CHAMBAL FERTILISERS AND CHEMICALS LIMITED

Empowering farmers, strengthening livelihoods

Annual Report 2012-13

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
Vice President – Finance

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
Corporate Office: ''Corporate One" First Floor, 5 Commercial Centre, Jasola, New Delhi-110 025
Website: www.chambalfertilisers.com
Tel. : 011-46581300, 41697900 • Fax : 011-40638679

NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the members of the Company will be held at 1030 hours on Friday, September 13, 2013 at the Registered Office of the Company at Gadepan, District Kota, Rajasthan, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2013, Statement of Profit and Loss for the year ended on that date and reports of Directors and Auditors.
2. To consider declaration of dividend on Equity Shares.
3. To appoint a director in place of Mr. Saroj Kumar Poddar, who retires by rotation and is eligible for re-appointment.
4. To appoint a director in place of Mr. Shyam Sunder Bhartia, who retires by rotation and is eligible for re-appointment.
5. To appoint a director in place of Mr. Kashi Nath Memani, who retires by rotation and is eligible for re-appointment.
6. To appoint M/s. S.R. Batliboi & Co. LLP (formerly known as M/s. S.R. Batliboi & Co.), Chartered Accountants, (Registration No. 301003E) as Statutory Auditors of the Company and fix their remuneration.
7. To appoint M/s. Singhi & Co., Chartered Accountants, (Registration No. 302049E) as Branch Auditors for Shipping Business of the Company and fix their remuneration.

SPECIAL BUSINESS:

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

   "**RESOLVED THAT** in supersession of the resolution passed by the members of the Company in this regard on August 24, 2007 and pursuant to section 293(1)(d) and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum(s) of money(s) on such terms and conditions and with or without security as the Board of Directors may think fit which, together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed for the time being the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money(s) so borrowed by the Board shall not, at any time, exceed the limit of Rupees 6500 crore.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds and things (including delegation of this power) as may be necessary, desirable or expedient to give effect to this resolution."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution:

   "**RESOLVED THAT** in partial modification of the special resolution passed by the members in this regard on August 27, 2010 and pursuant to provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("**SEBI Guidelines**") as amended from time to time and other applicable rules, circulars and regulations, prescribed by the Securities and Exchange Board of India ("**SEBI**") or any other authority from time to time including without limitation Circular No. CIR/CFD/DIL/3/2013 dated January 17, 2013 read with Circular No. CIR/CFD/DIL/7/2013 dated May 13, 2013 issued by SEBI, listing agreement(s) entered into by the Company with the stock exchanges where the securities of the Company are listed and subject to such other approvals, consents, permissions and sanctions, as may be applicable, including such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions, the consent of the Company be and is hereby accorded to amend CFCL Employees Stock Option Scheme 2010 ("**ESOS 2010**") in the following manner:

   a) The definition of "Trust" as appearing in Clause 3.37 of ESOS 2010 be replaced with and substituted by the following:

      "3.37. "Trust" means CFCL Employees Welfare Trust constituted by the Company for the purpose of subscription of Shares for holding and transferring of Shares (including holding and transferring Shares acquired from the secondary market before January 17, 2013) to Participants in the manner specified in the Trust Deed and the Scheme."

   b) The definition of "Trust Deed" as appearing in Clause 3.38 of ESOS 2010 be replaced with and substituted by the following:

      "3.38. "Trust Deed" means the deed of private Trust between the Company and the trustee(s), as amended, for creation of CFCL Employees Welfare Trust for the welfare of the Employees with the objective of subscription of Shares for holding and transferring of Shares (including holding and transferring Shares acquired from the secondary market before January 17, 2013) to Participants in the manner specified in the Trust Deed and the Scheme."

   c) Clause 12.2 of ESOS 2010 be replaced with and substituted by the following:

      "12.2. In case of allotment/ transfer of Shares to the Participant through the Trust upon Exercise of the Options under the Scheme, the Trust shall either subscribe to newly issued Shares and transfer such newly issued Shares or transfer existing Shares acquired by the Trust before January 17, 2013 from the secondary market using funds provided by the Company. It is clarified that the Trust shall not acquire any Shares from the secondary market on and after January 17, 2013 and the Shares held by the Trust as on January 17, 2013 shall be utilized only for transfer to the Participants upon Exercise of Options held by them under this Scheme. For the purpose of subscription to newly issued Shares of the Company, the Trust shall be funded by the Company, either through a loan or any other form of financial assistance permissible under Applicable Laws."

RESOLVED FURTHER THAT the equity shares to be offered to the eligible employees (the option holders) on exercise of the employees stock options would be by way of either a) subscription of equity shares of the Company by such employees or b) transfer of shares to such employees by CFCL Employees Welfare Trust (which shall, for this purpose, either utilize the equity shares of the Company acquired by it from the secondary market before January 17, 2013 or directly subscribe to newly issued equity shares of the Company).

RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to make such other modifications, changes, variations, alterations or revisions in the ESOS 2010 from time to time or to suspend, withdraw or revive the ESOS 2010 from time to time as may be specified by any statutory authority or otherwise and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose including for the purpose of giving effect to any creation, offer, issue, allotment or listing of the shares, in conformity with the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.

RESOLVED FURTHER THAT the Board, if required, be and is hereby authorized to take necessary steps and to do all such acts, deeds, things as may be required for giving effect to the above resolutions including without limitation making necessary filings with the stock exchanges and other regulatory authorities."

By order of the Board

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

New Delhi
June 20, 2013

Notes:

1. Proxy
A member entitled to attend and vote is entitled to appoint a proxy to attend and vote in his/ her stead and a proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the scheduled time of the meeting. A blank proxy form is annexed to the annual report.

2. Explanatory Statement
The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, relating to the items of the special business is given below and forms part hereof.

3. Directors proposed to be re-appointed
M/s. Saroj Kumar Poddar, Shyam Sunder Bhartia and Kashi Nath Memani, directors are retiring by rotation and eligible for re-appointment. Members may kindly refer "Report on Corporate Governance" (Annexure 'D' to Directors Report) for further details of these directors.

4. Book Closure
The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, August 20, 2013 to Thursday, August 22, 2013.

5. Certificate from Auditors
The Company has obtained a certificate from the auditors of the Company certifying that 'CFCL Employees Stock Option Scheme 2010' is implemented in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, and the resolution passed by the members in the general meeting. The certificate will be available at the venue of Annual General Meeting for inspection by members.

6. Payment of Dividend
The Dividend on Equity Shares for the Financial Year ended March 31, 2013, will be paid after declaration by the members:

(i) in respect of shares held in physical form, to those members whose names appear on the Register of Members of the Company on August 22, 2013, after giving effect to all valid share transfer documents lodged with the Company on or before Monday, August 19, 2013.

(ii) in respect of shares held in electronic form, to those beneficial owners whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the end of business on Monday, August 19, 2013.

The Members are hereby informed that the Company would transfer the dividends, which remain unclaimed for a period of 7 years, to the Investor Education and Protection Fund ("IEP Fund") constituted by the Central Government under section 205C of the Companies Act, 1956.

The following are the details of dividends paid by the Company and respective due dates for transfer of unclaimed dividend to IEP Fund:

Dividend Year	Date of Declaration of dividend	Due date for Transfer to IEP Fund
2005-06	25.08.2006	27.09.2013
2006-07	24.08.2007	24.09.2014
2007-08	10.09.2008	10.10.2015
2008-09	20.08.2009	20.09.2016
2009-10	27.08.2010	01.10.2017
2010-11	16.09.2011	21.10.2018
2011-12	14.09.2012	15.10.2019

Further, the Company shall not be in a position to entertain the claims of the shareholders for the unclaimed dividends which have been transferred to IEP Fund.

In view of the above, the shareholders are advised to send their requests for payment of unpaid dividend pertaining to the Financial Years 2005-06 through 2011-12 to our Share Transfer Agent at New Delhi for issue of cheques / demand drafts before the due dates for transfer to the IEP Fund.

Investors holding shares in physical form are advised to forward the particulars of their bank account, name, branch and address of the bank to our Share Transfer Agent immediately, if not sent already, so as to enable them to incorporate such details on dividend warrants. These investors are advised to opt for Electronic Clearing System (ECS) at the earliest to avail fast and safe remittance of dividend and return the Mandate Form attached herewith, accurately filled in and signed. A photocopy of a leaf of your cheque book bearing your bank account number may also be sent along with the Mandate Form to the Share Transfer Agent.

7. Dispatch of documents through electronic mode
In pursuance of the circulars issued by the Ministry of Corporate Affairs, Government of India, the Company proposes to send documents like notice of general meeting, annual report, etc. to the shareholders through electronic mode. We request you to participate in the Green initiative of the Ministry of Corporate Affairs by registering your email ID with your depository participant (where the shares are held in dematerialized form) or the Company (where the shares are held in physical form) by submitting the E-Mail Registration Form attached with the Annual Report.

8. Company on the Net
The website of your Company is www.chambalfertilisers.com where you can find detailed information about the Company, various services being provided to the investors, guidance and procedure to be followed by the investors in respect of transfer, transmission and transposition of shares, dematerialisation and rematerialisation of shares, quarterly and annual results, Annual Report, etc.

