
Other Information										
Segment Assets	398146.60	343564.74	105916.13	221108.16	156312.55	152989.55	24732.59	21102.84	685107.87	738765.29
Unallocated Assets	-	-	-	-	-	-	-	-	92503.23	105299.85
Total Assets	-	-	-	-	-	-	-	-	777611.10	844065.14
Segment Liabilites	18896.84	21597.74	2687.30	27053.05	4567.81	3965.94	2129.05	2308.63	28281.00	54925.36
Unallocated Liabilites	-	-	-	-	-	-	-	-	530709.32	589959.96
Total Liabilites	-	-	-	-	-	-	-	-	558990.32	644885.32
Capital Expenditure	14062.36	9570.39	-	-	12138.23	9049.92	597.38	152.76	26797.97	18773.07
Unallocated Capital Expenditure	-	-	-	-	-	-	-	-	196.49	88.37
Depreciation/ Amortisation	10909.47	10570.27	-	-	10460.50	9912.64	1536.14	1567.56	22906.11	22050.47
Unallocated Depreciation/ Amortisation	-	-	-	-	-	-	-	-	124.47	153.87
Non cash Expenses other than Depreciation & Amortisation	-	-	-	-	-	-	-	-	-	-

Secondary Segment : Geographical Segment

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

Secondary Segment Reporting (by Geographical Segments)

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

(Rs. in Lacs)

Particulars	2013-14	2012-13
Revenue from Domestic Market	765218.28	709965.33
Revenue from Overseas Markets	32970.75	24116.63
Total	798189.03	734081.96

Geographical segment wise receivables :

Particulars	2013-14	2012-13
Trade Receivables from Domestic Market	340496.37	340587.86
Trade Receivables from Overseas Markets	3552.74	2774.85
Total	344049.11	343362.71

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

36. GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS :

(a) **Gratuity**

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

(b) **Provident Fund**

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

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

Statement of Profit and Loss (Rs. in Lacs)

Particulars	Trust Managed Provident Fund		Gratuity	
	2013-14	2012-13	2013-14	2012-13
Current service cost	351.90	325.62	252.90	170.54
Interest cost on benefit obligation	-	-	153.32	136.61
Expected return on plan assets	-	-	(158.85)	(121.29)
Net actuarial loss recognised in the year	-	-	22.55	57.82
Past service cost	-	-	-	-
Net expense	351.90	325.62	269.92	243.68
Actual return on plan assets	-	-	111.20	138.01

Balance Sheet

Funding status and amount recognised in Balance Sheet

(Rs. in Lacs)

Particulars	Trust Managed Provident Fund		Gratuity	
	2013-14	2012-13	2013-14	2012-13
Defined benefit obligation	8198.18	7450.40	2228.40	1928.71
Fair value of plan assets	8479.94	7623.41	1930.77	1801.15
Plan asset/ (liability)*	281.76	173.01	(297.63)	(127.56)

* Plan assets of Rs.281.77 lacs (Previous year Rs.173.01 lacs) has not been recognised in the financial statements, as the surplus of the trust, is distributable among the beneficiaries of the provident fund trust.

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

(Rs. in Lacs)

Particulars	Trust Managed Provident Fund		Gratuity	
	2013-14	2012-13	2013-14	2012-13
Opening defined benefit obligation	7450.40	6501.67	1928.71	1728.27
Interest cost	651.91	552.64	153.32	136.61
Contribution by plan participant / employees	629.48	591.81	-	-
Current service cost	351.90	325.62	252.90	170.54
Past service cost	-	-	-	-
Benefits paid out of funds	(881.63)	(496.97)	(71.30)	(128.47)
Benefits paid by Company	-	-	(42.20)	(52.78)
Actuarial (gains) / losses on obligation	(83.30)	(49.40)	6.97	74.54
Settlement / transfer in	79.42	25.03	-	-
Closing defined benefit obligation	8198.18	7450.40	2228.40	1928.71

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

(Rs. in Lacs)

Particulars	Trust Managed Provident Fund		Gratuity	
	2013-14	2012-13	2013-14	2012-13
Opening fair value of plan assets	7623.41	6577.04	1801.15	1301.98
Expected return	667.04	559.05	158.85	121.29
Contribution by employer	351.90	325.62	57.65	489.63
Plan participants / Employee Contribution	629.48	591.81	-	-
Benefits paid	(881.63)	(496.97)	(71.30)	(128.47)
Actuarial (gains) / losses on plan assets	10.32	41.83	(15.58)	16.72
Settlement / transfer in	79.42	25.03	-	-
Closing fair value of plan assets	8479.94	7623.41	1930.77	1801.15

The Company expects to contribute Rs.269.76 lacs (approx.) and Rs.360.00 lacs (approx.) to gratuity trust fund and provident fund trust respectively in the financial year 2014-15.

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

Particulars	2013-14	2012-13
Investments with insurers/others	100.00	100.00

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

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

Particulars	Trust Managed Provident Fund		Gratuity	
	2013-14	2012-13	2013-14	2012-13
Discount rate (%)	8.75	8.50	8.50	8.00
Expected rate of return (%)	8.75	8.50	8 to 8.85	7.75 to 9.25
Employee turnover rate (%)	2 to 10	2 to 10	2 to 10	2 to 10

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

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

(Rs. in Lacs)

Particulars	Trust Managed Provident Fund		Gratuity				
	2013-14	2012-13	2013-14	2012-13	2011-12	2010-11	2009-10
Defined Benefit Obligation	8198.18	7450.40	2228.40	1928.71	1728.27	1279.74	1065.09
Plan assets	8479.94	7623.41	1930.77	1801.15	1301.98	1003.79	249.33
Surplus / (deficit)	281.76	173.01	(297.63)	(127.56)	(426.29)	(275.95)	(815.76)
Experience adjustment on plan assets - gain / (loss)	-*	-*	(39.02)	16.72	(19.78)	24.13	1.92
Experience adjustment on plan liabilities - gain / (loss)	-*	-*	(5.26)	(69.79)	(102.06)	(24.50)	(0.68)

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

(c) **Post Retirement Medical Benefits Plan**

The fertiliser division of the Company has post retirement medical benefits scheme in the nature of defined benefit plan which is unfunded. The following table summarises the components of net benefit/ expense recognised in the statement of Profit and Loss and Balalnce Sheet for the plan.

Statement of Profit and Loss: (Rs. in Lacs)

Particulars	2013-14
Current Service Cost	17.67
Interest Cost on defined benefit obligation	-
Expected return on plan assets	-
Expenses related to earlier years	-
Net actuarial losses	158.15
Total Expense	**175.82**

Balance Sheet

Net Liability recognised in the Balance Sheet

(Rs. in Lacs)

Particulars	2013-14
Present value of defined benefit obligation	170.12
Plan assets	-
Net Liability	170.12

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

(Rs. in Lacs)

Particulars	2013-14
Obligation in the beginning of the year	-
Current service cost	17.67
Interest cost	-
Benefit paid by the Company	(5.70)
Actuarial losses	158.15
Obligation at the end of the year	**170.12**

Actuarial assumptions:

Particulars	2013-14
Discount rate	8.50%
Withdrawal rate	2% to 10%
Medical cost escalation rate	3.00%
Mortality	LIC Annuitants (1996-98) ultimate

Amount for the current year are as follows:

(Rs. in Lacs)

Particulars	2013-14
Defined benefit obligation	(170.12)
Plan assets	-
Surplus/ (deficit)	(170.12)
Experience adjustment on plan liabilities gain/ (loss)	(158.15)
Experience adjustment on plan assets gain/ (loss)	-

Contribution to Defined Contribution Plans :

(Rs. in Lacs)

Particulars	2013-14	2012-13
Provident Fund / Pension Fund*	159.80	147.26
Superannuation Fund	117.01	118.11

*Provident fund in respect of textile division (Previous year textile division) of the Company and Pension fund in respect of all divisions of the Company.

37. RELATED PARTY DISCLOSURES

During the year, the Company has entered into transactions with the related parties. Those transactions along with related balances as at March 31, 2014 and for the year then ended are presented below.

List of related parties along with nature and volume of transactions:

(a) **Subsidiaries**

CFCL Overseas Limited, Cayman Islands
Chambal Infrastructure Ventures Limited, India
India Steamship Pte. Limited, Singapore
India Steamship Limited, India

Subsidiaries and step-down subsidiaries of CFCL Overseas Limited

CFCL Technologies Limited, Cayman Islands

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

Subsidiaries and step-down subsidiaries of ISGN Corporation, USA

NITC GmbH (Germany) dissolved w.e.f. January 03, 2013
ISGN Solutions Inc, USA

* Richmond Investors, LLC, USA
* Richmond Title Genepar, LLC, USA
* Richmond Title Services, LP , USA
* ISGN Fulfillment Services, Inc. (Pennsylvania, USA)
* ISGN Fulfillment Services, Inc (AZ, USA)
* ISGN Fulfillment Agency, LLC (DE, USA)
* ISGN Fulfillment Agency, of Alabama, LLC (AL, USA) dissolved w.e.f. July 30, 2013

Subsidiaries and step-down subsidiaries of CFCL Ventures Limited

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

Subsidiaries of Chambal Infrastructure Ventures Limited

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

Subsi diaries of India Steamship Pte. Limited, Singapore

India Steamship International FZE, UAE

(Rs. in Lacs)

Particulars	2013-14		2012-13	
Dividend Income		2108.28		-
- India Steamship Pte Limited, Singapore	2108.28		-	
Interest Income		-		57.33
- ISG Novasoft Technologies Limited	-		57.33	-
Guarantee Commission Income		722.02		637.09
ISGN Corporation, USA	722.02		637.09	
Investments purchased		2084.68		5215.24
- CFCL Overseas Limited	2084.68		5215.24	
Capital Reduction		490.00		-
- India Steamship Limited	490.00		-	
Share Application Money		142.00		142.00
- Chambal Infrastructure Ventures Limited (Given)			142.00	
- Chambal Infrastructure Ventures Limited (Refund)	142.00		-	
Loan Given		-		1000.00
- ISG Novasoft Technologies Limited	-		1000.00	
Advances Given		145.00		-
- Chambal Infrastructure Ventures Limited	145.00		-	
Loan Repaid		-		1000.00
- ISG Novasoft Technologies Limited	-		1000.00	

(Rs. in Lacs)

Particulars	2013-14		2012-13	
Reimbursement of expenses		4.86		17.35
- Chambal Infrastructure Ventures Limited	0.10		1.60	
- Chambal Energy (Chhattisgarh) Limited	-		0.16	
- Chambal Energy (Orissa) Limited	-		0.16	
- India Steamship Limited	4.76		14.53	
- CFCL Overseas Limited	-		0.90	
Advances Repaid		5.22		156.65
- Chambal Energy (Chhattisgarh) Limited	-		115.22	
- Chambal Energy (Orissa) Limited	-		25.86	
- CFCL Overseas Limited	0.45		0.90	
- India Steamship Limited	4.77		14.67	
Corporate Guarantees Outstanding		13182.40		11943.80
- ISGN Corporation, USA	13182.40		11943.80	
Outstanding balances as at the year end				
Advances receivable		448.26		303.62
- Chambal Infrastructure Ventures Limited	448.26		303.16	
- India Steamship Limited	-		0.01	
- CFCL Overseas Limited	-		0.45	
Guarantee Commission receivable		84.66		73.57
-ISGN Corporation, USA	84.66		73.57	

(b) **Joint Ventures**
Indo Maroc Phosphore S.A. Morocco

(Rs. in Lacs)

Particulars	2013-14		2012-13	
Dividend Income	2912.49	2912.49	-	-
Reimbursement of expenses	34.93	34.93	65.30	65.30
Purchase of traded goods	-	-	8158.21	8158.21
Outstanding balances as at the year end		1526.29		40.59
Dividend receivable*	1508.23		-	
Other receivables	18.06		40.59	

* including TDS of Rs.150.82 lacs.

(c) **Key Management Personnel**
Mr. Anil Kapoor

(Rs. in Lacs)

Nature of Transactions	2013-14		2012-13	
Remuneration paid to Managing Director*		303.81		255.88
Mr. Anil Kapoor	303.81		255.88	
Interest income on loan given to Managing Director		0.16		0.23
Mr. Anil Kapoor	0.16		0.23	
Outstanding balances as at the year end		2.65		4.14
Loan receivable				
Mr. Anil Kapoor	2.65		4.14	

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

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

(Rs. in Lacs)

Particulars	Outstanding amount as at*		Maximum amount outstanding during financial year	
	31.03.2014	31.03.2013	2013-14	2012-13
Loans and advances to firms / companies in which directors are interested				
- The Oudh Sugar Mills Limited	2000	2000	2000	3000
- Upper Ganges Sugar & Industries Limited	2000	2000	2000	2000
Investment by the above mentioned loanees in the shares of the Company				
- Upper Ganges Sugar & Industries Limited	70.42	70.42	70.42	70.42

*Repayable within one year

39. INTEREST IN JOINT VENTURE

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

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

(Rs. in Lacs)

S.No.	Particulars	2013-14	2012-13
1.	Country of Incorporation or Registration	Morocco	Morocco
2.	Accounting Period ended	31.12.2013	31.12.2012
3.	Assets	33017.79	29989.89
4.	Liabilities	10922.80	10311.44
5.	Income	49311.77	46895.58
6.	Expense	47223.10	46465.95
7.	Contingent Liabilities	-	-
8.	Capital Commitments	-	-

40. GOVERNMENT GRANTS AND SUBSIDIES

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

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

Current year's subsidy income is inclusive of Rs.2872.89 lacs (Previous year Rs.4964.36 lacs) being the subsidy income, pertaining to earlier years, but determined during the year.

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

Current year's subsidy income is inclusive of Rs.(-)1014.87 lacs (Previous year Rs.477.52 lacs) being the subsidy income, pertaining to earlier years but determined during the year.

(c) Subsidy on traded fertilisers (Gypsum) has been accounted as notified by the Government of Rajasthan.

(d) The Textile Division of the Company is eligible for interest concession under the TUFS (Technology Upgradation Fund Scheme) of the Government of India. Accordingly, the Company has availed interest concession of Rs. 242.65 lacs (Previous year Rs.318.23 lacs) during the year and reduced the same from interest expenses.

41. LEASES

(a) The lease payment made during the year amounts to Rs.92.16 (Previous year Rs.92.23 lacs), out of which Rs.24.00 lacs (Previous year Rs.18.31 lacs) has been adjusted against Principal and Rs.68.16 lacs (Previous year Rs.73.92 lacs) has been shown as Interest expenses . The interest rate on finance leases is around 27.34%. 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, 2014 is as follows:

(Rs. in Lacs)

Period	2013-14			2012-13		
	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	92.08	31.45	60.63	92.16	24.00	68.16
Payable after one year but before 5 years	314.13	202.16	111.97	367.54	197.44	170.10
Payable after 5 years	-	-	-	38.67	36.17	2.50

(b) The Company has entered into Operating Lease Agreements for the premises which are non- cancelable. The lease payments recognized in the Statement of Profit and Loss during the year amounts to Rs.980.65 lacs (Previous year Rs. 944.85 lacs). The renewal of lease will be as per the mutual understanding of lessee and lessor and there is no escalation clause. There are no restrictions imposed in the lease agreements and there are no sub-leases. The break up of minimum lease payment outstanding as at March 31, 2014 is as follows:

(Rs. in Lacs)

Period	Minimum Lease Payments	
	2013-14	2012-13
Payable within one year	970.49	872.96
Payable after one year but within five years	3265.92	3287.77
Payable after five years	508.31	826.88

(c) The lease payments, other than cases covered in point no. (b) above i.e. non - cancelable leases, recognized in the Statement of Profit and Loss during the year amounts to Rs.1721.25 lacs (Previous year Rs.1420.43 lacs). The renewal of leases will be as per the mutual understanding of lessee and lessor and there is no escalation clause. There are no restrictions imposed by lease arrangements.

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

(Rs. in Lacs)

Particulars	2013-14	2012-13
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	43.58	46.57
The interest due on unpaid principal amount remaining as at the end of each accounting year.	-	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year, and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductive expenditure under Section 23 of the MSMED Act, 2006.	-	-

43. DERIVATIVE INSTRUMENTS

(a) Derivative outstanding as on March 31, 2014

S.No.	Details of Derivatives	Currency / pair of currency	Amount in foreign currency	Amount (Rs.in lacs)	Purpose
1.	Forward Contracts Buy	INR USD	USD 214,817,230.00 (391,554,362.34) USD - (7,000,000.00)	128,718.48 (212,574.86) (3,800.30)	To hedge foreign currency loans from bank. To hedge the trade payable
2.	Interest Swaps Buy	INR USD	USD 96,653,333.00 (114,950,000.00)		To hedge the interest expenses on foreign currency loan

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

S.No.	Exposure in foreign currency	Nature of exposure and amount				
		Bank Balances	Trade and other payables	Borrowings and interest accrued	Trade and other receivables	Investments
1	USD	87,112.00 (48,884.00)	6,465,704.93 (34,813,425.87)	204,839,748.77 (243,804,438.09)	13,438,344.05 (12,089,347.29)	102,249,447.00 (98,739,447.00)
2	SGD	-	93,567.00 (185,986.00)	- -	101,991.00 (75,507.00)	1,079,962.00 (1,079,962.00)
3	JPY	- -	2,175,325.00 (5,077,608.00)	- -	1,329,720.00 -	- -
4	GBP	2,491.56 -	12,971.00 (3,773.00)	- -	- -	- -
5	EURO	-	41,978.43 (744,975.74)	- -	2,042.00 (9,582.62)	- -
6	AED	- -	182,529.00 (30,429.00)	- -	- -	- -
7	MAD	-	- -	- -	21,436,657.30 -	206,667,000.00 (206,667,000.00)
8	KW	- -	15,923,726.00 -	- -	- -	- -
9	NOK	- -	15,000.00 (607.00)	- -	- -	-
10	THB	- -	118,899.00 -	- -	309,286.00 (2,750.00)	- -
11	AUD	- -	740.00 (53,277.00)	- -	196,000.00 -	- -
12	NZD	- -	- (14,803.00)	- -	- -	- -
13	YUAN (CNY)	- -	- -	- -	84,061.00 -	- -
14	DKK	- -	- (13.00)	- -	10,624.00 -	- -
15	RM (MYR)	- -	- -	- -	24,052.00 -	- -
16	CHF	-	- -	- -	5,470.00 -	- -
Exposure Rs. in lacs		54.68 (26.54)	37,744.22 (19574.55)	122,742.03 (132361.43)	9,773.19 (6603.11)	55,517.59 (53432.92)

Notes :

(a) Unhedged Borrowings of Rs. 99774.37 lacs (Previous year Rs. 108544.96 lacs) are not payable within next one year.