9. Share Transfer Agent
M/s. Zuari Investments Limited is Share Transfer Agent of the Company. All investor related communication may be addressed to:

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

10. Members are requested to:
(a) send their queries, if any, to reach the Company's Corporate Office at New Delhi at least 10 days before the date of the meeting so that information can be made available at the meeting;

(b) bring their copy of the Annual Report at the meeting; and

(c) send their e-mail address to us for prompt communication.

Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

11. Pick-up Coach Facility
For the convenience of members intending to attend the Company's Annual General Meeting (AGM) scheduled to be held at 1030 hours on September 13, 2013, the Company will provide transport from Kota to Gadepan and back. The pick-up coach will leave from "Sahyog Bhavan" No. 1, Aerodrome Circle, Kota, Rajasthan at 0900 hours on the date of AGM to reach Gadepan (venue of the AGM) in time for the meeting and will leave for Kota after the meeting.

Members wishing to avail of this facility may kindly be present in time at the pick-up point at Kota.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 8

The shareholders of the Company at their meeting held on August 24, 2007 had authorised the Board of Directors to borrow any sum or sums of money from time to time upto Rs. 4000 crore exclusive of working capital loans or other temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business.

Your Company is planning to set up new Ammonia and Urea plants to produce additional 1.30 Million MT per annum of Urea at Gadepan. The proposed investment would require additional borrowings by the Company.

In view of the above, it is proposed to increase the borrowing limit from Rs. 4000 crore to Rs. 6500 crore.

None of the Directors of the Company is concerned or interested in the resolution.

The Board commends the resolution for your approval.

Item No. 9

The shareholders of the Company at their meeting held on August 27, 2010 approved CFCL Employees Stock Option Scheme, 2010 ("ESOS 2010") for grant of maximum of 41,62,000 employees stock options to the eligible employees of the Company, each option convertible into one fully paid-up equity share of the Company having a face value of Rs. 10/-.

Pursuant to the provisions of ESOS 2010, the shares to be offered to the eligible employees (the option holders) on exercise of the employees stock options would be by way of either subscription of fresh shares issued by the Company (by the eligible employees) or transfer by 'CFCL Employees Welfare Trust' ("Trust") (which shall either buy shares from the secondary market or directly subscribe the shares of the Company). Since then, the Trust has purchased equity shares of the Company ("Shares") from the secondary market from time to time to meet the obligations under ESOS 2010.

Securities and Exchange Board of India ("SEBI") vide its circular dated January 17, 2013 read with circular dated May 13, 2013 ("SEBI Circulars"), has prohibited trusts / employee benefit schemes involving securities of a company from acquiring the company's shares from secondary market on and after January 17, 2013. SEBI has further clarified that employee benefits trusts which have already acquired securities of the company from secondary market before January 17, 2013, may continue to hold such securities provided that the schemes have been aligned with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines") by December 31, 2013.

Since all Shares currently forming part of the ESOS 2010 have been acquired from the secondary market, it is necessary for the ESOS 2010 to be aligned to the SEBI Guidelines to enable such Shares to continue to be held and used for the purpose of the ESOS 2010. In order to achieve such alignment, one of the key requirements under the SEBI Guidelines is that the Trust cannot acquire any Shares of the Company from the secondary market. Upon approval by the shareholders of the Company pursuant to the resolutions proposed herein, the ESOS 2010 shall stand aligned to the SEBI Guidelines as required under the SEBI Circulars.

The objective of the amendments proposed to the ESOS 2010 is to provide that the Trust cannot acquire any Shares of the Company from the secondary market and to the extent that the Trust has already acquired such Shares prior to January 17, 2013 (being the date on which SEBI first issued the circular on this issue), such Shares will be utilized by the Trust for transferring them to Participants upon Exercise of Options already granted or to be granted under ESOS 2010.

The draft of revised ESOS 2010 shall be available for inspection by the members at the Registered Office of the Company between 1000 hours to 1200 hours on any working day prior to the date of the meeting.

Mr. Anil Kapoor, Managing Director of the Company is interested in the resolution to the extent of stock options granted to him under ESOS 2010. None of the other Directors is concerned or interested in the resolution.

The Board commends the resolution for your approval.

By order of the Board

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

New Delhi
June 20, 2013

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 28th Annual Report on the business and operations of the Company together with audited accounts for the financial year ended March 31, 2013.

1. **Financial Results and Appropriations**

(Rs. in crore)

Particulars	2012-13	2011-12
(a) Turnover (excluding excise duty)	7337.48	6455.24
(b) Gross Profit after Finance Cost but before Exceptional Items, Depreciation and Tax	666.81	821.71
(c) Depreciation / Amortization	222.04	262.08
(d) Profit before Exceptional Items and Tax	444.77	559.63
(e) Exceptional Items	(11.96)	-
(f) Profit before Tax	456.73	559.63
(g) Provision for Current Tax	121.07	127.48
(h) Provision for Deferred Tax	30.05	184.86
(i) Profit after Tax	305.61	247.29
(j) Balance of Profit Brought Forward	1065.92	960.54
(k) Profit available for Appropriation	1371.53	1207.83
(l) Appropriations:		
• General Reserve	50.00	50.00
• Proposed Dividend on Equity Shares	79.08	79.08
• Tax on Dividend	13.44	12.83
(m) Balance Carried Forward to Balance Sheet	1229.01	1065.92

2. **Operations:**

The Company has three business segments viz. Fertilizer, Shipping and Textile with Fertilizer being the largest amongst them. The Fertilizer Division comprises of manufacturing of Urea and Single Super Phosphate (SSP) and trading of fertilizers and other agri-inputs. This division has registered a robust overall growth during the year under review. The Shipping business continues to be under stress and signs of recovery are not yet visible. The Textile business has improved its performance from second quarter of the Financial Year 2012-13 and achieved encouraging results.

The Company has put renewed focus on trading activity during last few years to fully leverage its goodwill and brand image in the market. This strategy has borne fruits with an excellent performance on revenue and profitability fronts from the trading activity in Fertilizer business. The SSP unit at Gadepan commenced production in second half of the year.

The worldwide Shipping business continues to remain sluggish with freight rates on the softer side due to continuing global recession and oversupply of tonnage. The time charter activity has also remained sluggish due to downturn in the market. This has adversely impacted the performance of the Shipping business in general. The Company sold one of its ageing vessels during the year and presently operates 5 (five) Aframax vessels, mostly for international trade.

The performance of Textile business at the beginning of the Financial Year 2012-13 was under pressure. However, it has picked up momentum from second quarter onwards and achieved excellent results during the year under review. The performance was supported mainly by good demand and better realizations from cotton yarn.

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, same as in the previous year. The total outgo on this account will be Rs. 92.52 crore including dividend distribution tax.

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

Your Directors continue to strive for further improvement in corporate governance standards and are committed for adhering good corporate governance practices. Corporate Governance Report for the Financial Year 2012-13 is attached as Annexure "D". 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)**

Your Company has 33.33% stake in IMACID with two other equal partners - Tata Chemicals Limited and OCP, Morocco. IMACID is engaged in the manufacture of phosphoric acid (P_2O_5) in Morocco.

During the year 2012, IMACID produced 252,907 MT of P_2O_5 against the previous year production of 4,29,622 MT. Sales during 2012 were 254,919 MT of P_2O_5 and 54,436 MT of DAP (equivalent to 25,421 MT of P_2O_5, tolled through OCP) against the previous year sales of 412,950 MT of (P_2O_5).

The production and sales were substantially lower because of lower demand resulting into substantial reduction in revenue and profitability of IMACID. During 2012, IMACID achieved revenue of MAD 2264.13 million (Rs. 1388.86 crore) against revenue of MAD 3325 million (Rs. 2096.33 crore) achieved during the year 2011. The company earned a profit after tax of MAD 9.26 million (Rs. 5.68 crore) during the year 2012 as against MAD 366.49 million (Rs. 231.06 crore) in the year 2011.

IMACID achieved production and sales of 77,168 MT and 50,443 MT respectively of P_2O_5 with operating income of MAD 448.59 million (Rs. 274 crore) during the period January - March 2013. You may be aware that IMACID supplies acid mainly to India, where there was an oversupply of phosphatic fertiliser. Hence the plant was shutdown due to adverse market conditions. The company is utilizing this opportunity to carry out repairs to plant and equipment. The plant operations will commence soon.

6. **Subsidiaries**

(i) **Chambal Infrastructure Ventures Limited and its Subsidiaries**

Chambal Infrastructure Ventures Limited ("CIVL") is a wholly owned subsidiary of your Company to venture into Power Business. 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 in 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 year 2012 was a year of consolidation for software business with revamp of leadership team including hiring a new CEO, making necessary investments to turnaround the business and putting the building blocks in place to steer the organization towards growth and profitability. The results of the aforesaid measures are beginning to bear fruit and the software business has added many new clients and successfully renegotiated a couple of existing loss making contracts. Revenue of Software business dropped from USD 92.85 million in 2011 to USD 78.20 million in 2012, primarily due to loss of one big client which filed for bankruptcy and general volume reduction in the Industry. The Software Business continued to make significant strides with renewed focus on operational efficiency, cost cutting, organization building and consolidation. It has been able to re-price successfully some significant loss making accounts and turned these accounts profitable.

CFCL Technologies Limited and its subsidiaries follow the January-December Financial Year. The software business as a whole incurred a net loss of USD 18.11 million during the year 2012 as against net loss of USD 19.98 million incurred in the year 2011.

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

India Steamship Pte. Limited, Singapore operates through in-chartered vessels. During the year, India Steamship, Singapore had limited operations due to sluggish trend in the international shipping markets. It has entered into an agreement with Navig8 Inc., Marshall Islands to share the profit/ loss of a vessel which operated for part of the year.

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.

During the year 2012-13, India Steamship Pte. Limited, Singapore earned a revenue of USD 1.26 million and made a profit of USD 0.3 million.

(iv) India Steamship Limited, India (ISL)

ISL is a wholly owned subsidiary of your Company. During the year, there was no business activity in ISL.

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. 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.

7. Health, Safety and Environmental Protection

Your Company is committed to maintain high standards of Health, Safety and Environment protection by conducting all its operations in a proactive manner. Your Company ensures that these aspects are embedded in day to day activities and receive utmost importance and priority. With this objective, your Company has established and is maintaining an Integrated Management System based on OHSAS-18001:2007, ISO-14001:2004, ISO-9001:2008 and Process Safety Management (PSM) system in Gadepan. The township at Gadepan is also OHSAS-18001 & ISO-14001 certified.

(a) Health & Hygiene

Your Company accords highest priority to health & hygiene of its employees and associates. Health assessment and occupational disease monitoring of employees and associates is done through periodic medical examination by a doctor who is trained in Occupational Health. Surveys, assessments and trainings are regular features and the plant and processes are continuously upgraded to improve work place and health standards.

The medical centre at Gadepan works round the clock to provide Health Services to employees, associated contractor work force, their families and villagers in the vicinity of the plants. New equipments and services are added to continuously upgrade the health care. Many officers of the Company have been imparted training on first aid and occupational health.

(b) Safety Management

A strong occupational - health and safety management system OHSAS-18001:2007 is in place in your Company in Fertiliser Division to ensure safety of employees, contractor workforce as well as equipment and machinery. Although not mandatory, your Company has implemented Process Safety Management (PSM) System developed by Occupational Safety & Health Administration (OSHA, USA) in its operations for proactive identification, assessment and control of hazards. Process incidents were reviewed as per PSM guidelines and trainings and audits were conducted for overall improvement.

Internal and external expert faculties conducted extensive trainings on rescue, fire fighting & emergency handling, electrical safety, material handling, road safety etc. to maintain and improve upon the well established safety system. E-learning on different safety topics has been initiated for executives to strengthen further safety trainings. The workers of associated contractors were involved in safety promotional activities & trainings to improve safety work culture and bring reduction in injuries.

During shutdown maintenance, extensive safety trainings under close supervisions were conducted by external experts. Personal Protective Equipments (handgloves, dust mask, ear plugs etc.) were provided free of cost to all contract workers.

An overall safety improvement project has been undertaken by your Company for bagging plant in association with a consultant. The concept of Behavior Based Safety (BBS) was introduced last year and is working satisfactorily through selected BBS Champions, which include representatives from employees and contractors' staff. The efforts have shown improvement in work culture including reduction in unsafe acts and injuries.

Your Company is associated with world class safety institutions like National Safety Council of USA, British Safety Council, International Fertiliser Association, etc. In association with National Safety Council of India, National Safety Day, Road Safety Week, Fire Service Day & World Environment Day campaigns were organised involving employees, their families & contractors' staff. Safety awareness materials are regularly distributed to employees, their families and contractor workers.

The scheme of "Near- Miss" & "Make-to Good" reporting is in place to encourage safety awareness among employees and contractor workforce. All near misses, minor injuries &

incidents were reviewed; analyzed and corrective actions were timely taken. The Company has a well established safety reward system for encouraging employees and contractors' staff for achieving various safety excellences.

Your Company has a well-defined "Onsite Disaster Management Plan". Regular mock drills and fire drills were conducted to check the emergency preparedness. Visits and consultations were done in near by industries to learn from each other and improve. Prompt services for fire fighting were provided to surrounding villages.

(c) Environment Management

Environment protection is one of the top priorities of your Company. A strong Environment Management System ISO-14001:2004 is in place in production facilities as well as the Township at Gadepan to ensure environment protection, health & safety of employees, their families and contractor workforce. 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 accordingly taken. Some of the steps taken in this direction are given below.

(i) Sustainable Development - Your Company is committed to sustainable development and has undertaken various environment improvement programmes such as Rain Water Harvesting, Ground Water Recharging, Energy Conservation Measures, Pollution Control, Use of Solar Energy, etc., to conserve natural resources.

(ii) Waste Management - Your Company continues to follow the 3R concept (Reduce, Re-use and Re-cycle) for waste management. Almost 100% condensates are recycled back to system. Your Company has adopted best practices to manage solid / hazardous waste disposal after proper categorization. Segregation of waste is ensured at source & separate bins have been created for collection of various categories of waste. Horticulture and domestic wastes are converted to manure and used in the green belt. Recyclable waste is disposed to recyclers and all saleable items are sold to approved recyclers. The use of polythene bags is strictly prohibited in the Gadepan campus for many years.

(iii) Green Belt Development- Your Company's Gadepan complex 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 more than 700 peacocks. Only treated waste water is used in maintaining green belt through a 65 kilometer long irrigation network spread all over the complex.

(iv) Water Conservation - Your Company continuously works on various water optimization measures. Water audits and studies have been conducted through experts to explore more avenues of water conservation. Special efforts have been made in optimization of cooling water, fire water network, drinking water & de-mineralised water. The specific consumption of water was 5.01 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, maintenance and support services. Quality is continually improved by determining and taking care of internal and external customer expectations, future needs, etc.

(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. Surprise visits are made to the plant and canteen to ensure highest standard of housekeeping & hygiene. Safety systems of ammonia storage, ammonia feed pump areas and carbamate pump area have been upgraded based on the audit recommendations. 'Fitness for Service' inspection for critical piping is under progress. All our Regional Marketing Offices in Fertiliser Division have been audited and staff has been trained to improve safety culture in the marketing team. HSEQ system performance is regularly reviewed at various levels to ensure its effectiveness and continual improvement.

(f) Achievements

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

- "Environment Protection award" in continuation for three years; 2011-12, 2010-11 and 2009-10 from Fertilizer Association of India (FAI).
- "National Award for Excellence in Water Management 2012, Water Efficient Unit" from Confederation of Indian Industries (CII) under the category "Within the Fence".

8. Corporate Social Responsibility (CSR)

Your Company is committed towards the developement of neighboring areas for improving the quality of life. The Company has taken a number of initiatives for the community development in consultation with local administration at the village, block and district levels.

In order to initiate and sustain meaningful actions in this regard, your Company has full spectrum Corporate Social Responsibility (CSR) program under the umbrella of "**Uttam Roshani**". Your company has formed an NGO - KK Birla Memorial Society to undertake various CSR activities.

The "**Uttam Roshani**" program is designed as a participatory planning process to involve stakeholders and create their ownership for sustainable development of the area.

Under this Program, the thrust is on Health, Education and Infrastructure. Your Company has taken following initiatives on CSR front:

(a) Sanitation

To ensure sanitation among rural population in the vicinity of its plants, your Company has initiated a project to improve sanitary practices through awareness campaigns and construction of toilets. Your company has constructed around 800 individual toilets for Below the Poverty Lines (BPL) families. The project was completed in Financial Year 2012-13. Awareness about good sanitary habits is spread by regularly organizing Information, Education & Communication (IEC) activities on health and sanitation programmes in nearby villages/ schools.

(b) Community Health Care

The Company operates a mobile Health Care Unit in 23 villages surrounding Gadepan. A doctor and nursing assistant provide free medical check up and medicines to people at their doorstep.

During the year, over 30,000 people were treated for different ailments. The Medical Center in Gadepan campus provides free health service to local populace. Your company regularly organizes free medical camps for the community to avail the services of visiting specialists in various fields like pediatrics, gynecology, skin, dental, eye and ENT. Around 2600 patients benefited under this program during the year.

Ambulance facilities are also provided to community round the clock for taking patients to Kota hospitals in emergency. During this year, around 230 cases were helped through ambulance facility.

CFCL Ladies Club organizes a blood donation camp annually in association with Kota Blood Bank Society. The Company's employees and their families have been actively participating in this initiative and 159 units blood were donated during this year.

(c) Primary & Upper Primary Education

Your Company is extending quality education to children from community through Chambal Fertilisers DAV School. Over 47 % students in this school are from surrounding community.

Your Company has adopted 24 primary & upper primary government schools of nearby 22 villages under Public Private Partnership (PPP) Scheme of Government of Rajasthan. During the year, your Company renovated 17 government schools and construction work is in progress in remaining 7 schools. Stationary, schools bags, note books, sweaters, etc. were provided to around 1850 students studying in these 24 schools. Library in each school is being established. To facilitate girl students, your Company has constructed new toilets for girls in 23 government schools. The Company in partnership with 'Sarva Shiksha Abhiyan' - a Government Body, ensured construction of boundary wall & rooms in these schools.

In order to facilitate school drop out girls, the Company in partnership with IIMPACT (an NGO) has established 15 learning centers for over 400 drop out girls in surrounding villages and another 12 centres will be established in next 2-3 months. 7 remedial learning centers for boys have been established to facilitate weak and drop out boys.

(d) Technical Education

Your Company had adopted Government Industrial Training Institutes (ITI) - at Sangod (Rajasthan) during the Financial Year 2010-11 in order to provide technical training to rural youth. The building of ITI - Sangod was renovated and new equipment and computers were installed for providing the training. A new block of building is under construction.