(b) The hedging of Foreign Currency outflows is decided after considering the extent of natural hedge available from foreign currency inflows from export of goods and shipping activities.

(c) In case of hedged transactions mentioned in (a) above, all losses, wherever applicable, as of March 31, 2014 have been provided for.

(d) Previous year figures have been given in brackets.

44. EMPLOYEES STOCK OPTION SCHEME

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

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Date of grant	16/Sep/10	22/Jan/11	10/May/11	17/Oct/11	11/May/12
Date of Board Approval	08/May/10	08/May/10	08/May/10	08/May/10	08/May/10
Date of Shareholder's approval	27/Aug/10	27/Aug/10	27/Aug/10	27/Aug/10	27/Aug/10
Number of options granted	28,50,000	3,00,000	2,20,000	1,00,000	2,70,000
Method of settlement (cash / equity)	Equity	Equity	Equity	Equity	Equity
Exercise period*	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Vesting conditions	Continued employment and individual performance	Continued employment and individual performance	Continued employment and individual performance	Continued employment and individual performance	Continued employment and individual performance

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

Vesting Schedule :

Vesting Date	All tranches
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	FY 2013-14	FY 2012-13
	No. of options	No. of options
Outstanding at the beginning of the year	3104,200	2996,200
Granted during the year	-	270,000
Forfeited during the year	228,900	162,000
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	2875,300	3104,200
Exercisable at the end of the year	1285,300	734,200
Weighted average remaining contractual life (in years)	3.03	4.03
Weighted average Exercise price (in Rs.)	74.76	74.76

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

Tranche	Weighted Avg. fair value of options (in Rs.)	Range of exercise price (in Rs.)	Number of options outstanding (Qty)	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (in Rs.)
1.	27.12	73.50	2,177,400	2.80	73.50
2.	28.84	76.85	247,900	2.80	76.85
3.	34.59	82.90	160,000	3.80	82.90
4.	41.48	101.10	100,000	3.80	101.10
5.	31.48	69.40	190,000	4.80	69.40

Stock Options granted

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

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Weighted average share price (Rs.)	73.50	76.85	82.90	101.10	69.40
Exercise Price (Rs.)	73.50	76.85	82.90	101.10	69.40
Expected volatility	63.06%	63.94%	63.76%	62.18%	63.06%
Life of the options granted (vesting and exercise period) in years	2.8	2.8	3.8	3.8	4.80
Average risk-free interest rate	7.79%	8.05%	8.21%	8.29%	8.47%
Expected dividend yield	7.02%	7.02%	5.77%	5.77%	4.62%

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

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

In March 2005, the ICAI has issued a guidance note on "Accounting for Employees Share Based Payments" applicable to employee based share plan, the grant date in respect of which falls on or after April1, 2005. The said guidance note requires the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation in the financial statements. Applying the fair value based method defined in the said guidance note, the impact on the reported net profit and earnings per share would be as follows:

(Rs. in Lacs)

Particulars	2013-14	2012-13
Profit as reported	30307.10	30561.25
Less : Employee stock compensation under fair value method	73.67	219.95
Proforma profit	30233.43	30341.30
Earning per share		
Basic and diluted		
- as reported (In Rs.)	7.28	7.34
- proforma (In Rs.)	7.26	7.29

In FY 2010-11, CFCL Employees Welfare Trust ("Trust") was constituted, inter alia, for the purpose of subscribing/ acquiring equity shares of Chambal Fertilisers and Chemicals Limited from the Company /Secondary market , to hold the shares and to allocate/ transfer these shares to eligible employees of the Company from time to time on the terms and conditions specified under the Plan. The Board of Directors at its meeting held on May 8, 2010 had approved grant of financial assistance upto Rs.3,000 lacs by the Company to Trust in such manner and on such terms as agreed between the trustee(s) of the Trust and Managing Director of the Company for the purpose of subscribing/acquiring shares of the Company. The outstanding loan to the trust as at March 31, 2014 is Rs.1665.10 lacs (Previous year Rs.1,710.10 lacs). Trust has purchased 2,442,202 equity shares (Previous year 2,442,202 equity shares) of the Company from the open market, out of interest free loan provided by the Company till March 31, 2014.

In the last year, SEBI vide its circular no.CIR/CFD/DIL/3/2013 dated 17.01.2013, prohibited listed entities to frame or continue ESOP schemes through trust formed for the purpose of acquiring its own shares for the purpose of the scheme. For the existing schemes SEBI had earlier given a time limit upto June 30, 2013 to comply with the circluar. In view of the same, advance given to ESOP trust was considered as short term in the last year and accordingly based on prudence, provision of Rs.573.98 lacs towards diminution was made in the books in the last year. During the year, SEBI vide its circular no. CIR/CFD/DIL/7/2013 dated May 13, 2013 permitted companies to continue to hold the already acquired shares through Trust to meet its ESOP obligation. Accordingly, provision of Rs.573.98 lacs made in the last year against diminution of the value has been written back in the current year.

45. a) **Value of imports calculated on CIF basis-**

(Rs. in Lacs)

Particulars	2013-14	2012-13
Raw Materials	1662.32	3615.88
Traded Products	151241.59	248825.89
Stores and spares	747.89	1067.17
Capital Goods	307.07	104.18
Total	153958.87	253613.12

b) Imported and indigenous raw materials and spare parts consumed

(Rs.in Lacs)

Particulars	2013-14		2012-13	
	Amount	%	Amount	%
Raw Materials				
Indigenous				
Natural Gas	187561.46	84.60	160551.93	85.28
Neem Oil	429.39	0.19	483.60	0.26
Rock Phosphate	1235.62	0.56	978.89	0.52
Sulphuric Acid	863.03	0.39	528.58	0.28
Gypsum	197.69	0.09	15.61	0.01
Dyes and Chemicals	451.32	0.20	259.54	0.14
Staple Fiber	11991.08	5.41	11905.61	6.32
Cotton	15008.13	6.77	12010.15	6.38
Total Indigenous	217737.72	98.21	186733.91	99.19
Imported				
Rock Phosphate	3969.34	1.79	1529.94	0.81
Staple Fiber	-	-	-	-
Total Imported	3969.34	1.79	1529.94	0.81
Total Raw Materials	221707.06	100.00	188263.85	100.00
Spare parts*				
Indigenous	3364.87	84.32	2909.55	89.98
Imported	625.61	15.68	323.88	10.02
Total Spare parts consumed	3990.48	100.00	3233.43	100.00

Note:

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

c) Expenditure in foreign currency (on accrual basis)

(Rs. in Lacs)

Particulars	2013-14	2012-13
Design, Engineering and Supervision fee	1031.86	164.88
Travelling and conveyance	54.97	58.33
Finance cost	6484.46	8319.34
Freight paid on chartered- in ship	18028.03	3692.06
Voyage expenses	16347.00	10765.69
Salary & Other benefits	2611.43	2377.79
Repair & Maintenance	558.54	461.68
Ship special survey expenses	1163.12	698.50
Stores & Victualling	795.32	807.18
Insurance	840.66	873.37
Others	660.96	339.98
Total	48576.35	28558.80

d) Earnings in foreign currency (on accrual basis)

(Rs. in Lacs)

Particulars	2013-14	2012-13
FOB value of exports	6896.50	6709.29
Dispatch money *	202.75	33.77
Dividend income	5020.77	-
Interest	0.05	0.81
Rebate on purchases	1775.57	450.32
Reimbursement of salary related expenses	34.93	65.30
Freight & Charter hire of ships	25924.00	17232.41
Recovery of Bank charges	24.52	33.06
Others *	736.80	637.09
Total	40615.89	25162.05

* Included in other income

e) **Net dividend remitted in foreign currencies-**

Particulars	2013-14	2012-13
Number of non resident shareholders	266	282
Number of Shares held by them	7,678,650	9,695,750
Dividend remitted (Rs. In Lacs)	145.89	184.22
Year to which dividend relates	2012-13	2011-12

46. Pending receipt of appeal effect orders for the assessment years where appeals have been decided in favour of the Company by the Commissioner of Income Tax (Appeals) and/ or Income Tax Appellate Tribunal, interest on income tax refund has not been recognized thereof as the amount is presently not reasonably determinable. Interest income on this refund shall be recognized in the year the appeal effect order is received from Income Tax Department.

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

48. Based on the favourable decision by Income Tax Appellate Tribunal (ITAT)/ and CIT (Appeals), the Company has, during the year, reversed the amount of provision for Income Tax relating to Section 80-IA of Income Tax Act, 1961 for various years aggregating to Rs.5,975.82 lacs. The same has been shown as Income Tax credit related to earlier years.

49. The Company has during the year consolidated the financial statements of CFCL Employees Welfare Trust (Trust) with the standalone financial statements of the Company as per the recent opinion of Expert Advisory Committee (EAC) of Institute of Chartered Accountant of India (issued in the month of March 2014). The Trust has acquired in the past equity shares of the Company from the secondary market for transfer to the eligible employees as per the CFCL Employees Stock Option Scheme of the Company. Consequently, the Shareholders' Funds of the Company has been adjusted by Rs.1656.92 lacs i.e. (a) downward adjustment in share capital by Rs.225.34 lacs being the face value of 2,253,402 equity shares held by the Trust, (b) downward adjustment in reserves by Rs.1518.79 lacs representing the purchase price in excess of face value of such equity shares; and (c) increase in reserves by Rs.87.21 lacs towards the accumulated profits of the Trust till last year and dividend received by the Trust during the year. Further, the amount of loan of Rs.1665.10 lacs outstanding in the name of Trust in the books of the Company at the year end has been eliminated against the amount of loan outstanding in the name of Company appearing in the books of Trust at the year end.

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

As per our report of even date

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

per Anil Gupta
Partner
Membership No - 87921

Place : Gurgaon
Date : May 09, 2014

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

Anil Kapoor
Managing Director

S.K. Poddar
Chairman

Abhay Baijal
Chief Financial Officer

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

Place : New Delhi
Date : May 09, 2014

Financial Performance of Subsidiaries

(Amt in Rs. Lacs)

Sl. No.	Particulars	Financial year ending of the Subsidiary	Share Capital	Reserves	Total Assets	Total Liabilities	Details of Investment (Other than subsidiaries)	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after taxation	Proposed Dividend	The Exchange rates used for conversion of figures from foreign currency to Indian rupees are as under: Balance Sheet	Statement of Profit & Loss
1.	Chambal Infrastructure Ventures Limited, India	31.03.2014	490.00	(117.20)	821.29	821.29	-	-	(0.05)	-	(0.05)	-	-	-
2	Chambal Energy (Chhattisgarh) Limited, India	31.03.2014	5.00	(12.03)	257.72	257.72	-	-	(0.10)	-	(0.10)	-	-	-
3	Chambal Energy (Orissa) Limited, India	31.03.2014	5.00	(23.41)	94.39	94.39	-	-	(0.10)	-	(0.10)	-	-	-
4	India Steamship Pte. Limited, Singapore	31.03.2014	419.44	189.45	626.65	626.65	-	-	(18.60)	-	(18.60)	-	US $=Rs. 59.92	US $=Rs. 60.44
5	India Steamship International FZE	31.03.2014	4.08	(37.95)	1.37	1.37	-	-	(11.57)	-	(11.57)	-	US $=Rs. 59.92	US $=Rs. 60.44
6	India Steamship Limited	31.03.2014	25.00	3.19	28.34	28.34	-	-	22.43	6.89	15.54	-		
7	CFCL Overseas Limited, Cayman Islands	31.03.2014	61,267.87	220.13	61,488.45	61,488.45	-	-	55.48	-	55.48	-	US $=Rs. 59.92	US $=Rs. 59.92
8	CFCL Technologies Limited, Cayman Islands	31.12.2013	1.11	98,465.39	98,685.93	98,685.93	-	-	(1,123.06)	-	(1,123.06)	-	US $=Rs. 61.89	US $=Rs. 61.89
9	ISGN Corporation, USA	31.12.2013	52.78	52,155.16	82,246.35	82,246.35	-	19,796.65	(4,481.08)	127.71	(4,608.79)	-	US $=Rs. 61.89	US $=Rs. 61.89
10	ISGN Solutions Inc., USA	31.12.2013	45.12	32,791.30	35,052.24	35,052.24	-	5,379.34	(3,438.44)	32.88	(3,471.32)	-	US $=Rs. 61.89	US $=Rs. 61.89
11	Richmond Investors LLC, USA	31.12.2013	1,323.46	-	1,323.46	1,323.46	-	-	-	-	-	-	US $=Rs. 61.89	US $=Rs. 61.89
12	Richmond Title Genpar LLC, USA	31.12.2013	13.37	-	13.37	13.37	-	-	-	-	-	-	US $=Rs. 61.89	US $=Rs. 61.89
13	Richmond Title Services LP, USA	31.12.2013	1,336.82	(903.50)	1,028.33	1,028.33	-	-	(5.84)	-	(5.84)	-	US $=Rs. 61.89	US $=Rs. 61.89
14	CFCL Ventures Limited, Cayman Islands	31.12.2013	30.95	5,134.98	5,178.32	5,178.32	-	-	(1.42)	-	(1.42)	-	US $=Rs. 61.89	US $=Rs. 61.89
15	ISG Novasoft Technologies Limited, India	31.12.2013	3,623.00	1,905.00	6,812.00	6,812.00	-	10,895.00	1,542.00	651.00	891.00	-	-	-
16	Inuva Info Management Private Limited, India	31.12.2013	2.38	34.01	40.12	40.12	-	-	(0.11)	-	(0.11)	-	-	-
17	ISGN Fulfillment Services, Inc., USA (Pennsylvania)	31.12.2013	-	3,212.46	11,336.36	11,336.36	8.09	28,831.32	3,992.92	(45.71)	4,038.63	-	US $=Rs. 61.89	US $=Rs. 61.89
18	ISGN Fulfillment Services, Inc. USA (Arizona) #	31.12.2013	-	-	-	-	-	-	-	-	-	-	-	-
19	ISGN Fulfillment Agency LLC, USA #	31.12.2013	-	-	-	-	-	-	-	-	-	-	-	-

These entities being license companies, there are no assets & liabilities and no financial transactions were carried out during the financial year.

Note : ISGN Fulfillment Agency of Alabama LLC dissolved with effect from July 30, 2013, hence not included in the above statement.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Chambal Fertilisers and Chemicals Limited

We have audited the accompanying consolidated financial statements of Chambal Fertilsers and Chemicals Limted (''the Company'') and its subsidiaries, which comprise the consolidated Balance Sheet as at March, 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conduct our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

(b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit total assets of Rs. 241700.98 lacs as at March 31, 2014, total revenues of Rs. 151796.24 lacs and net cash inflows amounting to Rs. 263.40 lacs for the year then ended, included in the accompanying consolidated financial statements in respect of certain subsidiaries, joint venture and Shipping Division and CFCL Employees Welfare Trust ('Trust'), whose financial statements and other financial information have been audited by other auditors and whose report have been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiaries, joint venture and Shipping Division and Trust is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

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

per Anil Gupta
Partner
Membership No.: 87921

Place : Gurgaon
Date : May 09, 2014

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

(Rs. in Lacs)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	41395.45	41620.79
Reserves and surplus	4	164236.91	143603.10
		205632.36	185223.89
Preference Shares (Held by other than Group)		0.24	0.21
Minority Interest		7150.91	5655.62
Non-Current Liabilities			
Long-term borrowings	5	101942.79	112766.13
Deferred tax liabilities (Net)	6 (a)	41880.83	41609.79
Other long term liabilities	7	380.44	374.13
Long term provisions	8	2558.00	3860.14
		146762.06	158610.19
Current Liabilities			
Short-term borrowings	9	343697.60	387644.85
Trade payables	10	30458.87	61768.50
Other current liabilities	11	56809.24	52077.49
Short-term provisions	12	13769.26	18341.58
		444734.97	519832.42
Total		804280.54	869322.33
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	13	268796.77	265653.83
Intangible assets	14	34520.96	31297.34
Capital work-in-progress		5067.53	4796.20
Intangible assets under development		71.66	989.04
Non-current investments	15	10.59	9.70
Deferred tax assets (net)	6 (b)	156.03	162.05
Long term loans and advances	16	18435.69	18584.88
Other non-current assets	17	1711.53	1463.49
		328770.76	322956.53
Current assets			
Inventories	18	68553.64	125532.68
Trade receivables	19	355949.49	358637.11
Cash and bank balances	20	19750.95	39907.79
Short-term loans and advances	21	25220.59	13885.46
Other current assets	22	6035.11	8402.76
		475509.78	546365.80
Total		804280.54	869322.33
Summary of significant accounting policies	2 (c)		

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

As per our report of even date

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

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

per Anil Gupta
Partner
Membership No - 87921

Place : Gurgaon
Date : May 09, 2014

Anil Kapoor
Managing Director

Abhay Baijal
Chief Financial Officer

Place : New Delhi
Date : May 09, 2014

S.K. Poddar
Chairman

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(Rs. in Lacs)

Particulars	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
INCOME			
Revenue from operations (Gross)		893380.00	822295.82
Less : Excise duty		2322.98	2095.99
Revenue from operations (Net)	23	891057.02	820199.83
Other income	24	10497.52	8101.83
Total Revenue (I)		901554.54	828301.66
Expenses:			
Cost of materials consumed	25	256219.07	219127.56
Purchase of traded goods		187058.56	311972.05
Decrease/ (Increase) in inventories of finished goods, work-in-progress, traded goods and waste	26	56198.56	(62916.57)
Employee benefits expense	27	40976.82	36991.15
Depreciation and amortization expense	13&14	28236.65	26706.31
Finance costs	28	20742.57	13825.38
Freight to charter-in ship		22796.67	4708.17
Other expenses	29	260417.20	241897.87
Exceptional item	30	-	(1195.73)
Total Expenses (II)		872646.10	791116.19
Profit before tax		28908.44	37185.47
Tax expenses:			
Current tax		11156.06	13005.70
Tax related to earlier years		(5995.21)	19.73
Deferred tax charge		295.77	2947.12
Total tax expense		5456.62	15972.55
Profit for the year (before adjustment for Minority Interest)		23451.82	21212.92
Share of Minority interest in current year's losses		960.60	2638.67
Profit for the year		24412.42	23851.59
Earnings per equity share {nominal value of share Rs.10 (Previous year Rs.10)}			
Basic and Diluted (in Rs.)	31	5.87	5.73