During the year, 4 new trades were introduced during the year after taking necessary approval from National Council for Vocational Training thus increasing the total trades to 7. The student strength has increased from around 100 to 280. We helped ITI last year in placing 94 students with some of the blue-chip companies.

(e) Vocational Education

Your Company has set up a vocational training center at Gadepan village to empower unemployed rural youth. During this year, 3 batches of tailoring & stitching courses were organized wherein 75 women from nearby villages were trained. It is planned to open new trades to facilitate more rural youths in the next year.

(f) Drinking Water & Rain Water Harvesting

Livelihood and health of community greatly depends on availability of adequate quality and quantity of drinking water. Chambal has helped in construction of Hand-pumps and tube-wells in surrounding villages.

(g) Rural Infrastructure

Your Company has been contributing towards rural infrastructure development by construction of school rooms, kharanja roads (stone pavement) with drain, gravel link roads, boundary wall, culvert, nallah etc. as per the need of the community. This year, your Company has constructed pavement roads in 3 villages in addition to construction of boundary walls, crematoriums, cement-concrete roads and a community center. Some of these works were carried out in participatory mode with Gram Panchayats.

(h) Agriculture & Veterinary Services

Agriculture and livestock development forms the backbone of rural livelihood and during times of stress, livestock becomes an alternate source of revenue for the farmers. Farmers at the grassroots' level are largely unaware about the latest developments in the field of agriculture and animal husbandry. Recognizing this gap, your Company decided to enhance the awareness levels of farmers and started Uttam Krishi Clinics. The Clinic is mainly providing Agriculture Consultancy by experts, free soil testing and capacity building of farmers by conducting training programmes for new and improved techniques in the field of agriculture and animal husbandry.

Your Company regularly organizes veterinary camps for vaccination and treatment of animal health related problems, in collaboration with Veterinary Department, Government of Rajasthan.

(i) Reporting on triple bottom line performance

With the objective of assessing its Corporate Sustainability performance, the Company has been publishing annually A+ Sustainability Report on its triple bottom line performance since Financial Year 2009-10. The report is externally assured by Ernst & Young Private Limited.

9. Disclosure of Particulars

Your Company believes that improvement is a journey with new milestones to be achieved on continuous basis. The Company makes continuous efforts to make the plants as energy efficient as possible and reviews various schemes to conserve energy on regular basis. 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. However, it is ensured that every measure is taken to save and conserve energy at all stages of operation of the vessels as well as in on-shore office. 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, continues to provide prompt investor service through quick resolution of investor grievances. The motto of 'high investor satisfaction' is being pursued through pro-active actions like reaching out to investors regularly, 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 2013-14.

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, 2013, your Company had 10 depositors with fixed deposits of Rs. 3.03 lac, who did not claim their Fixed Deposit amount despite being reminded regularly.

12. Employee Stock Option Scheme

The members of the Company had approved Employee 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

People are the most valuable assets of the Company. The Company continuously strives to encourage merit, healthy relations and the pursuit of excellence for the employees. Your Company has strategic and efficient recruitment and HR management process 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 has eight non-executive directors and a Managing Director. Three directors namely M/s. S.K. Poddar, S.S. Bhartia and K.N. Memani are due for retirement by rotation at the forthcoming Annual General Meeting. These retiring directors are eligible and have offered themselves for re-appointment and they are not related to any other directors 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.

The Company has received intimation that M/s. S.R. Batliboi & Co. has been converted to be a Limited Liability Partnership with effect from April 1, 2013 and is now known as S.R. Batliboi & Co. LLP. 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. The above re-appointments, if made, will be in accordance with the provisions of section 224 (1B) of the Companies Act, 1956.

The Board of Directors of the Company appointed M/s. K.G. Goyal & Associates, Cost Accountants for conducting audit of cost accounts of the fertilizer and textile divisions of the Company for the financial year 2012-13. 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 2011-12 for the Fertilizer and Textile Divisions of the Company on January 11, 2013 and December 26, 2012 respectively as against the last date of filing on February 28, 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 relative to material departures;

b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit of the Company for the year ended March 31, 2013;

c) that the Directors have 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 wish to place on record 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 : April 30, 2013

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 2012-13:

(i) Fertiliser Division

- Replacement of low temperature shift converter and Methanator catalyst with new catalyst in Ammonia-I plant.
- Modification of Methanator outlet nozzle to reduce the pressure drop across reactor in Ammonia -I plant.
- Complete overhauling of Gas Turbine-II along with the replacement of rotor (upgraded) and 1st & 2nd stage buckets.

(ii) Textile Division

- Installation of 2 Variable Frequency Drives (VFD) on Boiler Fans.
- Installation of 2 VFDs on supply fan in unit 3 Humidification Plant.
- Installation of 28 LED street lights of 25 watt each in replacement of 75 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 2013-14:

(i) Fertiliser Division

- Installation of Variable Frequency Drive (VFD) in Ammonia feed pumps in Urea-I plant.
- Installation of Ammonia product heater in Ammonia-I plant.
- Up-rating of Synthesis gas compressor in Ammonia-I plant.
- Replacement of catalyst of High temperature & Low temperature shift converters in Ammonia-II plant.
- Installation of additional cooling tower cell in Urea-II plant.
- Installation of motor for Urea Cooling Tower pump in place of turbine in Gadepan-II.

(ii) Textile Division

- 19 VFDs for power saving, to be installed on supply fan of unit 2 & 3.
- Installation of 10 VFDs in waste collection system of synthetic units.
- Installation of 60 LED Street Lights of 45 watt each in replacement of 265 watt sodium lamps.
- Heat Recovery System (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 0.13% of energy consumption per MT of urea in the year 2012-13 and those listed at (b) above are expected to result in a saving of 0.78% 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 6240 electricity units per month (approximate saving of Rs. 31,200 per month) and those listed at (b) above are expected to result in saving of around 48,000 electricity units per month and 40 MT of boiler fuel per month (approximate saving of Rs. 4,40,000 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	2012-13 Current Year	2011-12 Previous Year
A.	**Power and Fuel Consumption**			
	1. Electricity			
	(a) **Purchased**			
	Unit	MWH	**90,797.78**	84,050.73
	Total Amount	Rs.Lac	**4592.51**	3755.96
	Rate/Unit	Rs./KWH	**5.06**	4.47
	(b) **Own generation**			
	(i) ***Through diesel generator***			
	Unit	MWH	**1,773.85**	885.09
	Units per KL of Furnance oil	KWH	**4.02**	4.05
	Units per KL of HSD	KWH	**3.78**	3.71
	Cost /Unit	Rs./KWH	**10.43**	9.06
	(ii) ***Through steam turbine/generator***			
	Quantity	MWH	**162,859.28**	169,217.06
	Unit per SM^3 of Gas	KWH/SM^3	**4.33**	4.46
	Cost/Unit	Rs./KWH	**4.21**	3.02
	2. Coal (specify quality and where used)			
	(a) ***Charcoal (for Steam Generation for Dye House)***			
	Quantity	KG	**3,700.00**	5,105.00
	Total cost	Rs. Lac	**0.61**	0.87
	Average rate/Unit	Rs./Kg	**16.53**	17.12
	(b) ***Rice Husk (For Steam generation for Dye House)***			
	Quantity	MT	**2,538.98**	3,410.35
	Total Cost	Rs.Lacs	**114.01**	152.64
	Average Rate/Unit	Rs./MT	**4.49**	4.48
	(c) ***Petcoke (For Steam generation for Dye House)***			
	Quantity	KG	**30,793.00**	57,281.00
	Total Cost	Rs.Lacs	**3.10**	5.77
	Average Rate/Unit	Rs./Kg	**10.08**	10.08
	3. Furnance oil			
	Quantity	KL	**235.02**	97.33
	Total amount	Rs.Lac	**114.65**	41.51
	Average rate	Rs./KL	**48782.95**	42652.36
	4. Others/internal generation			
	a) ***Natural Gas (Ammonia & SSP-Fuel, Power & Steam)***			
	Quantity	$1000SM^3$	**553,320.30**	534,818.07
	Total Cost	Rs.Lac	**105519.08**	75344.77
	Average rate/Unit	$Rs./1000SM^3$	**19,070.16**	14,087.92
	b) ***Naphtha (Ammonia-Fuel, Power & Steam)***			
	Quantity	MT	**677.20**	130.34
	Total Cost	Rs.Lac	**164.33**	31.62
	Average rate/Unit	Rs./MT	**24265.76**	24255.75
	c) **HSD**			
	Quantity	KL	**219.36**	132.52
	Total Cost	Rs.Lac	**90.31**	52.76
	Average Rate/Unit	Rs./KL	**41167.51**	39811.15
B	**CONSUMPTION PER MT OF UREA PRODUCTION**			
	Electricity (Purchased and own generation)	KWH/MT	**81.11**	82.18
	Natural Gas (Ammonia-Fuel, Power & Steam)	SM^3/MT	**264.23**	249.20
	Naphtha (Ammonia-Fuel, Power & Steam)	**KG/MT**	**0.32**	0.06
C	**CONSUMPTION PER MT OF SSP PRODUCTION**			
	Electricity (Purchased)	KWH/MT	**61.04**	-
	Natural Gas (Fuel-SSP)	SM^3/MT	**19.34**	-
D	**CONSUMPTION PER MT OF YARN PRODUCTION**			
	Electricity (purchased and own generation)	KWH/MT	**4,484.28**	3,842.25
	Furnance oil	KL/MT	**0.01**	0.00
	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. 3.57 Lac
   b) Recurring -Rs.18.68 Lac
   c) Total - Rs.22.25 Lac
   d) Total R&D Expenditure as a Percentage of total turnover : 0.05%

Technology Absorption, Adaptation and Innovation

i) Efforts in brief, made towards technology absorption, adaptation and innovation.
   a) Fertiliser Division
   - Up-gradation of Distributed Control System with latest version (CENTUM-VP) in Ammonia-I plant.
   - Modification of Methanator outlet nozzle to reduce the pressure drop across reactor in Ammonia -I plant.
   - Complete overhauling of Gas Turbine-II along with the replacement of rotor (upgraded) and 1st & 2nd stage buckets.

   b) Textile Division
   - Up-gradation of Uster Tester 4 Instrument (Yarn Evenness Tester)

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
   - Uster Tester 4 is upgraded to speedily test the samples and to store more data. It helped in testing the samples smoothly.

iii) Information related to technology imported (imported during the last 5 years reckoned from the beginning of the financial year):
   a) Technology Imported: N.A.
   b) Year of import: N.A.
   c) Has technology been fully absorbed: N.A.