Summary of significant accounting policies **2 (c)**

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

As per our report of even date

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

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

Anil Kapoor
Managing Director

S.K. Poddar
Chairman

per Anil Gupta
Partner
Membership No - 87921

Abhay Baijal
Chief Financial Officer

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

Place : Gurgaon
Date : May 09, 2014

Place : New Delhi
Date : May 09, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Rs. in Lacs)

	Particulars	Year ended March 31, 2014	Year ended March 31, 2013
A.	**Cash flow from operating activities :**		
	Profit before tax	28908.44	37185.47
	Adjustments for :		
	Depreciation/ Amortization	28236.65	26706.31
	Loss/ (profit) on disposal of fixed assets (net)	164.08	(752.83)
	(Profit) from sale of current investments	(1104.91)	(1819.43)
	Premium on forward contracts amortised	12296.22	14022.30
	Unrealised foreign exchange fluctutaion	804.70	784.40
	Provision for (gain) on derivative transaction	(1389.02)	(687.10)
	Provision for doubtful advances and debts	662.32	853.75
	Reversal of provision for doubtful advances	(573.98)	-
	Liabilities no longer required written back	(214.78)	(123.62)
	Catalyst charges written off	508.08	440.43
	Irrecoverable debts/ advances written off	0.98	465.67
	Employee stock option scheme	644.21	389.73
	Inventory written off (depletion of loose tools)	20.63	15.22
	Interest expense	20107.47	12500.47
	Interest (income)	(4996.84)	(2358.55)
	Exceptional item	-	(1195.73)
	Operating profit before working capital changes	84074.25	86426.49
	Movement in working capital :		
	Decrease/ (increase) in trade receivables	2375.65	(137024.97)
	Decrease/ (increase) in other current assets	374.46	(1080.72)
	(Increase)/ decrease in loans and advances	(3964.71)	4699.05
	Decrease/ (increase) in inventories	56211.85	(67631.18)
	(Decrease)/ increase in trade creditors, other liabilities and provisions	(37650.25)	2954.25
	Cash generated from/ (used in) operations	101421.25	(111657.08)
	Direct taxes paid (net of refunds)	(16683.11)	(19989.75)
	Net cash flow from/ (used in) operating activities	84738.14	(131646.83)
B.	**Cash flow from investing activities**		
	Purchase of fixed assets including CWIP and capital advances	(15081.18)	(10032.65)
	Proceeds from sale of fixed assets	607.92	3605.73
	Inter Corporate deposits repaid	6662.27	14600.00
	Inter Corporate deposits given	(8612.27)	(13650.00)
	Deposits (with original maturity more than three months)	(9042.12)	(8317.20)
	Proceed of deposits matured (with original maturity more than three months)	8317.20	15658.52
	Purchase of investments	(1000100.89)	(459800.24)
	Proceed from sale of investments	1001204.91	461619.43
	Interest received	5104.57	2354.11
	Net cash flow from/ (used in) investing activities	(10939.59)	6037.70

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Rs. in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
C. Cash flow from financing activities		
Proceeds from long term borrowings	541.86	10297.77
Repayment of long term borrowings	(26273.91)	(21005.30)
Proceeds from issue of shares (including security premium)	1699.48	1749.40
Proceeds from buyers credit	152152.94	232462.34
Repayment of buyers credit	(235931.38)	(223837.63)
Net proceeds of short term borrowings	40503.83	149020.84
Interest paid	(20615.43)	(12958.98)
Dividend paid	(7832.30)	(7878.10)
Tax on dividend paid	(1343.97)	(1282.88)
Net cash from/ (used in) financing activities	(97098.88)	126567.46
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(23300.33)	958.33
Foreign currency transalation difference	2427.01	(1676.34)
Cash and cash equivalents at the beginning of the year	31596.21	32314.22
Cash and cash equivalents at the end of the year	10722.89	31596.21
Components of cash and cash equivalents as at:		
Cash/ cheques/ drafts on hand	12.52	8.90
Balances with banks :		
- On unpaid dividend / preference share capital / fixed deposit accounts*	1017.36	944.56
- on current account	8899.01	6480.22
- on cash credit account	87.86	14641.35
- on saving account	54.72	26.66
- on deposits account	9354.67	16936.99
- on escrow account	338.87	874.73
Cash and bank balances as per note no. 20	19765.01	39913.41
Less: Fixed deposits not considered as cash equivalents	9042.12	8317.20
Net cash and cash equivalents	10722.89	31596.21

Summary of significant accounting policies **2 (c)**

* Bank balances of Rs.1017.36 lacs (Previous Year Rs.944.56 lacs) are earmarked for payment unpaid dividend / fixed deposit accounts/ unclaimed preference share capital and will not be available for use for any other purposes.

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

As per our report of even date

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

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

per Anil Gupta
Partner
Membership No - 87921

Place : Gurgaon
Date : May 09, 2014

Anil Kapoor
Managing Director

Abhay Baijal
Chief Financial Officer

Place : New Delhi
Date : May 09, 2014

S.K. Poddar
Chairman

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

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

1. Corporate Information

The Group is one of the largest manufacturer of Urea in private sector in India and is also into the trading of fertilisers and other agri inputs. It also has a Joint venture for manufacturing of Phosphoric Acid in Morocco. Apart from that the Group is also engaged in manufacturing of Synthetic and Cotton Yarn, Shipping Business and Software business.

2. (a) Basis of Preparation

The Consolidated Financial Statements (CFS) of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated April 04 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention except for derivative financial instruments which have been measured at fair value.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year; except for the change in accounting policies explained below (refer section 2 (c)(i)).

The CFS relates to Chambal Fertilisers and Chemicals Limited (hereinafter referred as the "Company") and its Subsidiaries (hereinafter referred as the "Group").

(b) Principles of Consolidation

In the preparation of these Consolidated Financial Statements, investment in Subsidiaries, and Joint Venture have been accounted for in accordance with Accounting Standard (AS) 21, Consolidated Financial Statements, and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures. The Consolidated Financial Statements have been prepared on the following basis:

i. Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses, except where cost cannot be recovered.

ii. Interest in the assets, liabilities, income and expenses of the joint ventures are consolidated using proportionate consolidation method. Intra group balances, transactions and unrealized profits / losses are eliminated to the extent of Company's proportionate share.

iii. The difference of the cost to the Company of its investment in subsidiaries and joint venture over its proportionate share in the equity of the investee Company as at the date of acquisition of stake is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.

iv. Minorities' interest in net profit of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same is accounted for by the holding Company.

v. As far as possible, the CFS have been prepared using uniform accounting policies like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's stand alone financial statements. Differences in accounting policies have been disclosed separately.

vi. The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated Statement of Profit and Loss as the profit or loss on disposal of investment in subsidiary.

vii. The accounts of all the Group entities are drawn up to the same reporting date as the parent entity (i.e. financial year ended March 31, 2014) except for the following entities where the audited accounts was drawn up as at December 31, 2013:

S.No.	Name of the entity	Relationship
(i)	Indo Maroc Phosphore S.A.	Joint Venture
(ii)	CFCL Technologies Limited and its subsidiaries	Step down Subsidiaries

Adjustments have been done for the period subsequent to that date for significant transactions, if any.

(c) Summary of significant Accounting Policies

(i) Changes in Accounting Policies

(a) In line with standard tested industry practice, spares purchased and delivered on board by Shipping Division of the Company during the year has been treated as consumption. Due to above change, spares lying unconsumed at the year-end amounting to Rs 31.28 lacs have been treated as consumption and year end spares stock has decreased by the same amount. Had the Company continued the earlier accounting policy, profit of the Group would have been higher by Rs.20.65 lacs (net of tax of Rs.10.63 lacs) and inventory of stores and spares would have been higher by Rs.31.28 lacs.

(b) Till March 31, 2013, the fertiliser division of the Parent Company was accounting for liability in respect of its scheme towards post retirement medical benefits to its employee on payment basis. The division has, during the year, changed the basis of such liability from payment basis to accrual basis. The division has during the year, provided for such liability of Rs.170.12 lacs on the basis of year end actuarial valuation. The above change has resulted into profit of the Group being lower by Rs.112.30 lacs (net of tax of Rs.57.82 lacs).

(ii) Use of Estimates

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

(iii) Tangible Fixed Assets

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

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

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

(iv) Depreciation on Tangible Fixed Assets

Depreciation is provided using Straight Line Method as per the useful life of the asset estimated by the management which are equal to the rates prescribed under Schedule XIV to the Companies Act, 1956 other than the cases as mentioned in para (i) to (x) below where the rate of depreciation is higher than those prescribed in Schedule XIV to the Companies Act, 1956, A major portion of the plant has been considered as continuous process plant.

S. No.	Assets	Useful life/rate
(i)	Second hand fixed assets at Textile division	On technically assessed remaining useful lives of such assets ranging from 3 to 7 years.
(ii)	- Leasehold Land - Leasehold Improvement - Assets under finance lease	Amortised over 99 Years Ranging from 4 to 15 Years Ranging from 3 to 9 Years These assets are amortised over the period of respective leases or useful life of assets, whichever is lower.
(iii)	Insurance/ Machinery Spares	Over the remaining useful lives of mother assets ranging from 1 to 18 years.
(iv)	Ships of Shipping Division	On technical evaluation of remaining useful life in case of old ships, which is 10 years, and as per Companies Act, 1956 in case of new ships.
(v)	Fixed assets of Shipping Division other than ships	On written down value method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
(vi)	Vehicles	Depreciated over 5 years.
(vii)	Certain Plant and Machinery of fertiliser division	On technically assessed remaining useful life of such assets ranging from 1 to 2 years.
(viii)	Fixed Assets of software business	Computer Equipments – 3 years Office Equipments – 5 years Furniture and fixtures – 5 to 7 years
(ix)	Fixed Assets of IMACID (J.V.)	Office Equipments and Motor Vehicles – 7 to 10 years Plant & Machinery – 15 to 20 years
(x)	Fixed Assets of India Steamship International FZE	Computer Equipments – 3 yearsOffice Equipments – 8 years

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

v) **Intangible Assets**

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

Software

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

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

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

In respect of subsidiary Company

a) Intangible assets comprise of goodwill, costs relating to intellectual property rights, software development costs and software packages held for use in business.

   Goodwill that arises on an amalgamation or on the acquisition of a business is presented as an intangible asset. Goodwill arising from amalgamation is measured at cost less accumulated amortisation and any accumulated impairment loss. Goodwill arising on acquisition of a business is measured at cost less any accumulated impairment loss. Goodwill arising on consolidation or acquisition is not amortized but tested for impairment atleast annually or as circumstances warrant at the reporting unit level. If impairment is indicated, a write-down to its recoverable amount which is higher of fair value or value in use (normally measured by discounting estimated future cash flows) is recorded.

   Costs relating to Intellectual property rights, which are acquired, are capitalized and amortized over a period of 1 to 3 years.

b) Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the 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 capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised 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 generated 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 statement of profit and loss as incurred.

c) Amortisation is calculated over the cost of the asset, less its residual value. Amortisation is recognised in the 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 generated software and acquired computer software is considered as 3 years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

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

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

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

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

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

vii) Goodwill on Consolidation

Goodwill represents the difference between the Group's share in the net worth of the investee companies and the cost of acquisition at each point of time of making the investment. For this purpose, the Group's share of equity in the investee companies are determined on the basis of the latest financial statements of the respective companies available as on the date of acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Goodwill is not amortized but tested for impairment almost annually, if impairment is indicated, a write-down to fair value (normally measured by discounting estimated future cash flows) is recorded.

viii) Leases

Where the Group is a lessee

Finance leases, which effectively transfer to the Group substantially, all the risk and benefits incidental to the ownership of the leased item, are capitalized at inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalized leased asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV of the Companies Act, 1956.

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

Where the Group is the lessor

Lease income by sub-lease of office premises is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs incurred towards such properties are recognized as expense in the Statement Profit and Loss. Initial direct costs such as legal costs, brokerage costs are recognized immediately in the Statement of Profit and Loss.

ix) Government grants and subsidies

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

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

x) Investments

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

On initial recognition, all investments are measured at cost. The cost comprises of purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

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

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

xi) **Inventories**

Inventories are valued as follows:

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

*included under the inventory of stores and spares.

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

xii) **Borrowing Costs**

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

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

xiii) **Revenue Recognition**

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

(a) **Sale of Goods**

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

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

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

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

(b) **Income from operations of Shipping Division**

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

(c) **Income from operations of Software business**

In respect of subsidiaries engaged in software development and business process outsourcing services, revenue is recognized as under :

- Revenue derived from professional services under the time and material contract is recognized as the related services are performed.

- Revenue from title and related operations are primarily transaction based and are recognized as revenue when services are performed, the fee is fixed or determinable, and collection is reasonably assured.
- Revenue from transaction services and other service contracts is recognized based on transactions processed. The Subsidiaries also generate upfront non-refundable revenues from process transition activities. Revenue and costs attributable to such process transition activities are deferred where such activities do not represent the culmination of a separate earnings process. Such revenue and related costs are recognized ratably over the period in which the related services are performed. Deferred costs are limited to the amount of deferred revenue and any excess costs are expensed as incurred.
- The Group also derives its revenues from software services and from business process outsourcing /knowledge process outsourcing services, provided either on time and material, fixed-price fixed-time frame and unit-price basis. Revenue with respect to time-and-material contracts is recognized as the related services are rendered and revenue from the end of the last billing to the balance sheet date is recognized as unbilled revenue. The Company's fixed price contracts include application maintenance and support services, on which revenue is recognized ratably over the period in which the services are rendered. Revenue with respect to other fixed price contracts, where there is no uncertainty as to measurement and collectability of consideration, is recognized on a percentage of completion basis. The input (cost expended) method has been used because management considers this to be the best available measure of progress on these contracts as there is a direct relationship between input and productivity. When there is uncertainty as to measurement or ultimate collectability revenue recognition is postponed until such uncertainty is resolved.
- Revenues from unit-priced contracts are recognized as transactions are processed based on objective measures of output. Cost and earnings in excess of billings are classified as unbilled revenue while billing in excess of cost and earnings is classified as deferred revenue.
- Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates. When the Group receives advances for its services, such amounts are reflected as advance received from customers until all conditions for revenue recognition are met. The Group presents revenues net of service taxes and value added taxes, but gross of certain reimbursements in its consolidated statement of profit and loss.
- Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license, except in case of multiple element contracts, under which post-contract maintenance and support services are also rendered by the Group. In the case of multiple element contracts, revenue from sale of user licenses is recognized on transfer of the title in the user license after appropriately reducing the fair value of the maintenance services to be recognised as revenues. Revenue from postcontract maintenance and support services is recognized ratably over the period in which services are rendered.

(d) Interest

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

(e) Dividend

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

(f) Insurance Claims

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

(g) Export Benefits

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

xiv) Foreign Currency Translation

(a) Initial recognition

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

(b) Conversion

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

(c) **Exchange differences**

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

i Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

Exchange differences arising on other long-term foreign currency monetary items are accumulated in the Foreign Currency Monetary Item Translation Difference Account' and amortized over the remaining life of the concerned monetary item.

ii All other exchange differences are recognized as income or as expense in the period in which they occur.

For the purpose of 1 and 2 above, the Group treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated 09 August 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period.

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

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

(e) **Translation of non-integral foreign operation**

In translating the financial statements of a non-integral foreign operations for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operations are translated at the closing rate, income and expense items of the non-integral foreign operations are translated at average exchange rates prevailing during the year, and all resulting exchange differences are accumulated as a 'Foreign Currency Translation Reserve' until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

xv) **Retirement and other employee benefits**

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

In respect of Textile division of the Group and Indian Subsidiaries of CFCL Technologies Limited (CTL), Provident Fund and Pension Fund are defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

(b) Superannuation Fund is a defined contribution scheme. Liability in respect of Superannuation Fund to the concerned employees of Fertiliser & Shipping Division is accounted for as per the Group's Scheme and contributed to Life Insurance Corporation of India (LIC) / ICICI Prudential Life Insurance Group Limited (ICICI) every year. The divisions do not have any other obligation, other than the contribution payable to the superannuation fund. The divisions recognize contribution payable to the superannuation fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

(c) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. However, in respect of Fertiliser division, Group has taken policies from LIC, ICICI and Birla Sunlife Insurance Company Limited (BSLI), for Shipping and Textile divisions, Group has taken a policy from LIC and for one of the step down subsidiaries of CTL, the Group has taken a policy from Kotak Mahindra Old Mutual Life Insurance Limited to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with LIC, ICICI, BSLI and Kotak Mahindra Old Mutual Life Insurance Limited is provided for as liability in the books.

(d) Retirement benefit in the form of post retirement medical benefit is a defined benefit obligation in case of fertiliser division of the Group and is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year.

(e) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

(f) The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

xvi) Income Taxes

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

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

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

In the situations where the Group is entitled to a tax holiday under the Income-tax Act 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

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

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

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

xvii) Segment Reporting Policies

Identification of segments

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

Allocation of common costs

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

Unallocated items

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

Segment accounting policies

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

xviii) Earning per share

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

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

xix) Provisions

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

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

xx) Cash and Cash equivalents

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

xxi) Derivative Instruments

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

xxii) Employee Stock Compensation Costs

Holding Company

Measurement and disclosure of the employee stock option scheme is done in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Group measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

Subsidiary Company

Employee stock compensation costs for stock options are recognized as employee benefit expenses in accordance with the guidance note on "Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountants of India, based on the grant date fair value of the options granted to employees. The fair value of the options is estimated on the date of grant using the Black-Scholes-Merton valuation model on the basis of an independent valuation performed and recognized in a graded manner on the basis of weighted period of services over the vesting period. The expected term of an option is estimated based on the vesting term and contractual term of the option, as well as expected exercise behaviour of the employee who receives the option. Expected volatility during the expected term of the option is based on historical volatility, during a period equivalent to the expected term of the option, of the observed market prices of the publicly traded equity shares of comparable listed entities. Expected dividends during the expected term of the option are based on recent dividend activity. Risk-free interest rates are based on the government securities yield in effect at the time of the grant over the expected term.

xxiii) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

xxiv) Basis of classification of Current and Non Current

Assets and Liabilities in the balance sheet have been classified as either current or non-current based upon the requirements of Revised Schedule VI notified under the Companies Act, 1956.

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

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

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

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

(Rs. in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 3 : 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
Less : 2,253,402 Equity Shares of Rs.10/- each, fully paid up acquired by CFCL Employees Welfare Trust ("Trust") from the secondary market (refer note no. 52)	225.34	-
	41395.45	41620.79

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

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

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

Name	March 31, 2014		March 31, 2013	
	No. of Shares	% holding	No. of Shares	% holding
Zuari Industries Limited	59,015,360	14.18	59,015,360	14.18
The Hindustan Times Limited	51,074,209	12.27	50,081,715	12.03
SIL Investments Limited	31,813,455	7.64	31,813,455	7.64
Life Insurance Corporation of India	27,910,373	6.71	27,910,373	6.71

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

NOTE 4 : RESERVES AND SURPLUS (Rs. in Lacs)

Capital Reserve (arising on forfeiture of shares)		
Balance as per the last financial statements	20.95	20.95
Securities Premium Account		
Balance as per the last financial statements	5351.48	5180.48
Additions during the year	1699.45	1749.37
Share of Minority interest	(1665.80)	(1578.37)
	5385.13	5351.48
Capital Redemption Reserve		
Balance as per the last financial statements	25.00	25.00
Foreign Currency Translation Reserve		
Balance as per the last financial statements	11119.53	11201.58
Additions/(Adjustments) during the year	6123.48	(242.84)
Add : Share of Minority interest	(90.23)	160.79
	17152.78	11119.53
Stock Options Outstanding (refer note no. 42 (ii))	1729.40	934.12
General Reserve		
Balance as per the last financial statements	30662.13	25662.13
Add: Transferred from Statement of Profit and Loss	5010.63	5000.00
Less : Excess of investment over and above face value of equity shares held by Trust (refer note no. 52)	1518.79	-
	34153.97	30662.13
Tonnage Tax Reserve under section 115 VT of Income Tax Act,1961		
Balance as per the last financial statements	425.00	425.00
Tonnage Tax Reserve under section 115 VT of Income Tax Act,1961(Utilised) Account		
Balance as per the last financial statements	3850.00	3850.00
Surplus in the statement of profit and loss:		
Balance as per the last financial statements	91214.89	81615.32
Add : Profit for the year	24412.42	23851.59
Reversal of proposed dividend on equity shares held by Trust {net of expenses (ref. note no. 52)}	87.21	-
Less : Appropriations		
Proposed Equity Dividend {amt. per share Rs.1.90 per share (Previous year Rs.1.90 per share)}	7908.05	7908.05
Proposed dividend on equity shares held by Trust	(42.81)	-
Tax on Proposed Equity Dividend	1343.97	1343.97
Transfer to General Reserve	5010.63	5000.00
Net surplus in the statement of profit and loss	101494.68	91214.89
	164236.91	143603.10

(Rs. in Lacs)

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non-Current	Current Maturities	Non-Current	Current Maturities
NOTE 5: LONG-TERM BORROWINGS				
Secured Loans:				
Term loans from banks				
- Rupee term loans	1932.00	2000.00	3932.00	1517.00
- Foreign currency term loans	99774.37	20626.15	108544.96	22081.27
Term loans from others	-	-	-	2.56
Finance lease obligation	236.42	162.77	289.17	120.07
	101942.79	22788.92	112766.13	23720.90
Less : Current maturities shown under other current liabilities (refer note no.11)	-	22788.92	-	23720.90
	101942.79	-	112766.13	-

Notes:

i Rupee term loans of Rs.3932.00 lacs (including current maturities of Rs.2000.00 lacs) (Previous year Rs.5449.00 lacs and Rs.1517.00 lacs respectively) carry interest rate in the range of 11.10%-12.75% p.a. Out of these, one term loan amounting to Rs.1880.00 lacs is repayable in 8 quarterly installments of Rs.235 lacs each starting from June 30, 2014. Another term loan amounting to Rs.1992 lacs is repayable in 7 quarterly installments of Rs.250 lacs each starting from June 30, 2014 and last installment of Rs.242 lacs. Another term loan amounting to Rs.60 lacs is repayable in 12 monthly installments of Rs.5 lacs each starting from April 30, 2014. These loans are secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the parent Company, both present and future (save and except assets of shipping division), subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.

ii Foreign currency term loans of USD 518.61 lacs (Rs.31075.00 lacs including current maturities of Rs.8266.53 lacs) (Previous year Rs.38495.28 lacs and Rs.10882.94 lacs respectively) carry interest rate in the range of 3/6 months LIBOR plus 1.45%-4.50% p.a. Out of these, one term loan amounting to USD 62.50 lacs (Rs.3745.00 lacs) is repayable in 2 equal quarterly installments starting from June 09, 2014. Another term loan amounting to USD 208.11 lacs (Rs.12469.84 lacs) is repayable in 14 equal quarterly installments starting from June 20, 2014. Another term loan amounting to USD 48.00 lacs (Rs.2876.16 lacs) is repayable in 12 equal quarterly installments starting from May 27, 2014. Another term loan amounting to USD 200.00 lacs (Rs.11984.00 lacs) carry interest rate of 6 months LIBOR plus 2.75% p.a. and is repayable in 4 equal quarterly installment starting from August 06, 2015. These loans are secured by first pari-passu charge by way of mortgage, by deposit of title deeds in respect of immovable properties and hypothecation of the movable fixed assets of the parent Company, both present and future (save and except assets of shipping division), subject to prior charges created in favour of banks on current assets and other movables for securing working capital borrowings.

iii (a) Foreign currency term loan of USD 280 lacs (Rs.16777.60 lacs including current maturities of Rs.2396.80 lacs) (Previous year Rs.17372.80 lacs and Rs.2171.60 lacs respectively) carry interest @ 3 months LIBOR plus 1.125% p.a. The loan is repayable in 8 quarterly installments of USD 10.00 lacs each (Rs.599.20 lacs) starting from June 08, 2014 and the last installment of USD 200.00 lacs (Rs.11984.00 lacs). The loan is secured by first priority mortgage on the parent Company's vessel-Ratna Puja and assignment of earnings, insurance and requisition compensation in respect of such vessel.

(b) Foreign currency term loan of USD 410 lacs (Rs.24567.20 lacs including current maturities of Rs.2396.80 lacs) (Previous year Rs.24430.50 lacs and Rs.2171.60 lacs respectively) carry interest @ 3 months LIBOR plus 0.875% p.a. The loan is repayable in 23 quarterly installments of USD 10.00 lacs each (Rs. 599.20 lacs) starting from June 09, 2014 and the last installment of USD 180.00 lacs (Rs.10785.60 lacs). The loan is secured by first priority mortgage on the parent Company's vessel-Ratna Shalini and assignment of earnings, insurance and requisition compensation in respect of such vessel and second priority mortgage on the Company's vessel-Ratna Puja and assignment of earnings, insurance and requisition compensation in respect of such vessel.

iv The aforesaid loan {iii (a) and iii(b)} are further secured by standby letter of credit of USD 251.50 lacs (Rs.15069.88 lacs) issued by a bank in India.

v Foreign currency term loans of USD 800.75 lacs (Rs.47980.72 lacs including current maturities of Rs.7566.02 lacs) (Previous year Rs.50327.65 lacs and Rs.6855.13 lacs respectively) carry interest @ 3 months LIBOR plus 0.40% p.a. One tranch of the aforesaid term loan amounting to USD 250 lacs (Rs.14980.00 lacs) is repayable in 25 equal quarterly installment starting from April 22, 2014. Another tranch of the aforesaid term loan amounting to USD 250 lacs (Rs.14980.00 lacs) is repayable in 25 equal quarterly installment starting from June 03, 2014. Another tranch of the aforesaid term loan amounting to USD 300.75 lacs (Rs.18020.72 lacs) is repayable in 26 equal quarterly installment starting from April 15, 2014.These loans are secured by first priority mortgage on the Company's three vessels i.e. Ratna Shruti, Ratna Shradha and Ratna Namrata and assignment of earnings, insurance and requisition compensation in respect of such vessels.

vi Term loan from others of the previous year amounting to Rs. 2.56 lacs carried interest rate in the range of 8.75% and were secured by way of : (a) first priority continiuing security interest in and lien upon all current assests, tangible and intangible assets including intellecutal property of ISGN Solutions Inc and ISGN Corporation Inc. (b) the pledge of share certificates of ISGN Solution. Inc and all its dividends, distributions, cash, instruments and other property or proceeds form time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such pledged shares.

vii Finance lease obligation of Rs.233.61 lacs (including current maturities of Rs.31.45 lacs) (Previous year Rs.257.61 lacs and Rs.24.00 lacs respectively) is repayable in 53 monthly installments of Rs.6.77 lacs each (i.e. lease obligation including interest) starting from April, 2014 and carry interest rate of around 27.34% p.a. This is secured by assets acquired under the facility. In the books of subsidries, there are various finance lease obligation amounting to Rs. 165.58 lacs (including current maturities of Rs. 131.32 lacs) (Previous year Rs. 151.63 lacs and Rs. 96.07 lacs respectively) repayable in 3 years repayment amount arranging from Rs. 0.07 lac to Rs. 2.52 lacs and rate of interest ranging from 5.99% to 15.31%. All these assets are secured by assets aquired under the facility.

(Rs. in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 6 (a) : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	44201.33	44210.66
Gross Deferred Tax Liabilities	44201.33	44210.66
Deferred Tax Assets		
Effect of expenditure debited to statement of profit and loss in the current year/ earlier years but allowable for tax purposes in following years	367.02	297.19
Provision for gratuity	112.12	60.09
Provision for leave encashment	749.62	707.57
Provision for doubtful debts and advances	173.68	145.83
Provision for Mark to Market (MTM) loss on derivative contract	918.06	1390.19
Gross Deferred Tax Assets	2320.50	2600.87
Net Deferred Tax Liabilities	41880.83	41609.79

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 6 (b) : DEFERRED TAX ASSETS (Net)*		
Effect of expenditure debited to statement of profit and loss in the current year/ earlier years but allowable for tax purposes in following years	147.76	105.08
Difference in depreciation in block of fixed assests as per tax books and financial books	8.27	56.97
Gross Deferred Tax Assets	156.03	162.05

*Deferred tax assets are calculated with reference to the business loss and unabsorbed depreciation as per tax and other timing differences. However, deferred tax assets have not been recognized as the management believes that there is no virtual certainty that sufficient future taxable income will be available to realize the deferred tax asset for the year ended December 31, 2013 except in case of an Indian step down subsidiary, ISGNTL. Deferred tax assets have been recognized as the Indian subsidiary has been generating profits and is exprected to maintain a profiable trend in the ensuring future as well.

Deferred tax Assets and deferred tax liabilities across various countries of operations are not set off against each other as the Group does not have the legal right to do so.

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 7 : OTHER LONG TERM LIABILITIES		
Trade Payable (other than Micro and Small Enterprises)	374.91	366.33
Earnest money / security deposits	5.53	7.80
	380.44	374.13
NOTE 8 : LONG TERM PROVISIONS		
Provision for gratuity (refer note no.37)	138.46	170.75
Provision for post retirement medical benefits (refer note no.37)	162.91	-
Provision for loss on derivative contract	2256.63	3491.94
Provision for onerous contacts	-	197.45
	2558.00	3860.14
NOTE 9 :SHORT-TERM BORROWINGS		
Secured Loans:		
From Banks:		
- Rupee loans	189393.07	61053.05
- Cash credit facilities	5902.13	4984.90
From Others*	13598.20	12100.00
Unsecured Loans:		
Commercial Papers	-	30000.00
From Banks:		
- Rupee loans	4400.00	65500.00
- Cash credit facilities	-	403.73
- Foreign currency loans	128119.30	212574.86
- Packing credit foreign currency loans	2284.90	1028.14
From Others:		
Other financial debts	-	0.17
	343697.60	387644.85

i Rupee loans include Rs.80893.07 lacs (Previous year 33053.05 lacs) from consortium of Banks under Special Banking Arrangement against the subsidy on Urea and Phosphatic and Potassic (P&K) fertilisers receivable from the Government of India. The Banks have charged interest @ 10.40% p.a. (including 8% p.a. paid by Government of India directly to banks). Accordingly, Rs.327.35 lacs (Previous year 30.63 lacs) (at the rate of 2.40% p.a.) have been charged as interest expense. These loans are secured by hypothecation of subsidy receivables upto Rs.89900.00 lacs (Previous year Rs. 33,600.00 lacs) from Government of India.

ii Rupee loans of Rs. 65000.00 lacs are to be secured by second charge on the Company's current assets (except assets of Shipping Division), carry interest @ 10.40% p.a.

iii Rupee loans of Rs. 43500.00 lacs (Previous year Rs. 28000.00 lacs) carrying interest in the range of 10.15% - 10.30% p.a. and Cash credit facilities carrying interest in the range of 9.95% - 14.95% p.a., from banks are secured by hypothecation of all the Company's current assets including all stocks and book debts and other movables, both present & future (except assets of Shipping Division). These loans are further secured by second charge on all the immovable properties (except assets of Shipping Division) of the Company.

Rupee loans, Foreign currency loans and Packing credit foreign currency loans carry interest in the range of 10.15% - 10.25% p.a., 0.63% - 1.89% p.a.and 2.33% - 3.49% p.a. respectively.

*The line of the credit facility is secured by way of pledged and secured by collateral interest in all rights, title, interest in, (i) all accounts; (ii) all General Intangibles; (iii) all cash or cash equlvalents; (iv) all Deposit Accounts with any bank or other financial institution; (v) and all accessories to, substitutions for and replacements, proceeds, insurance proceeds and products of the foregoing, together with all books and records, customer lists, credit files, computer files, programs, prinouts and other computer materials and records related thereto and any general intangibles at any time evidencing or relating to any of the foregoing but excluding deposit, escrow or similar accounts of the bowwowers held for the benefit of third parties in the ordinary course of business of the borrowers. Line of credit facility carry interest rate of 3.375% along with 0.50% as monthly commitment fees of the loan amount.

Maximum amount of commercial papers outstanding during the year - Rs.172500.00 lacs (Previous year Rs.117500.00 lacs).

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 10 : TRADE PAYABLES		
Trade payables (Including acceptances)		
Outstanding dues to Micro and Small Enterprises (refer note no.48)	43.58	46.57
Outstanding dues to other than Micro and Small Enterprises	30415.29	61721.93
	30458.87	61768.50

(Rs. in Lacs)

Particulars		As at March 31, 2014	As at March 31, 2013
NOTE 11 : OTHER CURRENT LIABILITIES			
Current maturity of long term borrowings (refer note no. 5)		22788.92	23720.90
Interest accrued but not due on loans		658.59	1131.51
Advance from customers		3699.19	3123.99
Earnest money / security deposits		5795.29	4733.21
Unclaimed statutory liabilities (as referred in Section 205C of the Companies Act, 1956):*			
- Unpaid dividend		1017.36	941.61
- Unpaid preference share capital		-	2.95
- Unpaid matured deposit		2.98	7.46
- Unpaid interest on above		1.22	1.71
Escrow liability**		338.87	874.73
Payable for capital goods		2936.41	1708.30
Forward contracts payable		13925.02	11081.69
Book overdraft		-	623.30
Statutory obligation payable		2191.24	1624.80
Accrued employee liabilities		3085.36	1972.07
Other liabilities		368.79	529.26
		56809.24	52077.49

* Amount payable to Investor Education and Protection Fund is Rs.0.12 lac (previous year Rs.1.10 lacs), since paid on due date.
** Escrow liability represents gross amount received from lenders, pending disbursements to borrowers.

NOTE 12 : SHORT-TERM PROVISIONS			
Provision for employees benefits			
Provision for gratuity (refer note no. 37)		194.48	31.16
Provision for leave encashment		2389.49	2456.62
Provision for post retirement medical benefits (refer note no. 37)		7.21	-
Others provisions			
Provision for taxation (net of advance tax payments)		310.66	5093.68
Provision for wealth tax		15.38	14.47
Provision for loss on derivative contract		444.35	598.05
Proposed dividend on equity shares	7908.05		
Less : Proposed dividend on equity shares held by Trust	42.81	7865.24	7908.05
Tax on proposed dividend		1343.97	1343.97
Provision for onerous contracts		375.98	404.71
Provision for litigations		822.50	490.87
		13769.26	18341.58
Movement of Provisions as required by Accounting Standard- 29 is as follows-			
Onerous Contract:			
Balance at the begining		602.16	-
Provision made during the year		273.46	584.97
Provision utilised		(558.53)	-
Unutilised provision reversed back during the year		-	-
Foreign currency translation reserve		58.89	17.19
Balance at the end*		375.98	602.16

* Onerous contract Nil (previous year Rs.197.45 lacs) has been disclosed under long term provisions.

Provisions for onerous contracts:

The Group had vacated some of its leased premises as it was unable to utilise the premises to their full capacity. These premises had been taken under non-cancellable lease arrangements till a future date. The Group has recognised a provision for these onerous lease contracts.

Litigation:		
Balance at the begining	490.87	359.82
Provision made during the year	439.43	158.15
Provision utilised	(182.69)	(44.55)
Unutilised provision reversed during the year	-	-
Foreign currency translation reserve	74.89	17.45
Balance at the end	822.50	490.87

This represents provision made for probable liabilities / claims rising out of pending disputes / litigations arising out of commercial transactions with vendor/others. Above provision is affected by numerous uncertainties and management has made efforts to make a best estimate. Timing of the outflow of resources will depend upon timing of decision in cases.