III. Foreign Exchange Earnings and Outgo

Foreign Exchange used : Rs. 30,596.84 lac

Foreign Exchange earned : Rs. 25,162.05 lac

Annexure "B" to the Directors Report

Disclosure as at March 31, 2013 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		9,30,000
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		4,47,000
VII) Variation of terms of options		None
VIII) Money realised by exercise of options (Rs.)		1,38,83,835
IX) Total no. of options in force		31,04,200

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	Mr. Harbinder Singh Flora — 40,000 Mr. Santanu Ghosh — 40,000 Mr. Ravindra Pande — 40,000 Mr. Dinesh Chand Golecha — 40,000 Mr. Kapil Mittal — 40,000 Mr. Vishwadeep Jain — 40,000
	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 2012-13 would be Rs. 218.05 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 — 30561.25 Add: Intrinsic value compensation cost — 0.00 Less: Fair value compensation cost — 219.95 Adjusted Profit — 30341.30 Earnings per share (Basic & Diluted) — (Rs.) As reported — 7.34 As Adjusted — 7.29
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.

	Sept 16, 2010	January 22, 2011	May 10, 2011	October 17, 2011	May 11, 2012
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)	3.80	3.80	4.80	4.80	5.80
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.	59	33	11.12.2000	25,587,889	Cabot India Limited	Vice President-Technical
2.	Baijal, A.	Vice President-Finance	B.E.,P.G.D.M.	52	28	01.11.2003	6,948,105	Birla Home Finance Limited	Vice President-Operations
3.	Mehra, V.	President-Projects	B.Tech.(Hons.)	61	39	01.01.1991	7,442,367	Zuari Industries Limited	Process Manager
4.	Rathore, M.S.	Vice President- Legal, Corp.com. & Secretary	M.A., L.L.B., F.C.S	57	40	28.09.1992	6,567,988	Rajasthan State Seeds Corporation Limited	Company Secretary
5.	Satishchandra, K.	Executive President - India Steamship	BE(Mechanical), FICS(London), FICA(Delhi)	57	35	20.10.2011	11,879,326	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.	47	25	Note 1	4,126,463	World Tanker Management Pte Ltd.	Master
2.	Bansal, D.G.	Chief Engineer	MEO-CLASS-I-(M)	36	10	Note 1	1,194,590	National Iranian Tanker Company	Chief Engineer
3.	Bansal, S.	General Manager	MARINE Engineer	42	13	22.03.2010	5,657,786	Essar Shipping Ports & Logistics Ltd.	Head Tanker (Technical)
4.	Basu, K.	Addl. Master	Master - F.G.	38	11	Note 1	2,168,000	V. Ships	Chief Officer
5.	Bhatia, U.K.	Master	Master - F.G.	35	12	Note 1	2,738,576	Seaarland Management Services (India) Pvt. Ltd.	Chief Officer
6.	Bhattacharjee, S.I.	Master	Master - F.G.	55	33	Note 1	2,115,500	V.ships	Master
7.	Bhushan,S.	Addl. Master	Master - F.G.	31	7	Note 1	1,050,000	Tanker Pacific	Chief Officer
8.	Biswas, G.	Chief Engineer	MEO-CLASS-I-(M)	40	16	Note 1	1,737,869	Mitsubushi Corporation	Second Engineer
9.	Borthwick, R.S.	Master	MASTER - F.G.	39	16	Note 1	2,664,200	Seateam Management	Master
10.	Choudhuri, S.S.	Chief Engineer	MEO-CLASS-I-(M)	42	13	Note 1	3,581,935	Varun Shipping Co. Ltd.	Third Engineer
11.	Das, B.	Master	MASTER - F.G.	44	10	Note 1	1,984,850	Qatar Shipping Co.	Master
12.	Dhakarwal, S.K.	Master	MASTER - F.G.	57	33	Note 1	640,000	Hatef Shipping Co. Ltd.	Master
13.	Giri, G.	Second Engineer	MEO-CL II(M)	50	24	Note 1	1,028,000	Five Star Shipping Co. Pvt. Ltd.	Second Engineer
14.	Jain, A.	Second Engineer	MEO-CL II(M)	38	7	Note 1	1,020,000	Ims Shipmanagement Pvt. Ltd.	Second Engineer
15.	Kaware, S.J.	Addl. Master	MASTER - F.G.	41	12	Note 1	1,560,000	Wallem Shipmanagement (India) Pvt. Ltd.	Chief Officer
16.	Khan, M.I.	Addl. Chief Engineer	MEO-CL-I-(M)	34	10	Note 1	1,020,000	V.ships	Second Engineer
17.	Konsam, R.S.	Master	MASTER - F.G.	55	32	Note 1	4,880,208	Teekay Shipping Ltd	Master
18.	Krishna, I.V.S.R.	Master	MASTER - F.G.	56	35	Note 1	600,000	Paramount Shipping	Master
19.	Kumar, S.	Chief Engineer	MEO-CL-I-(M)	39	11	Note 1	1,637,213	Executive Shipmanagement	Chief Engineer
20.	Lamba, S.	Chief Officer	FIRST MATE - F.G.	27	5	Note 1	2,026,890	Svs Marine Service Pvt. Ltd.	Chief Officer
21.	Maiti, P.	Chief Engineer	MEO-CLASS-I-(M)	40	17	Note 1	585,000	American Eagle Tankers	Chief Engineer
22.	Majumder. D.B	Deputy Manager	B.COM	60	N.A.	04.10.1971	1,529,148	N.A.	N.A.
23.	Malkar, S.R.	Master	MASTER - F.G.	37	11	Note 1	1,645,887	Bernhard Schulte Shipmanagement	Chief Officer
24.	Naiya, P.	Chief Engineer	MEO-CL-I-(M)	38	9	Note 1	2,339,465	Fleet Management Ltd.	Second Engineer
25.	Nayanam, N.	Chief Engineer	MEO-CL-I-(M)	38	13	Note 1	3,323,330	Genmar	Second Engineer
26.	Ogale, A.S.	Chief Engineer	MEO-CLASS-I-(M)	36	10	Note 1	3,725,000	The Great Eastern Shipping Co. Ltd.	Chief Engineer
27.	Pramanik, S.	Chief Engineer	MEO-CLASS-I-(M)	41	16	Note 1	640,000	Red Sea Marine	Chief Engineer
28.	Rai, R.	Master	MASTER - F.G.	54	33	Note 1	3,745,834	Stasco Shipmanagement	Master
29.	Ranjan,S.	Chief Officer	FIRST MATE - F.G.	31	7	Note 1	1,061,129	Seaarland Management Services (India) Pvt. Ltd.	Chief Officer
30.	Ratna, P.K.	Chief Officer	MASTER - F.G.	41	17	Note 1	1,100,048	Executive Ship Management	Chief Officer
31.	Roy, A	Master	MASTER - F.G.	40	18	Note 1	2,600,000	The Great Eastern Shipping Co. Ltd.	Master
32.	Roy, D.	Assistant Typist	H.S.	60	N.A.	02.01.1975	1,113,538	N.A.	N.A.
33.	Sandhu, A.S.	Master	MASTER - F.G.	40	12	30.12.2011	4,436,867	Dymacom Tanker Management Ltd.	Master
34.	Sendrayaperumal, S.	Second Engineer	MEO-CLASS-II-(M)	30	6	Note 1	2,508,100	Sanmar Shipping Co.	Second Engineer
35.	Sequeira, S.J.	Addl. Master	MASTER - F.G.	30	8	Note 1	2,004,032	Ishima International Shipmanagement	Chief Officer
36.	Sett, A.K	Chief Engineer	MEO-CL I(M)	64	38	Note 1	1,916,749	The Great Eastern Shipping Co. Ltd.	Chief Engineer
37.	Sharma, D.	Chief Engineer	MEO-CLASS-I-(M)	53	22	Note 1	3,958,500	Shipping Corporation of India Limited	Chief Engineer
38.	Singh, Y.	Master	MASTER - F.G.	38	14	Note 1	3,776,458	The Great Eastern Shipping Co. Ltd.	Chief Officer
39.	Sinha, R.K.	Chief Engineer	MEO-CLASS-I-(M)	56	29	Note 1	2,517,500	Torm Shipping	Chief Engineer
40.	Subhesh, K.	Chief Engineer	MEO-CLASS-I-(M)	35	12	Note 1	1,621,500	Shipping Corporation of India Limited	Chief Engineer
41.	Topiwala, M.K.	Addl. Master	MASTER - F.G.	35	12	Note 1	2,526,039	Mitsui Osk Lines	Chief Officer
42.	Vijay Gopal, M.A.	Chief Engineer	MEO-CLASS-I-(M)	41	13	Note 1	4,200,000	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 believes that for its sustained success, it must maintain global standards of corporate conduct towards its shareholders, customers, employees, all other stakeholders and society in general. The Company has always focused on good corporate governance, which is a key driver of sustainable corporate growth and long-term value creation for its shareholders. 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 organization 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.