NOTE 13 : TANGIBLE ASSETS

(Rs in lacs)

Particulars	Land-Freehold	Land-Leasehold	Buildings	Leasehold Improve-ments	Leasehold Improv-ments (on Finance Lease)	Railway Siding	Plant & Machinery	Factory Equipments	Office Equipments	Office Equipments (on Finance Lease)	Furniture & Fittings	Vehicles	Ships	Total
Cost														
At April 01, 2012	325.59	587.28	21352.16	2061.53	302.26	2205.11	338050.28	1906.42	11037.38	313.80	1862.54	1011.83	184183.76	565199.94
Additions	417.61	344.52	1006.94	29.54	-	-	8,642.05	226.39	459.83	-	49.84	215.08	90.28	11482.08
Deletions	-	-	-	(0.96)	-	-	(5154.00)	(24.34)	(176.92)	-	(6.53)	(204.89)	(7456.16)	(13023.80)
Adjustment	-	-	-	-	-		1073.68	-	(48.12)	-	-	-	8911.39	9936.95
Forex Translation Adjustment	-	-	120.49	48.44	-	-	1109.16	4.58	304.04	11.17	42.48	3.21	-	1643.57
At March 31, 2013	743.20	931.80	22479.59	2138.55	302.26	2205.11	343721.17	2113.05	11576.21	324.97	1948.33	1025.23	185729.27	575238.74
Additions	-	-	1586.96	21.57	-	-	11043.07	205.38	493.90	131.99	39.41	158.70	387.23	14068.21
Deletions	-	(344.52)	(28.92)	-	-	-	(5838.75)	(23.79)	(77.79)	-	(15.25)	(135.73)	-	(6464.75)
Adjustment	-	-	85.05	-	-	-	2092.29	-	-	-	-	-	11627.58	13804.92
Forex Translation Adjustment	-	-	655.15	173.08	-	-	6029.74	26.32	1088.07	29.24	154.64	13.71	-	8169.95
At March 31, 2014	743.20	587.28	24777.83	2333.20	302.26	2205.11	357047.52	2320.96	13080.39	486.20	2127.13	1061.91	197744.08	604817.07
Depreciation														
At April 01, 2012	-	132.24	7290.65	1330.81	79.97	1596.94	233821.04	1143.52	9549.65	186.62	1612.82	475.00	37854.99	295074.25
Charge for the year	-	5.94	597.12	180.50	34.54	104.74	12030.82	91.10	588.53	38.08	95.81	145.13	9817.87	23730.18
Deletions	-	-	-	(0.44)	-	-	(4064.49)	(17.99)	(148.17)	-	(4.46)	(153.78)	(5820.08)	(10209.41)
Adjustment	-	-	-	-	-	-	-	-	(20.90)	-	-	-	-	(20.90)
Forex Translation Adjustment	-	-	83.94	43.65	-	-	534.44	3.49	293.57	7.76	41.18	2.76	-	1010.79
At March 31, 2013	-	138.18	7971.71	1554.52	114.51	1701.68	242321.81	1220.12	10262.68	232.46	1745.35	469.11	41852.78	309584.91
Charge for the year	-	5.94	659.14	102.26	34.54	94.34	12398.89	106.45	530.59	59.25	97.35	168.04	10358.31	24615.10
Deletions	-	-	(0.99)	-	-	-	(5402.12)	(20.21)	(47.06)	-	(7.54)	(94.90)	-	(5572.82)
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forex Translation Adjustment	-	-	445.68	163.44	-	-	5510.55	21.47	1070.46	31.89	150.89	(1.27)	-	7393.11
At March 31, 2014	-	144.12	9075.54	1820.22	149.05	1796.02	254829.13	1327.83	11816.67	323.60	1986.05	540.98	52211.09	336020.30
Net Block														
At March 31, 2013	743.20	793.62	14507.88	584.03	187.75	503.43	101399.36	892.93	1313.53	92.51	202.98	556.12	143876.49	265653.83
At March 31, 2014	743.20	443.16	15702.29	512.98	153.21	409.09	102218.39	993.13	1263.72	162.60	141.08	520.93	145532.99	268796.77

Notes :

1. Freehold land includes Rs.0.81 lac (Previous year 0.81 lac), which is yet to be registered in the Company's name.
2. Deletion from Leasehold land of Rs. 344.52 lacs represents surrender of land taken from Gujarat Industrial Development Corporation.
3. Gross Block and Accumulated Depreciation of Buildings includes Rs.0.71 lac (Previous year Rs.0.71 lac) and Rs.0.58 lac (Previous year Rs.0.57 lac) respectively represent undivided share in assets jointly.
4. Adjustment to Plant and Machinery includes additions of Rs.2108.72 lacs (Previous year additions of Rs.1073.72 lacs), adjustment to Building includes additions of Rs.85.05 lacs (Previous year additions Nil) and adjustment to ships includes additions of Rs.11627.58 lacs (Previous year additions of Rs.8911.39 lacs) being variations in rupee liability in respect of foreign currency.
5. Adjustment from Plant and Machinery includes Cenvat Credit of Rs.16.43 lacs (Previous year Nil) related to earlier years but availed during the year.
6. Capital work in progress (CWIP) includes preoperative expenses amounting to Rs.3536.60 lacs (Previous year Rs.1821.14 lacs) (Refer note no.35). Further, CWIP includes Rs.164.73 lacs (Previous year Rs.9.35 lacs) being variations in respect of foreign currency.

NOTE 14 : INTANGIBLE ASSETS

(Rs in lacs)

Particulars	Software	Software on Finance Lease	Intellectual Property Rights	Goodwill	Goodwill on Consolidation	Total
Gross Block						
At April 01, 2012	11121.31	114.54	2319.51	15067.87	19116.79	47740.02
Purchase during the year	1455.05	-	-	-	-	1455.05
Adjustment	48.15	-	-	-	-	48.15
Deletion	(1.53)	-	-	-	-	(1.53)
Forex Translation Adjustment	386.54	4.08	82.54	536.21	667.53	1676.90
At March 31, 2013	13009.52	118.62	2402.05	15604.08	19784.32	50918.59
Purchase during the year	3076.25	-	-	-	-	3076.25
Adjustment	-	-	-	-	-	-
Deletion	-	-	-	-	-	-
Forex Translation Adjustment	1560.13	14.69	297.42	1,932.07	2405.24	6209.55
At March 31, 2014	17645.90	133.31	2699.47	17536.15	22189.56	60204.39
Amortization						
At April 01, 2012	8897.88	36.41	2319.51	4760.26	-	16014.06
Charge for the year	1603.18	23.58	-	1349.37	-	2976.13
Deletion	(0.42)					(0.42)
Adjustment	20.90	-	-	-	-	20.90
Forex Translation Adjustment	317.00	1.99	82.54	209.05	-	610.58
At March 31, 2013	10838.54	61.98	2402.05	6318.68	-	19621.25
Charge for the year	2123.75	18.10	-	1479.70	-	3621.55
Deletion	-	-	-	-	-	-
Forex Translation Adjustment	1270.85	8.67	297.42	863.69	-	2440.63
At March 31, 2014	14233.14	88.75	2699.47	8662.07	-	25683.43
Net Block						
At March 31, 2013	2170.98	56.64	-	9285.40	19784.32	31297.34
At March 31, 2014	3412.76	44.56	-	8874.08	22189.56	34520.96

Note : For Goodwill on Consolidation, refer note no. 39.

(Rs. in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 15 : NON-CURRENT INVESTMENTS		
(Valued at cost unless otherwise stated)		
A. Investment in Equity Instruments		
Other than Trade (Unquoted)		
- 20,000 (Previous year 20,000) equity shares of Rs.10 each fully paid up in Shivalik Solid Waste Management Limited.	2.00	2.00
Other than Trade (Quoted)		
- 350 (Previous year 350) ordinary shares in StanCorp Financial Group, Inc., USA	8.08	7.19
B. Investment in Government Securities		
Other than Trade (Unquoted)		
- 6 Year National Savings Certificates VIII Issue (lodged with Govt. Authorities)	0.09	0.09
- Indira Vikas Patra	0.20	0.20
C. Investment in Bonds & Debentures		
Other than Trade (Unquoted)		
Debentures		
- 218 (Previous year 218) 5% Non Convertible Debentures of Woodlands Hospital and Medical Research Centre Ltd of Rs.100 each fully paid up	0.22	0.22
	10.59	9.70
Aggregate amount of unquoted investments	2.51	2.51
Aggregate amount of quoted investments (Market value: Rs 7.95 lacs (Previous year Rs.7.00 lacs)	8.08	7.19
NOTE 16 : LONG TERM LOANS AND ADVANCES		
(Unsecured, considered good unless stated otherwise)		
Capital advances	1101.21	1134.95
Balances with statutory/ government authorities	364.50	339.85
Loans to employees:		
a) Secured, considered good	250.52	320.97
b) Unsecured, considered good	52.85	160.93
Advance fringe benefit tax (Net of provision for fringe benefit tax)	3.70	3.70
Advance Income Tax (Net of Provision for taxation)	14447.62	14301.49
Prepaid Expenses	1116.00	1189.51
Deposits - others	1099.29	1133.48
	18435.69	18584.88
Considered doubtful:		
Balances with statutory/ government authorities	48.03	48.29
Less: Provision for doubtful advances	(48.03)	(48.29)
	18435.69	18584.88
Included in Loans to employees:		
Dues from directors of the Company	-	2.54
Dues from officers of the Company	0.29	3.72
NOTE 17 : OTHER NON-CURRENT ASSETS		
(Unsecured, except to the extent stated and considered good)		
Catalysts in use (value based on life technically assessed)	1695.93	1457.45
Non current bank balance (refer note no. 20)	14.06	5.62
Interest accrued on fixed deposits	1.54	0.42
	1711.53	1463.49
NOTE 18 : INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)		
Stores and spares {Including in transit Rs.31.43 lacs (Previous year Rs.33.21 lacs)}	12013.04	12021.92
Catalysts in use (valued based on life technically assessed)	525.06	381.66
Naphtha	526.80	741.55
Raw materials {Including in transit Rs.134.87 lacs (Previous year Rs.60.01 lacs)}	7083.36	8109.16
Loose tools	25.11	18.70
Packing materials	419.21	347.04
Waste (at net realisable value)	35.35	47.33
Work-in-process	3745.70	3212.09
Finished goods {Including in transit Rs.5174.05 lacs (Previous year Rs.4489.66 lacs)}	19533.56	33572.40
Traded goods {Including in transit Nil (Previous year Rs.8252.45 lacs)}	24646.45	67080.83
	68553.64	125532.68

(Rs. in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 19 : TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	313.62	1.60
Unsecured, considered good {Including subsidy receivable from Government of India Rs.38603.91 lacs (Previous year Rs.33801.48 lacs)	41115.43	35553.82
Unsecured, considered doubtful	2206.72	1750.34
Less: Provision for doubtful receivables	2206.72	1750.34
	41429.05	35555.42
Other receivables		
Secured, considered good*	4046.11	3715.37
Unsecured, considered good {Including subsidy receivable from Government of India Rs.258532.43 lacs (Previous year Rs.224869.28 lacs)	310474.33	319366.32
Unsecured, considered doubtful	109.18	253.59
Less: Provision for doubtful receivables	109.18	253.59
	314520.44	323081.69
	355949.49	358637.11

*Secured trade receivables includes Rs.349.02 lacs (Previous year Rs.251.29 lacs) secured against letter of credit.

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 20 : CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances with banks:		
On unpaid dividend / preference share capital / fixed deposit accounts	1017.36	944.56
On current accounts	8899.01	6480.22
On cash credit accounts	87.86	14641.35
On saving accounts	54.72	26.66
On fixed deposit accounts	312.55	8619.79
On escrow accounts	338.87	874.73
Cash on hand	12.52	7.04
Cheques/ drafts in hand	-	1.86
	10722.89	31596.21
Other bank balances:		
Deposit with original maturity for more than 12 months	14.06	14.62
Deposit with original maturity for more than 3 months but less than 12 months	9028.06	8302.58
	9042.12	8317.20
	19765.01	39913.41
Less: Deposit with maturity more than 12 months disclosed under non-current assets (refer note no. 17)	14.06	5.62
	19750.95	39907.79

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 21 : SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good unless stated otherwise)		
Advances recoverable in cash or in kind or for value to be received (Considered doubtful Rs.109.56 lacs, Previous year Rs.95.37 lacs)	5063.84	3229.63
Balances with statutory/ government authorities (Considered doubtful Rs.275.09 lacs, Previous year Rs.296.85 lacs)	5767.40	3561.24
Loans to employees:		
a) Secured	56.23	66.62
b) Unsecured	28.92	19.94
Deposits - others (Considered doubtful Rs.26.14 lacs Previous Year Rs.26.14 lacs)	568.12	307.70
Inter - corporate deposits	6000.00	4050.00
Advance to CFCL Employees Welfare Trust (refer note no. 42 (i)) (Considered doubtful Nil, Previous year Rs.573.98 lacs)	-	1710.10
Prepaid expense	1553.76	1932.57
Advance income tax (Net of provision for taxation)	6593.11	-
	25631.38	14877.80
Less: Provision for doubtful advances	410.79	992.34
	25220.59	13885.46
Included in Loans to employees :		
i. Dues from directors of the Company	2.65	1.60
ii. Dues from officers of the Company	3.42	3.23

(Rs. in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 22 : OTHER CURRENT ASSETS		
(Unsecured, except to the extent stated and considered good)		
Interest receivable on loans, deposits and others	185.97	260.88
Export benefits receivable	179.42	86.41
Insurance and other claims receivable	877.85	1012.67
Unamortised premium on forward contracts	3563.01	5601.22
Fertilisers Companies Govt. of India bonds (at lower of cost and market value)	0.10	0.10
Assets held for disposal (at lower of cost and realisable value)	311.93	192.00
Unbilled Revenue	916.83	1249.48
	6035.11	8402.76

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(Rs. in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31,2013
NOTE 23 : REVENUE FROM OPERATIONS		
Sale of Products:		
Sales of own manufactured products (including subsidy on fertilisers)	527398.82	444165.21
Sales of traded products (including subsidy on fertilisers)	262682.84	304361.54
Sale of Services:		
Income from operations of Shipping business {Including Rs.27,519.77 lacs from charter in ship (Previous Year Rs.7,193.22 lacs)}	58928.25	31651.86
Software development, KPO and BPO Services	38264.24	37565.94
Software licence fees	2634.38	571.10
Maintenance & support services	2924.29	3646.18
Other Opertating Revenues		
Export benefits	338.75	300.01
Others	208.43	33.98
Revenue from operations (gross)	893380.00	822295.82
Less: Excise duty #	2322.98	2095.99
Revenue from operations (net)	891057.02	820199.83

\# Excise duty on sales amounting to Rs.2322.98 lacs (Previous year Rs.2095.99 lacs) has been reduced from sales in the statement of profit and loss and excise duty on increase/ (decrease) in stock amounting to Rs.(51.63) lacs (Previous year Rs.35.53 lacs) has been considered as (income)/ expense as per note no. 29 of the financial statements.

Particulars	Year ended March 31, 2014	Year ended March 31,2013
NOTE 24 : OTHER INCOME		
Interest on		
- Fertilisers Bonds	0.01	0.01
- Employees loans	15.61	18.37
- Income Tax refunds	1485.65	675.00
- Deposit (Gross)	1685.86	1311.77
- Payment from customers	1792.71	328.59
- Others	17.00	24.81
Rent received (refer note no. 41 (ii))	111.04	150.72
Mark to Market gain on derivative transactions	1389.02	687.10
Insurance claims received	1190.07	817.94
Liabilities no longer required written back	214.78	123.62
Profit on sale of non trade current investments	1104.91	1819.43
Sale of scrap {Net of excise duty Rs.10.87 lacs (Previous year Nil)}	351.17	390.55
Foreign exchange variation	-	296.40
Profit on disposal of fixed assets (net)	-	752.83
Miscellaneous income	1139.69	704.69
	10497.52	8101.83
NOTE 25 : COST OF MATERIALS CONSUMED		
Opening inventories	8109.16	5709.39
Add: Purchases*	255193.27	221527.33
Less: Closing inventories	7083.36	8109.16
	256219.07	219127.56
* After adjustment for fluctuations in exchange rate	(114.36)	(11.06)

(Rs. in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31,2013	(Increase)/ decrease
NOTE 26 : DECREASE/ (INCREASE) IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS, TRADED GOODS AND WASTE			
Closing inventories			
- Work-in-process	3745.70	3212.09	(533.61)
- Finished goods	19533.56	33572.40	14038.84
- Traded goods	24646.45	67080.83	42434.38
- Waste	35.35	47.33	11.98
	47961.06	103912.65	55951.59
Opening inventories			
- Work-in-process	3212.09	2867.73	(344.36)
- Finished goods	33572.40	22223.82	(11348.58)
- Traded goods	67080.83	15977.22	(51103.61)
- Waste	47.33	6.44	(40.89)
	103912.65	41075.21	(62837.44)
	55951.59	(62837.44)	
Adjustment for fluctuation in exchange rate	246.97	(79.13)	
	56198.56	(62916.57)	
NOTE 27 : EMPLOYEE BENEFITS EXPENSE			
Salaries, wages and bonus*	35009.22	31962.41	
Contribution to provident and other funds	2322.26	2005.04	
Gratuity expenses (refer note no. 37)	328.50	319.76	
Post retirement medical benefits (refer note no. 37)	175.82	-	
Workmen and staff welfare expenses	2496.81	2314.21	
Employee Stock Option Scheme Expenses	644.21	389.73	
* Refer note no. 35	40976.82	36991.15	
NOTE 28 : FINANCE COSTS			
Interest expenses (Including interest on Income tax Rs.93.87 lacs (Previous year Rs.20.19 lacs))	20107.47	12500.47	
Bank charges and guarantee commission*	635.10	1324.91	
	20742.57	13825.38	
* Refer note no. 35			
NOTE 29 : OTHER EXPENSES			
Consumption of stores and spares*	5719.21	4641.43	
Consumption of packing materials	8665.22	8009.89	
Sub contracting expenses	8827.88	16545.42	
Power and fuel*	130750.78	111749.67	
Catalyst charges written off	508.08	440.43	
Rent (refer note no. 41(b) & (c)) (Prior period expense Nil (Previous year Rs.584.97 lacs))	5741.12	6415.92	
Rates and taxes	716.16	832.52	
Insurance	3158.58	2825.88	
Repairs and maintenance :			
- Plant & Machinery	3346.39	2415.70	
- Ships	705.71	561.03	
- Buildings	399.53	488.98	
- Others	2083.68	1721.12	
Ships bunker cost	12989.88	8522.28	
Ships port dues	3804.76	2635.63	
Ships special survey expenses	1156.14	734.04	
Directors' sitting fees	10.87	11.98	
Travelling and conveyance*	2822.07	3029.41	
Communication costs	970.39	1282.43	
Printing and stationery	202.62	195.78	
Legal and professional fees*	2037.30	1932.67	

(Rs. in Lacs)

Particulars	Year ended March 31,2014	Year ended March 31,2013
NOTE 29 : OTHER EXPENSES (Contd.)		
Auditor's remuneration		
As auditor:		
- Audit fee	228.31	62.69
- Tax audit fee	8.82	8.15
- Limited review fee	24.78	24.78
- Out of pocket expenses	5.62	5.25
In other manner:		
- Certification and other services	31.92	38.20
Excise duty on increase/ (decrease) in inventories	(51.63)	35.53
Freight and forwarding charges	44336.64	45291.86
Other selling expenses	793.82	1067.12
Cash rebate to customers	493.22	419.79
Commission and brokerage to other than sole selling agents	2193.49	1144.01
Donations and contribution to :		
- Charitable institutions	53.80	15.38
- Satya Electoral Trust	200.20	-
Depletion of loose tools	20.63	15.22
Green belt development/ horticulture expenses	252.54	293.55
Provision for doubtful advances and debts	88.34	853.75
Loss on foreign exchange variation (net)	1179.23	-
Premium on forward contracts amortised	12296.22	14022.30
Loss on disposal off of fixed assets (net)	164.08	-
Bank charges and guarantee commission (other than financing)*	113.62	179.07
Irrecoverable debts and advances written off	0.98	465.67
Miscellaneous expenses *	3366.20	2963.34
	260417.20	241897.87

* Refer note no. 35

NOTE 30 : EXCEPTIONAL ITEM		
Reversal of Interest under AS 16 para 4(e) *	-	(1195.73)
	-	(1195.73)

* In pursuance of clarification dated August 9, 2012 issued by Ministry of Corporate Affairs, Government of India, the Company had, in the last year changed the accounting policy w.e.f from April 1, 2011 in respect of foreign exchange fluctuation as prescribed under AS -16 para 4(e) and accounted for the foreign exchange differences arising from foreign currency borrowings purely as per AS-11 - "The Effects of Changes in Foreign Exchange Rates". Consequent to the above, Rs.1195.73 lacs earlier recognized as borrowing cost in Financial Year 2011-12 was reversed and shown as exceptional income during the previous year.

NOTE 31 : EARNINGS PER SHARE (EPS)		
Net profit after tax as per Statement of Profit and Loss	24412.42	23851.59
Calculation of weighted average number of equity share of Rs.10 each		
- Number of shares at the beginning of the year	416,207,852	416,207,852
- Total equity shares outstanding at the end of the year	416,207,852	416,207,852
- Weighted average number of equity shares outstanding during the year	416,207,852	416,207,852
Basic and Diluted Earnings Per Share (in Rs.)	5.87	5.73
Nominal Value of Equity Shares (in Rs.)	10.00	10.00

C. Notes to Accounts

32. THE GROUP COMPRISES OF THE FOLLOWING ENTITIES :

Name of the Group Company	Country of Incorporation	Percentage of Ownership as at 31.03.2014	Percentage of Ownership as at 31.03.2013
Subsidiaries			
Chambal Infrastructure Ventures Limited (CIVL)	India	100.00%	100.00%
CFCL Overseas Limited (COL)	Cayman Islands	100.00%	100.00%
India Steamship Pte Limited ("ISS Pte")	Singapore	100.00%	100.00%
India Steamship International FZE (subsidiary of ISS Pte)	UAE	100.00%	100.00%
India Steamship Limited	India	100.00%	100.00%
Step-down Subsidiaries of CIVL			
Chambal Energy (Orissa) Limited	India	100.00%	100.00%
Chambal Energy (Chhattisgarh) Limited	India	100.00%	100.00%
Step-down Subsidiary of COL			
CFCL Technologies Limited (CTL)	Cayman Islands	72.27%	72.27%
Step-down Subsidiaries of CTL			
ISGN Corporation- erstwhile Novasoft Information			
Technology Corporation ("NITC")	U.S.A	100.00%	100.00%
CFCL Ventures Limited (CVL)	Cayman Islands	100.00%	100.00%
Step-down Subsidiaries of NITC			
ISGN Solutions, Inc ("ISGN")	U.S.A	100.00%	100.00%
Step-down Subsidiaries of ISGN			
Richmond Title Genpar, LLC ('Genpar')	U.S.A	100.00%	100.00%
Richmond Investors, LLC	U.S.A	100.00%	100.00%
Richmond Title Services, LP ('Richmond LP')	U.S.A	100.00%	100.00%
ISGN Fulfillment Services, Inc. (Pennsylvania)	U.S.A	100.00%	100.00%
Step-down Subsidiaries of ISGN Fulfillment Services, Inc			
ISGN Fulfillment Services, Inc. #	U.S.A	100.00%	100.00%
ISGN Fulfillment Agency, LLC #	U.S.A	100.00%	100.00%
ISGN Fulfillment Agency of Alabama, LLC.	U.S.A	-	100.00%
(dissolved effective July 30, 2013)#			
Step-down Subsidiaries of CVL			
ISG Novasoft Technologies Limited ('ISGNTL')	India	100.00%	100.00%
Inuva Info Management Private Limited ('INUVA') -			
Subsidiary of 'ISGNTL'	India	71.00%	71.00%
Joint Venture			
Indo Maroc Phosphore S.A, Morocco	Morocco	33.33%	33.33%

These entities being license companies and there are no assets and liabilities in these companies.

33A CONTINGENT LIABILITES (NOT PROVIDED FOR) IN RESPECT OF PARENT COMPANY:

(Rs. in Lacs)

(a)

S.No.	Particulars	2013-14	2012-13
i)	Bills discounted with bank and remaining outstanding as on date		153.06
ii)	Demand raised by Customs, Sales Tax and Income Tax (IT) authorities being disputed by the Company*	469.79	582.74
iii)	Penalty levied by FERA Board under appeal before the Calcutta High Court	1.30	1.30
iv)	Claim against Nihat Shipping Company Limited in legal suits / notices, in which the Parent Company has been made a party, is being contested, since the Company acted as Agents / Technical & Operational Managers	222.04	222.04
v)	Various labour cases	Amount not ascertainable	Amount not ascertainable
vi)	Other claims against the Company not acknowledged as debts	386.77	343.75

* Brief description of liabilities for (ii) above :

(Rs. in Lacs)

S.No.	Particulars	2013-14	2012-13
1	**Income Tax :**		
	Demand raised by IT authorities on account of various disallowances for AY 2003-04 including penalties.	1.28	1.28
	Demand raised by IT authorities on account of various disallowances for AY 2004-05 including penalties.	5.87	5.87
	Demand raised by IT authorities on account of various disallowances for AY 2008-09 including penalties.	123.23	-
	Demand raised by IT authorities on account of various disallowances for AY 2009-10.	98.50	90.00
	Demand raised by IT authorities on account of various disallowances for AY 2010-11.	70.33	323.96
	Demand raised by IT authorities on account of various disallowances for AY 2011-12.	104.37	-
	Demand raised by IT authorities on account of short deduction of TDS and interest thereon for AY 2008-09 to 2012-13	0.99	74.94
2	**Sales Tax :**		-
	Disallowance of VAT credit on raw materials used in the manufacturing of finished goods and lying in stock on April 1, 2006.	22.18	22.18
	Demand raised by The Asstt. Commissioner of Commercial Taxes, Patliputra Circle, Patna for FY 2006-07 & 2007-08 and pending matter before the Commercial Taxes Tribunal, Bihar, Patna.	-	8.09
	Miscellaneous Rajasthan Sales Tax and Central Sale Tax demand.	38.47	38.47
3	**Service Tax / Excise Duty :**		
	Service Tax demand received on services from foreign parties in respect of service tax not paid on Tax deducted at source (TDS) portion.	4.57	4.57
4	**Land Tax**		
	Demand raised by Sub-registrar (Digod) towards levy of land tax on land at Gadepan, Kota for F.Y 2011-12 & F.Y. 2012-13.	-	13.38
	Total	469.79	582.74

(b) The Parent Company had received a demand of Rs.352.34 lacs (Previous year Rs.352.34 lacs) from Sales Tax Department, Kota in an earlier year towards use of natural gas for ammonia fuel, power and steam generation for the period April, 1996 to May, 2001. The Parent Company has obtained a stay from Hon'ble High Court of Rajasthan, Jodhpur on 11th July, 2001. However, in the event of the Parent Company having to pay the above, it is reimbursable by Fertiliser Industrial Coordination Committee (FICC) / Government of India under Subsidy Scheme.

(c) The Parent Company as well as other users of natural gas under HBJ Gas Pipeline had in earlier years received letters from GAIL (India) Limited (erstwhile Gas Authority of India Ltd), informing about the possibility of levy of excise duty on natural gas (presently not levied) with retrospective effect. The amount of such levy is not ascertainable. However, in the event of its levy, it is reimbursable by Fertiliser Industry Coordination Committee (FICC) of Ministry of Chemicals and Fertilisers, the Government of India under Subsidy Scheme.

(d) The Parent Company as well as other users of Natural Gas under HBJ Gas Pipeline had received a letter in an earlier year from GAIL (India) Limited (erstwhile Gas Authority of India Ltd), informing about the possibility of levy of Central Sales Tax. The Parent Company has been taking the delivery of Gas in the State of Rajasthan and has been accordingly paying Rajasthan Sales Tax on the supply. Therefore, the Parent Company feels that no Central Sales Tax is payable by it. Further, the amount of such levy is not ascertainable. However, in the event of its levy, it is reimbursable by Fertiliser Industry Coordination Committee (FICC) of Ministry of Chemicals and Fertilisers, the Government of India under Subsidy Scheme.

(e) Under the Jute Packaging Material (Compulsory use of Packing Commodities) Act, 1987, a specified percentage of fertilisers dispatched were required to be supplied in Jute bags up to 31.8.2001. The provisions of the said Act were challenged in the Supreme Court, which upheld the constitutional validity of this Act in its judgment in 1996. In spite of making conscious efforts to step up use of jute packaging material, the Parent Company had been unable to adhere to the specified percentage, due to strong customer resistance to use of jute bags. The Parent Company had received show cause notice from the Office of the Jute Commissioner, Kolkata, for levying a penalty of Rs.7380.36 lacs (Previous year Rs. 7380.36 lacs) for non compliance of the provisions of the said Act. The Parent Company has obtained a stay order from Delhi High Court against the above show cause notice and has been advised that the said levy is not tenable in law and accordingly no provision has been considered.

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

33B CONTINGENT LIABILITES (NOT PROVIDED FOR) IN RESPECT OF SUBSIDIARIES :

Claims lodged / suits filed against the Group by customers are as given below. The details of the cases, the amount of claim (wherever quantifiable) and the subsidiary of the Group involved is as presented below:

a) **Richmond Title Services (RTS)**

- Title insurance underwriter has claimed that there were multiple errors by RTS in a title search for a refinance transaction resulting in damages amounting to USD 86,500 (Rs. 53.47 lacs). The subsidiary company is unable to make an estimate at this stage as to the probable outcome of this litigation.
- Lawsuit by borrowers for fraudulent inducement to purchase 10 properties that were part of an alleged illegal flipping scheme. RTS named as defendant because it performed the title work. Errors and Omissions (E&O) carrier has accepted the claim and the Group's deductible is USD 25,000 (Rs.15.45 lacs). Matter is currently stayed due to the plaintiff and one defendant filing for bankruptcy. The Group's liability for this claim is not expected to be material.

b) **ISGN Corporation Inc**

- Lawsuit filed by Delmar claiming damages for malfunctions in the Company's MORvision technology product being used by Delmar. Delmar has stated that there are error in calculations performed by the product due to which it may have had to repurchase certain loans calculated with the faulty software. The Company is contesting this case vigorously as it does not believe the claim has any merit and has stated in its response that the error has occurred due to user's mistake, i.e. Delmar's employees' mistakes. The Company and its external legal counsel, are unable to make an estimate at this stage as to the probable outcome of this litigation. However, based on the facts and circumstances, the Company does not believe there will be any loss to the Company in this matter.

c) **ISG Novasoft Technologies Limited.**

- Adjustments to taxable income made for the Assessment Year 2007-2008 (Financial Year 2006-07), Assessment Year 2008-09 (Financial Year 2007-08) and Assessment Year 2009-2010 (Financial Year 2010-11) amounting to USD 0.15 million (Rs.92.72 lacs) , USD 0.50 million (Rs.309.05 lacs) and USD 0.47 million (Rs.290.51 lacs) respectively by the Deputy Commissioner of Income-tax on account of differential transfer pricing margin are contested before the Commissioner of Income-tax, New Delhi, India. The Company's management considers these additions to gross margin as not tenable against the Company, and therefore no provision for this tax contingency has been established.

34. CAPITAL COMMITMENT

(Rs. in Lacs)

Particulars	2013-14	2012-13
Estimated amount of contracts remaining to be executed on Capital account (net of advances)	8030.91	11441.51

35. PRE-OPERATIVE EXPENDITURE

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

Particulars	2013-14	2012-13
Opening Balance	1821.14	412.16
Add : Expenditure during the year		
Salaries, wages and bonus	181.80	115.09
Consumption of stores and spares	-	12.49
Travelling and conveyance	9.45	5.34
Power and fuel	-	7.95
Legal and professional fees	1235.59	807.30
Bank charges and guarantee commission	0.04	0.04
Miscellaneous expenses	288.58	653.65
Total	3536.60	2014.02
Less : Allocated to fixed assets on commencement of production in SSP plant	-	192.88
Net pre-operative expenditure (pending for allocation)*	3536.60	1821.14

* Related to the upcoming Urea manufacturing plant under the New Investment Policy 2012 and power projects. However, the Parent Company is in the process of getting the approval of Urea manufacturing plant from the Government of India.

36. SEGMENT INFORMATION

Primary Segment : Business Segment

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

The Group's operating businesses are organized and managed separately according to the nature of products manufactured, traded and services provided. The six identified reportable segments are Own Manufactured Fertilisers, Own Manufactured Phosphoric Acid, Trading, Textile, Shipping and Software & others.

The "Own Manufactured Fertilisers Segment" includes manufacture and marketing of Urea & SSP. Urea price is fully controlled by the Government of India (GOI) and distribution is partly controlled.

The "Own Manufactured Phosphoric Acid Segment" (P2O5) includes manufacturing and marketing of Phosphoric Acid.

The "Trading segment" includes the purchase and sale of Fertilizers and Agricultural Inputs and this activity, though different in risk perception from own manufactured urea, is carried out mainly with an objective of providing Fertilizers/ Agricultural Inputs under one roof.

The"Textile segment" includes manufacturing and sale of synthetic and cotton yarn.

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

The 'Software & Others Segment" includes software business, power & infrastructure activities of the Group.

The following table presents segment revenue, results, assets & liabilities in accordance with AS-17 as on March 31, 2014

(Rs. In lacs)

Particulars	Own Manufactured Urea		P_2O_5		Trading		Shipping		Textile		Software & others		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Revenue														
External Sales (including other operating revenue)	436440.42	360478.21	49045.08	43649.49	262880.70	304385.02	58928.26	31651.86	39939.65	38252.03	43822.91	41783.22	891057.02	820199.83
Inter Segment Sales	-	-	-	2,646.0	-	(2,646.0)	-	-	-	-	-	-	-	-
Total Sales	436440.42	360478.21	49045.08	46295.50	262880.70	301739.01	58928.26	31651.86	39939.65	38252.03	43822.91	41783.22	891057.02	820199.83
Results														
Segment Results	39416.28	47699.81	1835.10	152.19	16027.88	22548.17	(1408.89)	(2083.22)	2620.91	2012.77	(1265.06)	(7934.97)	57226.22	62394.75
Unallocated Expenses (net)	-	-	-	-	-	-	-	-	-	-	-	-	13207.15	16263.09
Operating Profit before Exceptional Items	-	-	-	-	-	-	-	-	-	-	-	-	44019.07	46131.66
Exceptional Item	-	-	-	-	-	-	-	-	-	-	-	-		(1195.73)
Interest Expenses	-	-	-	-	-	-	-	-	-	-	-	-	20107.47	12500.47
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	4996.84	2358.55
Dividend Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	5456.62	15972.55
Net Profit after Exceptional Items	-	-	-	-	-	-	-	-	-	-	-	-	23451.82	21212.92
Share of Minority Interest in losses	-	-	-	-	-	-	-	-	-	-	-	-	960.60	2638.67
Net Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	24412.42	23851.59
Other Information														
Segment Assets	398146.60	343564.74	24567.70	21208.73	105916.13	221108.16	156617.01	153712.77	24732.59	21102.84	49819.62	47693.49	759799.65	808390.73
Unallocated Assets	-	-	-	-	-	-	-	-	-	-	-	-	44480.89	60931.60
Total Assets	-	-	-	-	-	-	-	-	-	-	-	-	804280.54	869322.33
Segment Liabilites	18896.84	21597.74	10903.32	10297.91	2687.30	27053.05	4589.80	3982.68	2129.05	2308.63	7482.60	10541.96	46688.91	75781.97
Unallocated Liabilites	-	-	-	-	-	-	-	-	-	-	-	-	544808.12	602660.64
Total Liabilites	-	-	-	-	-	-	-	-	-	-	-	-	591497.03	678442.61
Capital Expenditure	14062.35	9570.39	838.17	271.46	-	-	12138.24	9049.92	597.38	152.76	2437.02	2185.33	30073.15	21229.86
Unallocated Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	196.49	88.37
Depreciation	10909.47	10570.27	1118.43	1006.32	-	-	10460.50	9912.64	1536.15	1567.56	4087.63	3495.65	28112.18	26552.44
Unallocated Depreciation/ Amortisation	-	-	-	-	-	-	-	-	-	-	-	-	124.47	153.87
Non cash Expenses other than Depreciation & Amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Secondary Segment : Geographical Segment

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

Secondary Segment Reporting (by Geographical Segments)

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

(Rs.in lacs)

Particulars	2013-14	2012-13
Revenue within India	812693.72	752713.68
Revenue from outside India	78363.30	67486.15
Total	891057.02	820199.83

Geographical segment wise receivables :

(Rs.in lacs)

Particulars	2013-14	2012-13
Receivables within India	345744.61	347010.99
Receivables from outside India	10204.88	11626.12
Total	355949.49	358637.11

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

37. GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS :

(a) Gratuity

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

(b) Provident Fund

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

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

Statement of Profit and Loss (Rs. in Lacs)

Particulars	Trust Managed Provident Fund		Gratuity	
	2013-14	2012-13	2013-14	2012-13
Current service cost	351.90	325.62	287.67	202.51
Interest cost on benefit obligation	-	-	162.59	142.07
Expected return on plan assets	-	-	(165.06)	(122.63)
Net actuarial (gain) / loss recognised in the year	-	-	43.30	97.81
Past service cost	-	-	-	-
Net expense	351.90	325.62	328.50	319.76
Actual return on plan assets	-	-	111.20	138.01

Balance Sheet

Funded status and amount recognised in the Balance Sheet

(Rs. in Lacs)

Particulars	Trust Managed Provident Fund		Gratuity	
	2013-14	2012-13	2013-14	2012-13
Defined benefit obligation	8198.18	7450.40	2369.35	2049.63
Fair value of plan assets	8479.94	7623.41	2036.41	1847.72
Plan assets / (liability) *	281.76	173.01	(332.94)	(201.91)

* Plan assets of Rs.281.77 lacs (Previous year Rs.173.01 lacs) has not been recognised in the financial statements, as the surplus of the trust, is distributable among the beneficiaries of the provident fund trust.