At Chambal Fertilisers, the information supplied by management to the Board of the Company, in terms of quality and importance is far ahead of the list enumerated under clause 49 of the listing agreement. We continuously adhere to the highest standard of governance through continuous evaluation & benchmarking.

b) **Board of Directors**

The Board of Directors consists of nine directors including a Managing Director. The non-executive directors play a vital role in giving a wider perspective on the matters of concern. They have an objective view of external factors affecting the company in its business environment.

Out of the eight non executive directors of the Company, five of them are independent. M/s. S.K. Poddar, S.S. Bhartia and K.N. Memani, Directors of the Company are retiring by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

The brief particulars of all the Directors are given below:

(i) **Mr. Saroj Kumar Poddar**

Mr Saroj Kumar Poddar, 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 projects including joint ventures with leading international corporations. The most notable of these ventures are Gillette India Limited (a joint venture with the Gillette Company of U.S.A), Hettich India Private Ltd (a joint venture with the Hettich Group of Germany) and Texmaco UGL Rail Private Ltd. (a joint venture with the United Group of Australia). Mr Poddar is the Chairman of these Joint Ventures.

A recipient of the Rashtriya Samman from the Central Board of Direct Taxes, Mr. Poddar is involved with art, culture and sports. A keen collector of contemporary Indian art, 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 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.

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.	Gillette India 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/ Member of Audit Committee

$ Also Chairman of Investors/ Shareholders Grievance Committee

(ii) **Mr. Shyam Sunder Bhartia**

Mr. Shyam S. Bhartia 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 Director or Chairman / member of Committee(s):

S. No.	Name of the Company	S. No.	Name of the Company
1.	Geo Enpro Petroleum Limited	4.	Vam Holdings Limited
2.	Jubilant Foodworks Limited	5.	Zuari Global Limited
3.	Jubilant Life Sciences Limited		

He is not a member of Audit Committee or Shareholders Grievance Committee of any of the aforesaid Companies.

(iii) **Mr. Anil Kapoor**

Mr. Anil Kapoor is a B. Tech from Indian Institute of Technology, New Delhi, one of the premier technological institutes and holds M.S. in Chemical Engineering from State University of New York, USA. In his illustrious career spanning more than 3 decades, he has been associated with reputed Indian and multinational organizations. He has rich and diverse experience in areas of production, strategic planning, project management, financial management and other related areas. He is on the Board of Fertiliser Association of India and member of National Executive Committee of Federation of Indian Chambers of Commerce and Industry (FICCI). He is also on the Boards of M/s. CFCL Technologies Limited and M/s. Indo Maroc Phosphore, S.A (IMACID).

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. Ram Nath Bansal**

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

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

S. No.	Name of the Company	S. No.	Name of the Company
1.	Essar Logistics Limited*	6.	Pushpsons Industries Limited*
2.	Essar Oil Field Services India Limited	7.	The Hindoostan Mills Limited *
3.	Essar Ports Limited*$	8.	Vadinar Oil Terminal Limited*
4.	Essar Shipping Limited*	9.	Vadinar Ports & Terminal Limited
5.	Orient Bell Limited*		

* Also Chairman/ Member of Audit Committee

$ Also Member of Shareholders Grievance Committee

(v) **Mr. Dipankar Basu**

Mr. Dipankar Basu received his Masters 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 Commodities Limited*
3.	Peerless Securities Limited	6.	The Peerless General Finance & Investment Company Limited

* Also Member of Audit Committee

$Also Chairman of Shareholders Grievance Committee

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

Mr. Kashi Nath Memani 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 specializes in Business and Corporate Advisory, Foreign Taxation, Financial Consultancy, etc. and is consulted on the corporate matters by several domestic and foreign companies.

Post retirement, Mr. Memani 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.	Spice Mobility Limited*
5.	HT Media Limited*		

* Also Chairman/ Member of Audit Committee

$ Also Member of Shareholders Grievance Committee

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

Mr. Chandra Shekhar Nopany 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, Pittsburg, U.S.A. Mr. Nopany is the Chairman and Managing Director of M/s. The Oudh Sugar Mills Limited and the Chairman of M/s. Sutlej Textiles and Industries Limited, New India Retailing & Investment Limited and SIL Investments 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 Director or member of Committee(s):

S. No.	Name of the Company	S. No.	Name of the Company
1.	Chambal Infrastructure Ventures Limited	7.	SIL Investments Limited$
2.	Hargaon Investment & Trading Co. Limited	8.	Sutlej Textiles and Industries Limited
3.	India Steamship Limited	9.	The Oudh Sugar Mills Limited
4.	Modern DiaGen Services Limited	10.	Upper Ganges Sugar & Industries Ltd$
5.	New India Retailing & Investment Ltd	11.	Uttar Pradesh Trading Co. Limited
6.	Ronson Traders Limited	12.	Yashovardhan Investment & Trading Co. Limited

$Also Chairman/ Member of Investors' Grievance Committee

(viii) **Ms. Radha Singh**

Ms. Radha Singh has retired from Indian Administrative Service. Prior to retirement, she was holding the position of Secretary, Agriculture and Cooperation, Government of India. She has 41 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 Federation of Indian Chambers of Commerce and Industry (FICCI) and Trustee and the Secretary of the Rajendra Bhawan Trust, New Delhi, a charitable organization in memory of the first President of the India. She is also an Independent Director on the Board of Syngenta Foundation for Sustainable Development.

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.	LT Foods Limited$	2.	Yes Bank Limited*

*Also Member of Audit and Compliance Committee

$Also Member of Investors' Grievance Committee

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

Mr. Marco P.A. Wadia 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 Philipus Ardeshir Wadia is a Director or chairman/ member of Committee(s):

S. No.	Name of the Company	S. No.	Name of the Company
1.	Adventz 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, five Board Meetings were held on May 12, 2012, August 8, 2012, November 6, 2012, January 3, 2013 and January 30, 2013.

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

Name of Director	Whether Attended Last AGM	No. of Board Meetings attended	Category of Director	Other Directorships	Membership of Committee of other Boards	
					Chairman	Member
Mr. S. K. Poddar	No	5	NED/PG	12	2	1
Mr. S. S. Bhartia	No	5	NED/PG	5	NIL	NIL
Mr. Anil Kapoor	Yes	5	MD	4	NIL	NIL
Mr. R. N. Bansal	No	4	ID	9	3	5
Mr. D. Basu	No	2	ID	6	1	3
Mr. K.N. Memani	No	3	ID	9	5	3
Mr. C.S Nopany	No	5	NED/PG	12	1	1
Ms. Radha Singh	No	5	ID	2	NIL	2
Mr. Marco Ph. A. Wadia	Yes	5	ID	10	2	6

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.

d) **Board Agenda**

The calendar of Board meetings is scheduled well in advance and Board members are given a notice of more than a month before the meeting date except in case of emergent meeting. The Board members are provided with well structured and comprehensive agenda papers. Usually all agenda items are backed by in-depth 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 Meeting.

e) Committees of the Board

In compliance of the provisions of the listing agreement, SEBI Regulations and to ensure timely and effective working of the Board, 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 seven 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 and (vii) Compensation 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:

  Apart from all the matters provided in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the terms of reference of the Audit Committee include:
- approve internal audit programme,
- review with statutory auditors their findings, observations, suggestions, internal control systems, scope of audit, other related matters and major accounting policies followed by the Company,
- review the contracts entered into by the Company, valuing more than Rs. 75 million and the contracts entered in the register maintained under section 301 of the Companies Act, 1956, if any, and
- review Internal Audit Reports.

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 six times during the year on April 6, 2012, May 11, 2012, August 7, 2012, November 5, 2012, December 14, 2012 and January 29, 2013 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	6
Mr. R. N. Bansal	Member	Independent	4
Mr. K.N Memani	Member	Independent	5
Ms. Radha Singh	Member	Independent	6

(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 4 times during the year on May 3, 2012, July 23, 2012, November 5, 2012 and January 30, 2013 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 1,77,831 investors as on March 31, 2013. During the year under review, the status of requests and complaints received, was as follows:

Particulars	Opening Balance	Received	Total Resolved	Closing Balance
Requests	8	9156	9138	26*
Complaints	0	193	193	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 May 11, 2012 and the attendance of members at the meeting was as follows:

Name of the Member	Status	Category	Number of Meetings attended
Mr. R. N. Bansal	Chairman	Independent	1
Mr. C. S. Nopany	Member	Non-Executive	0
Mr. Marco Wadia	Member	Independent	1

(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 twice during the year on August 3, 2012 and September 26, 2012 and the attendance of members at the meeting was as follows:

Name of the Member	Status	Category	Number of Meetings attended
Mr. S. S. Bhartia	Chairman	Non-Executive	2
Mr. D. Basu	Member	Independent	0
Mr. C. S. Nopany	Member	Non-Executive	0
Mr. Anil Kapoor	Member	Managing Director	2

(v) Project Monitoring Committee

- **Terms of reference:**

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

- **Composition:**

  The Committee comprises of the following five Directors. No meeting of the Committee was held during the Financial Year 2012-13.