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

(Rs. in Lacs)

Particulars	Trust Managed Provident Fund		Gratuity	
	2013-14	2012-13	2013-14	2012-13
Opening defined benefit obligation	7450.40	6501.67	2049.63	1791.22
Interest cost	651.91	552.64	162.59	142.07
Contribution by plan participant / employees	629.48	591.81	-	-
Current service cost	351.90	325.62	287.62	202.51
Past service cost	-	-	-	-
Benefits paid out of funds	(881.63)	(496.97)	(115.38)	(149.53)
Benefits paid by the Group	-	-	(42.20)	(52.77)
Acturial (gains) / losses on obligation	(83.30)	(49.40)	24.95	114.24
Settlement / transfer in	79.42	25.03	-	-
Effect of exchange rate changes	-	-	2.14	1.89
Closing defined benefit obligation	8198.18	7450.40	2369.35	2049.63

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

(Rs. in Lacs)

Particulars	Trust Managed Provident Fund		Gratuity	
	2013-14	2012-13	2013-14	2012-13
Opening fair value of plan assets	7623.41	6577.04	1847.72	1301.98
Expected return	667.04	559.05	165.06	122.63
Contribution by employer	351.90	325.62	154.51	554.21
Plan participants / Employee Contribution	629.48	591.81	-	-
Benefits paid	(881.63)	(496.97)	(115.38)	(149.53)
Acturial (gains) / losses on obligation	10.32	41.83	(18.40)	17.11
Settlement / transfer in	79.42	25.03		
Effect of exchange rate changes	-	-	2.90	1.32
Closing fair value of benefit obligation	8479.94	7623.41	2036.41	1847.72

The Company expects to contribute Rs.269.76 lacs (approx.) and Rs.360.00 lacs (approx.) to gratuity trust fund and provident fund trust respectively in the financial year 2014-15.

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

Particulars	Trust Managed Provident Fund (%)		Gratuity (%)	
	2013-14	2012-13	2013-14	2012-13
Investments with insurers/others	100	100	100	100

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.
The principal assumptions used in determing gratuity and trust managed provident fund for the Company's plans are shown below :

Particulars	Trust Managed Provident Fund		Gratuity	
	2013-14	2012-13	2013-14	2012-13
Discount rate (%)	8.75	8.50	8.50 to 8.60	8.00 to 8.01
Expected rate of return (%)	8.75	8.50	8 to 8.50	7.75 to 9.25
Employee turnover rate (%)	2 to 10	2 to 10	2 to 35	2 to 40

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

Amounts for the current and previous four periods in respect of gratuity and current year and previous one year in respect of Trust managed provident fund are as follows:

(Rs.in lacs)

Particulars	Trust Managed Provident Fund		Gratuity				
	2013-14	2012-13	2013-14	2012-13	2011-12	2010-11	2009-10
Defined Benefit Obligation	8198.18	7450.40	2369.35	2049.63	1791.22	1325.49	1111.04
Plan assets	8479.94	7623.41	2036.41	1847.72	1301.98	1003.80	257.89
Surplus / (deficit)	281.76	173.01	(332.94)	(201.91)	(489.24)	(321.69)	(853.15)
Experience adjustment on plan assets - gain / (loss)*	-**	-**	(39.02)	16.72	24.13	24.13	1.92
Experience adjustment on plan liabilities - gain / (loss)*	-**	-**	(5.26)	(69.79)	(24.50)	(24.92)	(0.68)

* Experience adjustment on plan assets/liability in case of gratuity does not include details of software division in absense of details in certificate.
** The amount would not be material in the opinion of the management in case of provident fund.

(c) **Post Retirement Medical Benefits Plan**

The Parent Company has post retirement medical benefit scheme in the nature of defined benefit plan which is unfunded. The following table summarises the components of net benefit/ expense recognised in the statement of Profit and Loss and Balalnce Sheet for the plan.

Statement of Profit and Loss:

(Rs. in Lacs)

Particulars	2013-14
Current Service Cost	17.67
Interest Cost on defined benefit obligation	-
Expected return on plan assets	-
Expenses related to earlier years	-
Net actuarial (Gains)/ Losses	158.15
Total Expense	175.82

Balance Sheet

Net Liability recognised in the Balance Sheet

(Rs. in Lacs)

Particulars	2013-14
Present value of defined benefit obligation	170.12
Plan assets	-
Net Liability	170.12

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

(Rs. in Lacs)

Particulars	2013-14
Obligation in the beginning of the year	-
Current service cost	17.67
Interest cost	-
Benefits paid by the Company	(5.70)
Actuarial losses/ (gains)	158.15
Obligation at the end of the year	170.12

Actuarial assumptions:

Particulars	2013-14
Discount rate	8.50%
Withdrawal rate	2% to 10%
Medical cost escalation rate	3.00%
Mortality	LIC Annuitants (1996-98) ultimate

Amount for the current year are as follows:

(Rs. in Lacs)

Particulars	2013-14
Defined benefit obligation	(170.12)
Plan assets	-
Surplus/ (deficit)	(170.12)
Experience adjustment on plan liabilities gain/ (loss)	(158.15)
Experience adjustment on plan assets gain/ (loss)	-

Contribution to Defined Contribution Plans :

(Rs.in lacs)

Particulars	2013-14	2012-13
Provident Fund / Pension Fund*	453.80	380.39
Superannuation Fund	117.01	118.11

*Provident fund in respect of textile division of the Parent Company and Pension fund in respect of all divisions of the Company and subsidiaries of the Group .

38. RELATED PARTY DISCLOSURES

During the year, the Group entered into transactions with the related parties. Those transactions along with related balances as at March 31, 2014 and for the year then ended are presented in the following table.List of related parties along with nature and volume of transactions is given below:

a) **Joint Ventures**

Indo Maroc Phosphore S.A. Morocco

(Rs.in lacs)

Particulars	2013-14		2012-13	
Reimbursement of expenses		23.29		43.53
	23.29		43.53	
Purchase of Traded goods	-			5438.81
	-		5438.81	
Outstanding balances as at the year end		12.04		27.06
Other receivables	12.04		27.06	

(b) **Key Management Personnel and their relatives**

Mr. Anil Kapoor

(Rs.in lacs)

Nature of Transactions	2013-14		2012-13	
Remuneration paid to Managing Director*		303.81		255.88
Mr. Anil Kapoor	303.81		255.88	
Interest income on loan given to Managing Director		0.16		0.23
Mr. Anil Kapoor	0.16		0.23	
Outstanding balances as at the year end		2.65		4.14
Loan receivable				
Mr. Anil Kapoor	2.65		4.14	

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

39. Goodwill in the Balance Sheet as per the details given below represents goodwill of ISGN Corporation, ISGN Solutions Inc, Richmond entities and ISGN Fulfillment Services Inc. and its subsidiaries. Such Goodwill has been tested for impairment using the cash flow projections that are based on most recent financials budgets / forecasts approved by management.

(Rs.in lacs)

Particulars	2013-14	2012-13
ISGN Corporation	3602.17	3244.82
ISGN Solutions Inc.	2712.51	2413.65
Richmond entities	2136.71	1901.30
ISGN Fulfillment Services Inc. and its Subsidiaries	13738.17	12224.55
Total	22189.56	19784.32

40. GOVERNMENT GRANTS AND SUBSIDIES

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

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

Current year's subsidy income is inclusive of Rs.2872.89 lacs (Previous year Rs.4964.36 lacs) being the subsidy income, pertaining to earlier years, but determined during the year.

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

Current year's subsidy income is inclusive of Rs.(-)1014.87 lacs (Previous year Rs.477.52 lacs) being the subsidy income, pertaining to earlier years but determined during the year.

(c) Subsidy on traded fertilisers (Gypsum) has been accounted as notified by the Government of Rajasthan.

(d) The Textile Division of the Parent company is eligible for interest concession under the TUFS (Technology Upgradation Fund Scheme) of the Government of India. Accordingly, the Company has availed interest concession of Rs.242.65 lacs (Previous year Rs.318.23 lacs) during the year and reduced the same from interest expenses.

41. LEASES

(i) Assets taken on lease

(a) The Group is having certain fixed assets taken on finance lease of Rs.921.77 lacs (Previous year Rs. 745.86 lacs). The lease payment made during the year amounts to Rs.236.75 lacs (Previous year Rs.207.06 lacs), out of which Rs.141.42 lacs (Previous year Rs.115.48 lacs) has been adjusted against Principal and Rs.95.33 lacs (Previous year Rs.91.58 lacs) has been shown as interest expense. The interest rate for various leases varies from 11.50% to 27.34%. 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, 2014 is as follows:

(Rs.in lacs)

Period	2013-14			2012-13		
	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	238.42	162.78	75.64	211.50	120.07	91.43
Payable after one year but before 5 years	349.03	236.42	112.61	440.18	253.05	187.13
Payable after 5 years	-	-	-	38.67	36.17	2.50

(b) The Group has entered into Operating Lease Agreements for the premises which are non- cancelable. The lease payments recognized in the Statement of Profit and Loss during the year amounts to Rs.2,888.61 lacs (Previous year Rs.2,800.85 lacs). The renewal of lease will be as per the mutual understanding of lessee and lessor and there is no escalation clause. There are no restrictions imposed by lease arrangements and there are no sub-leases. The break up of minimum lease payment outstanding as at March 31, 2014 is as follows:

(Rs.in lacs)

Period	Minimum Lease Payments	
	2013-14	2012-13
Payable within one year	1892.90	2347.22
Payable after one year but within five years	5777.50	5967.11
Payable after five year	646.88	1492.07

(c) The lease payments, other than cases covered in point no. (b) above i.e. non - cancelable leases, recognized in the Statement of Profit and Loss during the year amounts to Rs.2,852.51 lacs (Previous year Rs.3,615.07 lacs). The renewal of leases will be as per the mutual understanding of lessee and lessor and there is no escalation clause. There are no restrictions imposed in the lease agreements.

(ii) Assets given on lease

(a) The Group has sub-leased office premises under non cancellable operating leases. The lease terms range from 6 months to three years.
Rent income for such operating leases recognized in the Statement of Profit and Loss for the year is US $ 166,336 (Rs.97.46 lacs) (Previous Year US $ 263,682 (Rs.140.89 lacs)).
Future minimum lease payments are as follows:

(Rs.in lacs)

Period	Minimum Lease Payments	
	2013-14	2012-13
Payable within one year	175.18	96.35
Payable after one year but within five years	249.04	386.46
Payable after five year	424.22	7.64

(b) The lease income, other than cases covered in point no.(a) above i.e. non - cancellable leases, recognised in the Statement of Profit and Loss during the year amounts to Rs.13.58 lacs (Previous year Rs.9.83 lacs). The renewal of lease will be as per mutual understanding of lessee and lessor and there is no escalation clause. There are no restrictions imposed by lease arrangements.

42. EMPLOYEES STOCK OPTION SCHEME

(i) Holding Company

Employee Stock Option Plan

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

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Date of grant	16/Sep/10	22/Jan/11	10/May/11	17/Oct/11	11/May/12
Date of Board Approval	08/May/10	08/May/10	08/May/10	08/May/10	08/May/10
Date of Shareholder's approval	27/Aug/10	27/Aug/10	27/Aug/10	27/Aug/10	27/Aug/10
Number of options granted	2,850,000	300,000	220,000	100,000	270,000
Method of settlement (cash / equity)	Equity	Equity	Equity	Equity	Equity
Exercise period*	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting	5 years from the date of vesting
Vesting conditions	Continued employment and individual performance	Continued employment and individual performance	Continued employment and individual performance	Continued employment and individual performance	Continued employment and individual performance

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

Vesting Schedule :

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

Movement in option have been summarized below :

Particulars	FY 2013-14	FY 2012-13
	No. of options	No. of options
Outstanding at the beginning of the year	3,104,200	2,996,200
Granted during the year	-	270,000
Forfeited during the year	228,900	162,000
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	2,875,300	3,104,200
Exercisable at the end of the year	1,285,300	734,200
Weighted average remaining contractual life (in years)	3.03	4.03
Weighted average Exercise price (in Rs.)	74.76	74.76

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

Tranche	Weighted Avg. fair value of options	Range of exercise price (in Rs.)	Number of options outstanding (Qty)	Weighted average remaining contractual life of options (in years)	Weighted Avg. exercise price (in Rs.)
1	27.12	73.50	2,177,400	2.80	73.50
2	28.84	76.85	247,900	2.80	76.85
3	34.59	82.90	160,000	3.80	82.90
4	41.48	101.10	100,000	3.80	101.10
5	31.48	69.40	190,000	4.80	69.40

Stock Options granted

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

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Weighted average share price (Rs.)	73.50	76.85	82.90	101.10	69.40
Exercise Price (Rs.)	73.50	76.85	82.90	101.10	69.40
Expected volatility	63.06%	63.94%	63.76%	62.18%	63.06%
Life of the options granted (vesting and exercise period) in years	2.80	2.80	3.80	3.80	4.80
Average risk-free interest rate	7.79%	8.05%	8.21%	8.29%	8.47%
Expected dividend yield	7.02%	7.02%	5.77%	5.77%	4.62%

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

In FY 2010-11, CFCL Employees Welfare Trust ("Trust") was constituted, inter alia, for the purpose of subscribing/ acquiring equity shares of Chambal Fertilisers and Chemicals Limited from the Company /Secondary market , to hold the shares and to allocate/ transfer these shares to eligible employees of the Parent Company from time to time on the terms and conditions specified under the Plan. The Board of Directors at its meeting held on May 8, 2010 had approved grant of financial assistance upto Rs.3,000 lacs by the Company to Trust in such manner and on such terms as agreed between the trustee(s) of the Trust and Managing Director of the Company for the purpose of subscribing/acquiring shares of the Parent Company. The outstanding loan to the trust as at March 31, 2014 is Rs.1665.10 lacs.(Previous year Rs.1710.10 lacs) Trust has purchased 2,442,202 equity shares (Previous year 2,442,202 equity shares) of the Parent Company from the open market, out of interest free loan provided by the Parent Company till March 31, 2014.

In the last year, SEBI vide its circular no.CIR/CFD/DIL/3/2013 dated 17.01.2013, prohibited listed entities to frame or continue ESOP schemes through trust formed for the purpose of acquiring its own shares for the purpose of the scheme. For the existing schemes SEBI had earlier given a time limit upto June 30, 2013 to comply with the circluar. In view of the same, advance given to ESOP trust was considered as short term in the last year and accordingly based on prudence, provision of Rs.573.98 lacs towards diminution was made in the books in the last year. During the year, SEBI vide its circular no. CIR/CFD/DIL/7/ 2013 dated May 13, 2013 permitted companies to continue to hold the already acquired shares through Trust to meet its ESOP obligation. Accordingly, provision of Rs.573.98 lacs made in the last year against diminution of the value has been written back in the current year.

(ii) Subsidiary Company

The Board of Directors of the CFCL Technologies Limited approved the 2007 Share Option Plan ('Plan') administered by compensation committee of the Board of Directors for granting stock options to certain employees of its subsidiary companies as per Management's discretion. A committee has been constituted to administer the Plan along with the Board and to determine the grant date fair value which would be the exercise price for such options. A total of 6,081,498 ordinary shares were reserved for issuance under the Plan.

The fair value of the ordinary shares has been determined by the management on the date of the grant of the stock options to the employees pursuant to the Plan. The fair valuation has been done by an independent appraiser using the Black-Scholes valuation model. The stock options vest equally over the period of 4 years and the exercise period is 10 years from the date of grant. The stock compensation cost is a component of the fair value of the stock options and the number of options, which is recognised as employee compensation cost over the vesting period, provided that the stock option holders continue to be employees on the vesting date. The employee compensation cost recognised in the Statement of profit and loss is USD 1,099,530 (Rs.644.21 lacs) {previous year: USD 729,430 (Rs.389.73 lacs)}. The weighted average remaining useful life of the stock options is 8.82 years (previous year: 7.81 years).

CFCL Technologies Limited, in its Board Meeting held on 19 July, 2013, has modified the exercise price of all the outstanding stock options to USD 1.09 to bring it in line with the fair value of the share as at that date. Accordingly, all the existing stock options have been re-priced at USD 1.09. The Company has accounted for this change in accordance with the Guidance Note on "Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountants of India.

The following scheme is in operation.