Name of the Member	Status	Category
Mr. C. S. Nopany	Chairman	Non-Executive
Mr. R. N. Bansal	Member	Independent
Mr. Anil Kapoor	Member	Managing Director
Mr. K. N. Memani*	Member	Independent
Ms. Radha Singh*	Member	Independent

*Appointed as Member of the Committee w.e.f. January 30, 2013.

(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 the following three Directors. No meeting of the Committee was held during the Financial Year 2012-13.

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 formed to formulate Employee Stock Option Scheme and its administration.

- **Composition:**

  The Committee comprises of the following four Directors. The Committee met once during the year on May 11, 2012 and all the members except Mr. Nopany were present at the meeting.

Name of the Member	Status	Category	Number of Meetings attended
Mr. C. S. Nopany	Chairman	Non-Executive	0
Mr. R. N. Bansal	Member	Independent	1
Mr. Marco Wadia	Member	Independent	1
Mr. K. N. Memani	Member	Independent	1

f) Details of remuneration paid to directors for the Financial Year 2012-13

(i) Executive Director

(Amount in Rs.)

Managing Director	Salary	Performance Bonus	Perquisites	Retirement Benefits
Mr. Anil Kapoor	17,186,125	4,800,000	1,139,364	2,462,400

- 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 1,50,000 stock options granted to the Managing Director, 22,500 stock options vested on September 16, 2011 and 22,500 stock options vested on September 16, 2012. The remaining 1,05,000 stock options shall vest as per the details given below:

Date of Vesting	Eligibility	
	No. of Options	% of total options
16.09.2013	30,000	20
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, 2013.

(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 pay commission to each of the Non Executive Director subject to the maximum of Rs. 4,00,000 per annum. The details of sitting fee paid and the commission paid/ payable are as follows:

S. No.	Name of the Director	Sitting Fee Paid (Rs.)	Commission Paid for Financial Year 2011-12 (Rs.)	Commission payable for Financial Year 2012-13 (Rs.)
1.	Mr. S. K. Poddar	100000	400000	400000
2.	Mr. S. S. Bhartia	115000	400000	400000
3.	Mr. R. N. Bansal	177500	400000	400000
4.	Mr. D. Basu	40000	400000	400000
5.	Mr. K.N. Memani	142500	400000	400000
6.	Mr. C. S. Nopany	100000	400000	400000
7.	Ms. Radha Singh	220000	400000	400000
8.	Mr. Marco Wadia	205000	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, individual performance, etc.

h) **Shareholding of Directors as on March 31, 2013**

Name	Number of Shares held
Mr. S. K. Poddar	155352
Mr. S. S. Bhartia	110
Mr. C. S. Nopany	308775
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	6000

i) **General Body Meetings**

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

Financial year	Date	Time	Location
2011-12	14.09.2012	1030 hours	Registered Office - Gadepan, Distt. Kota, Rajasthan
2010-11	16.09.2011	1000 hours	Registered Office - Gadepan, Distt. Kota, Rajasthan
2009-10	27.08.2010	1030 hours	Registered Office - 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
August 27, 2010	i) Payment of commission to Independent Directors. ii) Create, offer, issue and grant/ allot stock options under Employees Stock Option Scheme 2010.
September 16, 2011	Payment of commission to Non-Executive Directors

Shareholders' approval through postal ballot was not sought for any matter last year. No special resolution is proposed to be conducted through postal ballot in the forthcoming Annual General Meeting of the Company.

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 policy is reviewed on half yearly basis and the changes along with the revised policy 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.

The Company has circulated Sustainability Report for the Financial Year 2011-12 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 Policy;
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.

Secretarial Standards issued by the Institute of Company Secretaries of India

The Institute of Company Secretaries of India, one of the premier professional bodies in India, has issued Secretarial Standards on important aspects like Board Meetings, General Meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings, etc. Although these standards are recommendatory in nature, the Company in its endeavor for best Corporate Governance practices, substantially adheres to these standards.

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 Corporate Filing and Dissemination System (CFDS) website, 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 Report, details of various services being provided to investors, guidance and procedure to be followed by the investors for transfer, transmission and transposition of the securities, dematerialization, rematerialisation of shares, etc.

(iv) The Company had three Earning/ conference calls with investor/ analysts during the Financial Year 2012-13 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 has adopted "Code of Conduct and Ethics" for the Directors and Senior Executives of the Company 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 is enclosed as Annexure - "F".

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) **28th Annual General Meeting**

Venue : Registered Office at Gadepan, Distt. Kota, Rajasthan - 325208
Time : 1030 hours
Day & Date : Friday, September 13, 2013

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

(iii) **Tentative Financial Calendar**

Event	Date
Audited Annual Results (2012-13)	April 30, 2013
Mailing of Annual Report	End July 2013
First Quarter Results	End July 2013
Half Yearly Results	Early November 2013
Third Quarter Results	End January 2014
Audited Annual Results (2013-14)	May 2014

(iv) **Book Closure**

The register of members and share transfer books of the Company shall remain closed from Tuesday, August 20, 2013 to Thursday, August 22, 2013 (both days inclusive).

(v) **Dividend Payment Date: September 18, 2013**

(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, 25th Floor, Dalal Street, Mumbai - 400001	500085
2.	**National Stock Exchange of India Limited (NSE)** Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	CHAMBLFERT

The Company has paid annual listing fees for the Financial Year 2013-14 to BSE and NSE.

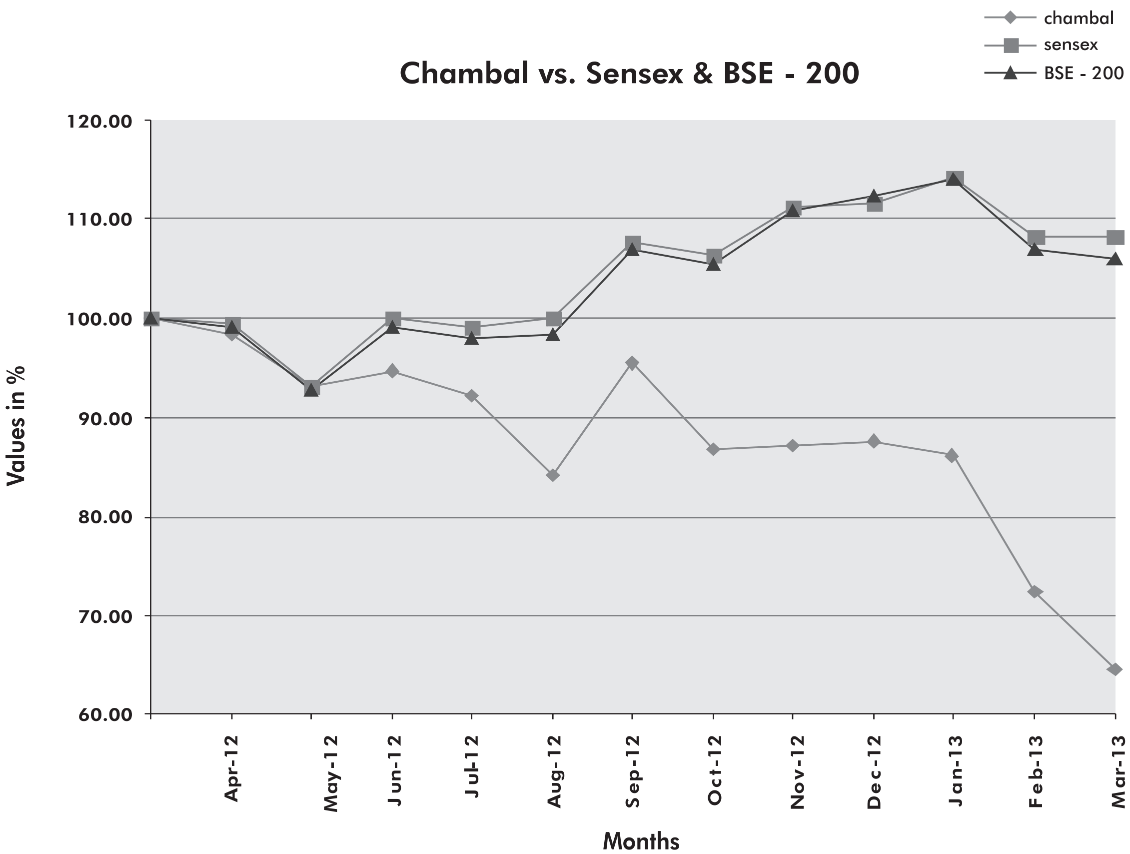
(vii) **Market Price Data**

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, 2012	84.75	73.25	84.80	73.05
May, 2012	76.80	66.30	76.80	66.15
June, 2012	79.45	68.20	79.45	68.25
July, 2012	81.75	68.20	81.90	68.20
August, 2012	74.70	62.05	74.65	62.05
September, 2012	76.75	65.85	76.65	65.85
October, 2012	75.40	66.05	75.45	65.90
November, 2012	69.80	64.70	70.00	64.60
December, 2012	72.40	65.80	72.35	65.70
January, 2013	71.95	64.70	72.00	63.00
February, 2013	67.40	53.20	67.45	52.00
March, 2013	57.70	47.40	57.65	47.40

(viii) **Performance of Chambal's equity share in comparison to BSE Sensex and BSE 200 on the basis of closing values:**



The base of 100 is taken to be the closing price of shares and values of indices as on March 31, 2012

(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 dematerialized 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) **Dematerialization 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, 2013, about 92.44 % of the share capital of the Company was held in dematerialised form.