Particulars	2013	2012
Date of grant	Feb 1, 2013 ; May 01, 2013 ; August 1, 2013 ; September 1, 2013 ; November 1, 2013	May 1, 2012 ; June 10, 2012 ; August 1, 2012 ; September 1, 2012 ; November 1, 2012
Date of Board Approval	Feb 1, 2013 ; May 01, 2013 ; August 1, 2013 ; September 1, 2013 ; November 1, 2013	May 1, 2012 ; June 10, 2012; August 1, 2012 ; September 1, 2012 ; November 1, 2012
Date of Shareholder's approval	-	-
Number of options granted	3,003,734	1,174,500
Options forfeited during the period	1,032,699	129,333
Method of Settlement (Cash / Equity)	Equity	Equity
Vesting Period	48 months	48 months
Exercise Period	Excercisable on vesting	Excercisable on vesting
Vesting Conditions	Service conditions	Service conditions

Note : The options are exercisable from the vesting date upto a maximum period of 10 years from the date of grant.
The details of activity under the plan have been summarized below :

Particulars	2013		2012	
	Number of options	Weighted Average Exercise Price (US $)	Number of options	Weighted Average Exercise Price (US $)
Outstanding at the beginning of the year	2,725,614	3.66	1,680,447	2.6
Granted during the year	3,003,734	1.09	1,174,500	5.19
Forfeited during the year	1,032,699	1.91	129,333	3.87
Exercised during the year	-	-	-	-
Expired during the year	806,210	1.09	-	-
Outstanding at the end of the year	3,890,439	1.09	2,725,614	3.66
Exercisable at the end of the year	997,257	1.09	1,442,680	2.35
Weighted average remaining contractual life (in year)	8.82	-	7.80	-
Weighted average fair value of options granted on the date of grant	-	1.09	-	2.59

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

Range of exercise prices	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price
US $ 1.09	3,890,439	8.82	US $ 1.09

The weighted average fair value of stock options granted during the year was US $ 0.53 (previous year US $ 2.1533). The Black Scholes option pricing model has been used for computing the weighted average fair value considering the following inputs :

Particulars	2013	2012
Weighted average share price (US $)	1.09	5.44
Exercise Price (US $)	1.09	4.99 to 5.44
Expected volatility	0.6585	0.6585
Historical volatility	Note (b)	Note (b)
Life of options granted (vesting and exercise period)	Note (a)	Note (a)
Expected dividend	Nil	Nil
Average risk-free interest rate	0.36 - 0.46%	0.36 - 0.46%
Expected dividend rate	Nil	Nil

Notes :
(a) Vesting period is 4 years and exercise period is 10 years from the grant date.
(b) The historical volatility has been calculated based on the share of the comparable companies over the previous 3.38 to 3.64 years.
(c) Risk free rate of return has been calculated using 5.38 to 5.64 years US Treasury bond yield as on the date of respective grant.

Effect of the employee share based payment plans on the Statement of Profit and Loss and on its financial position:

(Rs.in lacs)

Particulars	2013	2012
Total Employee Compensation Cost pertaining to share-based payment plans	3019.67	4218.00
Compensation Cost pertaining to equity-settled employee share-based payment plan included above for previous year	646.06	2898.17
Compensation Cost pertaining to equity-settled employee share-based payment transferred to Securities Premium account	-	-
Compensation Cost pertaining to equity-settled employee share-based payment plan included above for current year	644.21	389.73
Liability for employee stock options outstanding as at year end Deferred Compensation Cost	1729.40	934.12

The estimated weighted average fair value of options granted is US $ 0.53(Previous year US $ 2.5854) per share. This was calculated by applying the Black-Scholes option pricing model with the following inputs:

Particulars	2013	2012
Fair value per share (US $)	1.09	5.44
Exercise price (US $)	1.09	4.99 to 5.44
Average risk-free interest rate	0.36 - 0.46 %	0.36 - 0.46 %
Expected volatility of share price	0.6585	0.6585
Expected life of options granted (in years)	5.38 to 5.64	3.38 to 3.64
Expected dividend yield	Nil	Nil
Fair value of the options (US $)	0.53	2.512 to 2.628

Expenses arising from the plan	US $ 1,099,530 (Rs.644.21 lacs) (Previous year US $ 729,430 (Rs.389.73 lacs))
Closing balance of liability for the plan	US $ 2,797,927 (Rs.1,729.40 lacs) (Previous year US $ 1,698,397(Rs.934.12 lacs))

The following table provides details in respect of range of exercise price and weighted average remaining contractual life for the options outstanding at the year end.

Range of exercise price	Shares *	Weighted average remaining life
US $ 1.09	3,890,439	8.82 years

* (includes 1,621,734 options (Previous year 1,265,009 options) granted to directors including non-executive director of CTL.

(iii) **Since the parent of the Group is using the intrinsic value method, the impact on the reported net profit and earnings per share by applying the fair value based method.**

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

(Rs.in lacs)

Particulars	2013-14	2012-13
Profit as reported	24412.42	23851.59
Less : Employee stock compensation under fair value method	73.67	219.95
Proforma profit	24338.75	23631.64
Earning per share		
Basic and Diluted		
- As reported	5.87	5.73
- Proforma	5.85	5.68

43. RIGHTS, PREFERENCE AND RESTRICTIONS ATTACHED TO PREFERENCE SHARES

Series H preference shares are convertible into ordinary shares in the ratio of 1:1. Series B and Series F preference shares are convertible into ordinary shares in the ratio of 1.02:1. Series C, Series D and Series E preference shares are convertible into ordinary shares in the ratio of 1.30:1. Series G Preference shares are convertible into ordinary shares in the ratio of 1.63:1. Series A-1 & Series B-1 preference shares are convertible into ordinary shares in the ratio of 1.99:1. Series F-1 preference shares are convertible into ordinary shares in the ratio of 2.16:1. Further Series C-1, Series D-1 and Series E-1 preference shares are convertible into ordinary shares in the ratio of 2.75:1. The above conversion is subject to adjustments set forth in the Articles of Association of CTL.

While the holders of preference shares may generally elect to convert into ordinary shares at any time, all preferences shares will automatically stand converted in the above ratio under any of the following two circumstances:

(i) immediately prior to a Qualified IPO (as defined in the Articles of Association of CTL) or;

(ii) with the vote or written consent of the holders of a majority of the then outstanding preference shares voting separately to convert the respective Series of preference shares based on above conversion ratio.

Preference shareholders carry voting rights on an as converted basis with ordinary shareholders, except for key governance protections outlined in the Articles of Association of CTL, in which case each class votes separately on an as converted basis as per the terms of the preference shareholders agreement. Further preference shareholders carry preferential dividend rights over ordinary shares if declared by the Board of Directors and priority over ordinary shares in the event of any liquidation, dissolution or winding up of the affairs of CTL.

Within ninety (90) days after the receipt of a written request from members holding not less than a majority of the then outstanding preference shares, voting together on an as converted basis, that all preference shares be redeemed (such date within such ninety (90) days period being the "Redemption Date") and concurrently with the surrender by the holders of outstanding preference shares of the certificates representing such preference shares, the CTL shall, to the extent it may lawfully do so, redeem all of the then outstanding preference shares by paying an amount in cash per preference share to be redeemed equal to the greater of (i) the original purchase price per share (subject to adjustment for any Recapitalizations) and (ii) the fair market value of such preference share as of the Redemption Date, as determined by an independent third-party investment bank or similar financial service provider agreed to by CTL and the holders of at least a majority of the preference shares then outstanding, voting together on an as-converted basis (the "Redemption Price").

If, on the Redemption Date, the funds of CTL legally available for redemption of preference shares are insufficient to redeem all outstanding preference shares, those funds that are legally available will be used to make to payment to the holders of preference shares on a pro-rata basis in proportion to the number of preference shares then held by such members. Any preference shares not redeemed shall remain outstanding and shall be entitled to all the rights and preferences provided herein. At any time thereafter when additional funds of the CTL are legally available for the redemption of the preference shares, such funds will immediately be used to redeem the balance of the preference shares not redeemed on the Redemption Date in the manner and in the order set forth in the preceding sentence.
In the event of liquidation, preference shareholders have a preferential right over ordinary shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

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

(Rs.in lacs)

Particulars	Outstanding amount as at*		Maximum amount outstanding during financial year	
	31.03.2014	31.03.2013	2013-14	2012-13
Loans and advances to firms / Companies in which directors are interested				
- The Oudh Sugar Mills Limited	2000	2000	2000	3000
- Upper Ganges Sugar & Industries Limited	2000	2000	2000	2000
Investment by the above mentioned loanees in the shares of the Company				
- Upper Ganges Sugar & Industries Limited	70.42	70.42	70.42	70.42

* Repayable within one year

45. INTEREST IN JOINT VENTURE OF THE GROUP:

The Group has 33.33% ownership interest in Indo Maroc Phosphore S.A. IMACID, which is engaged in manufacturing of phosphoric acid is registered in Morocco and follows Accounting period from January to December and accounts is being consolidated on the similar basis.

There is no contingent liability and capital commitment in current and previous year. (Rs.in lacs)

Particulars	2013	2012
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share capital	-	-
Reserves and surplus	8850.72	8519.11
Total	**8850.72**	**8519.11**
Non-Current Liabilities		
Long-term borrowings		
Deferred tax liabilities (Net)	-	-
Other long term liabilities	-	-
Long term provisions	-	-
Total	-	-
Current Liabilities		
Short-term borrowings	-	-
Trade payables	9907.50	10189.12
Other current liabilities	997.24	108.79
Short-term provisions	-	
Total	**10904.74**	**10297.91**
Grand Total	**19755.46**	**18817.02**
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	5245.64	5251.11
Intangible assets	-	-
Capital work-in-progress	476.56	16.19
Intangible assets under development	-	-
Non-current investments	-	-
Deferred tax assets (net)	-	-
Long term loans and advances	791.91	-
Other non-current assets	-	-
Total	**6514.11**	**5267.30**
Current assets		
Inventories	4341.31	2854.69
Trade receivables	5248.24	7550.93
Cash and cash equivalents	11968.39	11213.43
Short-term loans and advances	5737.66	2887.48
Other current assets	-	216.06
Total	27295.60	24722.59
Grand Total	**33809.71**	**29989.89**
Income		
Revenue from operations (Net) including inter transfer Nil (Previous year 2646.01 lacs)	49045.08	46295.50
Other income	266.69	600.08
Total Revenue	**49311.77**	**46895.58**

Expenses:		
Cost of materials consumed	34512.02	30863.71
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(1418.19)	3688.24
Employee benefit expense	2014.05	1726.56
Financial cost	0.34	2.24
Operating and other expenses	10996.45	9178.89
Exceptional item		
Depreciation / Amortization	1118.43	1006.32
Total Expenses	**47223.10**	**46465.96**
Profit after exceptional items and before tax	2088.67	429.62
Tax expenses:		
Current tax	457.62	235.55
Profit for the year	**1631.05**	**194.07**

The above figures are after eliminating all intra-group balances and intra-group transactions.

46. Figures pertaining to the Subsidiaries and Joint Venture have been reclassified wherever considered necessary to bring them in line with the Company's financial statements.

47. Pending receipt of appeal effect orders for the assessment years where appeals have been decided in favour of the Parent Company by the Commissioner of Income Tax (Appeals) and/ or Income Tax Appellate Tribunal, interest on income tax refund has not been recognized thereof as the amount is presently not reasonably determinable. Interest income on this refund shall be recognized in the year the appeal effect order is received from Income Tax Department.

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

(Rs. in Lacs)

Particulars	2013-14	2012-13
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	43.58	46.57
The interest due on unpaid principal amount remaining as at the end of each accounting year. -	-	
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year, and -	-	
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductive expenditure under Section 23 of the MSMED Act, 2006.	-	-

49. **Derivative Instruments**

(a) **Derivative outstanding as on March 31, 2014**

S.No.	Details of Derivatives	Currency / pair of currency	Amount in foreign currency	Amount (Rs.in lacs)	Purpose
1	**Forward Contracts** Buy	INR USD	USD 221,917,230.00 (391,554,362.34)	133,106.99 (212,574.86)	To hedge foreign currency loans from bank.
			USD - (7,000,000.00)	- (3,800.30)	To hedge trade payables
2	**Interest Swaps** Buy	INR USD	USD 96,653,333.00 (114,950,000.00)	-	To hedge the interest expenses on foreign currency loan

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

S.No.	Exposure in foreign currency	Nature of exposure and amount			
		Bank Balances	Trade and other payables	Loans and interest accrued	Trade and other receivables
1	USD	1,031,921.00 (4,373,572.00)	6,554,149.93 (34,886,491.87)	204,839,748.77 (243,804,438.09)	13,517,930.05 (11,855,376.29)
2	SGD	21,255.00 (20,864.00)	93,567.00 (185,986.00)		101,991.00 (75,507.00)
3	JPY	- -	2,175,325.00 (5,077,608.00)	-	1,329,720.00 -
4	GBP	2,491.56 -	12,971.00 (3,773.00)	-	- -
5	EURO	-	41,978.43 (744,975.74)	-	2,042.00 (9,582.62)
6	AED	- -	182,529.00 (30,429.00)	- -	- -
7	MAD	- -	- -	-	21,436,657.30 -
8	KW	- -	15,923,726.00 -	- -	- -
9	NOK	- -	15,000.00 (607.00)	- -	- -
10	THB	- -	118,899.00 -	-	309,286.00 (2,750.00)
11	AUD	- -	740.00 (53,277.00)	- -	196,000.00 -
12	NZD	- -	- (14,803.00)	- -	- -
13	YUAN (CNY)	- -	- -		84,061.00 -
14	DKK	- -	- (13.00)		10,624.00 -
15	RM (MYR)	- -	- -		24,052.00 -
16	CHF	-	-		5,470.00
Exposure Rs. in lacs		630.92 (2330.46)	38,161.08 (19614.22)	122,378.17 (132361.43)	9,820.88 (6735.67)

Notes :

(a) Unhedged Borrowings of Rs. 99774.37 lacs (Previous year Rs. 108544.96 lacs) are not payable within next one year.
(b) The hedging of Foreign Currency outflows is decided after considering the extent of natural hedge available from foreign currency inflows from export of goods and shipping activities.
(c) In case of hedged transactions mentioned in (a) above, all losses, wherever applicable, as of March 31, 2014 have been provided for.
(d) Previous year figures have been given in brackets.

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

51. Based on the favourable decision by Income Tax Appellate Tribunal (ITAT) and CIT (Appeals), the Parent Company has, during the year, reversed the amount of provision for Income Tax relating to Section 80-IA of Income Tax Act, 1961 for various years aggregating to Rs.5975.82 lacs. The same has been shown as Income Tax credit related to earlier years.

52. The Parent Company has during the year consolidated the financial statements of CFCL Employees Welfare Trust (Trust) with the standalone financial statements of the Parent Company as per the recent opinion of Expert Advisory Committee (EAC) of Institute of Chartered Accountant of India (issued in the month of March 2014). The Trust has acquired in the past equity shares of the Parent Company from the secondary market for transfer to the eligible employees as per the CFCL Employees Stock Option Scheme of the Parent Company. Consequently, the Shareholders' Funds of the Parent Company has been adjusted by Rs.1656.92 lacs i.e. (a) downward adjustment in share capital by Rs.225.34 lacs being the face value of 2,253,402 equity shares held by the Trust, (b) downward adjustment in reserves by Rs.1518.79 lacs representing the purchase price in excess of face value of such equity shares; and (c) increase in reserves by Rs.87.21 lacs towards the accumulated profits of the Trust till last year and dividend received by the Trust during the year. Further, the amount of loan of Rs.1,665.10 lacs outstanding in the name of Trust in the books of the Parent Company at the year end has been eliminated against the amount of loan outstanding in the name of Parent Company appearing in the books of Trust at the year end.

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

As per our report of even date

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

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

per Anil Gupta
Partner
Membership No - 87921

Place : Gurgaon
Date : May 09, 2014

Anil Kapoor
Managing Director

Abhay Baijal
Chief Financial Officer

Place : New Delhi
Date : May 09, 2014

S.K. Poddar
Chairman

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

CHAMBAL FERTILISERS AND CHEMICALS LIMITED
E-COMMUNICATION REGISTRATION FORM

Folio No. (FOR PHYSICAL SHARES): ______________________

Name of Ist Registered Holder : ______________________

Name(s) of Joint holder(s) : ______________________

Registered Address : ______________________

E-Mail ID (to be registered) : ______________________

Phone No./Mobile No. : ______________________

I/we, shareholder of Chambal Fertilisers and Chemicals Limited agree to receive communication from the Company in electronic mode. Please register my above e-mail in your records for sending communication through e-mail.

Date : __________ 1.______________ 2.______________ 3.______________

<u>Signature of Shareholder(s)</u>
(as appearing in the Company's records)

Notes :
1. Shareholder(s) is/are requested to keep the Company informed as and when there is any change in the e-mail address.
2. In case, shares are held in electronic form, kindly register your email particulars with your Depository Participant.

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ECS MANDATE FORM

1. Shareholder's name (in Block Letter) : ______________________ (First holder)
   : ______________________ (Joint holder)
2. Folio Number (for Physical shares) : ______________________
3. Number of Shares : ______________________
4. Bank Name : ______________________
5. Branch Name & Address :
6. IFSC Code No. :
7. Status of Investor (Mark "✓" in the appropriate box) : Resident ☐ Non-Resident ☐
8. Account Type (Mark "✓" in the appropriate box) : SB A/C ☐ Current A/C ☐ Cash Credit A/C ☐ Other ☐
9. Account Number ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐
10. Ledger Folio No. of the A/C (if appearing on Cheque Book) ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐
11. Nine digit code number of Bank and Branch appearing on the Cheque ☐☐☐☐☐☐☐☐☐

I/we hereby declare that the particulars given above are correct and complete. If credit is not effected for resons of incomplete or incorrect information, I/we would not held the Company responsible.

Date : __________ 1.______________ 2.______________ 3.______________

<u>Signature of Shareholder(s)</u>
(as appearing in the Company's records)

Note : In case, shares are held in electronic form, kindly submit ECS particulars to your Depository Participant.

BOOK-POST

If undelivered, please return to:
Chambal Fertilisers and Chemicals Limited
"Corporate One", First Floor,
5, Commercial Centre, Jasola,
New Delhi - 110 025