The equity shares of the Company are also being traded in the futures and options segment of the National Stock Exchange of India Limited.

(xii) **Transfer of shares in Unclaimed Suspense Account**

Pursuant to Clause 5A (II) of the Listing Agreement, the Company has issued three reminders for 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:

Unclaimed Shares as on April 1, 2012		Shares dispatched during the Year 2012-13		Unclaimed Shares as on March 31, 2013	
No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares	No. of Shareholders	No. of Shares
2,659	4,51,073	29	7,114	2,630	4,43,959

The Company has transferred the unclaimed equity shares into one folio in the name of "Chambal Fertilisers and Chemicals Limited - Unclaimed Suspense Account" and the dematerialization of these shares is under process.

(xiii) **Distribution of Shareholding**

The distribution of shareholding as on March 31, 2013 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	1,54,231	86.73	2,72,95,684	6.56
2.	501 to 1000	14,049	7.90	1,23,16,076	2.96
3.	1001 to 5000	8,068	4.53	1,76,60,991	4.24
4.	5001 to 10000	777	0.44	58,49,093	1.41
5.	10001 to 100000	551	0.31	1,52,37,039	3.66
6.	100001 to 500000	86	0.05	2,09,90,496	5.04
7.	500001 & above	69	0.04	31,68,58,473	76.13
	Total	**1,77,831**	**100.00**	**41,62,07,852**	**100.00**

Details of Shareholding as on March 31, 2013 was as under:

S. No.	Category	No. of shares held	Shareholding (%)
1.	Promoters	23,16,43,346	55.66
2.	Financial Institutions, Banks & Mutual funds	4,11,46,485	9.88
3.	NRIs, Foreign Nationals, OCBs and FIIs	4,78,96,442	11.51
4.	Indian Public	9,55,21,579	22.95
	Total	**41,62,07,852**	**100.00**

(xiv) Top ten shareholders as on March 31, 2013

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	5,00,81,715	12.03
3.	SIL Investments Limited	3,18,13,455	7.64
4.	Life Insurance Corporation of India	2,79,10,373	6.71
5.	Ms. Nandini Nopany	1,52,84,667	3.67
6.	Birla Sun Life Insurance Company Limited	92,68,225	2.23
7.	Earthstone Investment & Finance Limited	84,24,515	2.02
8.	Yashovardhan Investment & Trading Co. Ltd.	73,39,500	1.76
9.	Uttam Commercial Ltd.	67,27,100	1.62
10.	Ronson Traders Limited	58,11,500	1.40

(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 2012-13.

Place : New Delhi
Date : April 30, 2013

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, 2013, 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 : April 30, 2013

Annexure "G" to Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company has three business segments namely Fertiliser, Shipping and Textile. The Management Discussion and Analysis Report covering all the three 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 which is procured through two sources- a) domestically produced Natural Gas and b) Re-gasified Liquified Natural Gas (RLNG). The Liquified Natural Gas (LNG) is imported and re-gasified in India. LNG imports are made in India through long term and spot contracts. 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 after Fukushima nuclear disaster.

Both the fertilizer plants of your Company are operating with Natural Gas in the form of feed and fuel. Your Company sources Natural Gas from multiple sources and has long term Gas Supply Agreements with the suppliers. Your Company resorts to spot purchase of gas in event of shortfall in gas supply to maintain production schedule. The RLNG cost has increased due to increase in its prices as well as sharp decline of the Rupee against the US Dollar.

(b) Demand-Supply Scenario

The Urea demand- supply gap in the country has been gradually increasing in the absence of new investment in this sector. India imported around 8 million MT of Urea during the year 2012-13, which was about 27% of the total urea consumption in the country. Urea import prices were volatile during the year and varied between USD 394 and USD 536 per MT. In order to reduce the dependence on imports, the Government of India has recently announced a New Investment Policy 2012 for attracting fresh investments in Urea sector.

(c) Developments in Government Policies

New Pricing Scheme (NPS) Stage III which was valid upto March 31, 2010, has been further extended provisionally.

The announcement of New Investment Policy 2012 (NIP) for Urea is being perceived positively by Urea Industry and there is a lot of enthusiasm for fresh investment in Urea sector. Many existing players have chalked out plans to expand their Urea production capacity through brownfield expansion plans. The setting up of new plants will largely reduce the demand - supply gap in Urea. NIP provides a structure of an Import Parity Price (IPP) linked 'floor and ceiling price' based on the delivered gas price, for the calculation of amount of subsidy payable to urea units. The NIP will only cover those units whose production starts within five years from the notification of the policy. Further, the dispensation of guaranteed buy-back under the policy will be available to the units for a period of eight years from the start of production. The new policy has created conducive environment for new investment in Urea sector as the policy provides a cover for increase in gas prices.

The Government of India proposes to give fertilizer subsidy directly to the farmers as against routing it through fertilizer producers. 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. The roll out of Phase - II is yet to be announced.

II. Opportunities & Threats

After the announcement of New Investment Policy 2012 for manufacture of urea, your Company plans to expand existing capacities at Gadepan to produce additional 1.30 Million MT per annum prilled neem coated Urea through a Brownfield Expansion Project (Gadepan-III Project). The Board of Directors has already approved setting up of the project at a cost not exceeding USD 850 million. The Company has issued Letter of Intent to the Lump-Sum-Turn-Key contractors for Gadepan-III Project and further actions are underway. The implementation of Gadepan-III Project will place the Company in a different league and will further strengthen its position in Urea segment.

Implementation of Nutrient Based Subsidy by the Government of India has given major impetus to the trading activity of the Company. The strong marketing network and brand image gives an upper hand to the Company in ramping up its sales volumes of traded products.

The Company has set up a Single Super Phosphate (SSP) production facility at Gadepan with a capacity of 600 MT per day. There is a good potential for SSP business as there are not many big players in production of SSP. SSP is also used as a substitute to Di-Ammonium Phosphate (DAP) and has very good potential in view of prevailing high retail prices of DAP.

If there is substantial capacity addition in Urea sector during next few years, it may result into an over supply situation. Further, the glut in the Phosphatic fertilizer market due to high product prices may also put pressure on the trading business of the 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. Further, in a rising interest cost environment, a delay in payment of subsidy by the Government cause serious financial burden on the industry as was observed in the current year.

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 by the Government and the extended credit period in the market may impact the profitability from trading activities of the Company.

IV. Outlook

It is quite unlikely that Urea will face any challenge in terms of sales volumes in near future in view of demand-supply gap. The positive monsoon predictions are likely to support the growth plans of the Company in traded products and SSP.

V. Operational and Financial Performance

The performance of Fertiliser Division is summarized below:

Particulars	2012-13	2011-12
Urea Production (MT in lac)	20.92	21.46
Single Super Phosphate (SSP) Production (MT in lac)	0.31	-
Sales including Agri inputs (Rs. in crore)	6669.25	5750.93
EBIDTA (Rs. in crore)	676.97	856.00

Your Company sold 20.25 MT of urea (Previous Year 21.26 lac MT) and 0.31 MT of own manufactured Single Super Phosphate (SSP) during the year 2012-13 (Previous Year NIL). In-spite of better plant production rate per day of urea, the production was lower due to lesser number of stream days. The sale of urea was also lower due to lesser production.

The turnover of traded products increased to Rs. 3043.62 crore in the financial year 2012-13 from Rs. 2729.11 crore in the previous year. The Company sold 5.99 lac MT of DAP (Previous Year 5.25 lac MT), 0.60 lac MT of Muriate of Potash (Previous Year 0.53 lac MT), 0.22 lac MT of Complex fertilizers (Previous Year 1.01 lac MT), 1.50 lac of SSP (Previous Year 1.08 lac MT) and 0.71 lac MT of other fertilizers (Previous Year 0.57 lac MT) in the financial year 2012-13. The sales of pesticides have gone up to Rs. 272.50 crore as against Rs. 243.33 crore achieved last year. The turnover from sales of seeds was Rs. 41.46 crore as against Rs. 55.69 crore achieved during previous year.

During the year, your Company expanded its marketing network by setting up a marketing office at Bhatinda, Punjab, in addition to the existing office at Chandigarh.

VI. Material Developments in Human Resources/ Industrial Relations

Your Company places very high reliance on its human capital which is the backbone of its continuous growth and prosperity. The Company promotes open and engaging work environment for its employees to harness their full potential. The Company is running two high tech plants at Gadepan, Rajasthan which requires qualified and trained manpower. Further, the market environment is becoming increasingly competitive. Therefore, retention of trained and experienced manpower is very critical for operations of the Company and to keep its competitive edge.

As part of its talent retention and augmentation strategy, your Company has adopted suitable interventions including engagement surveys and retention incentives for key personnel. As part of Company's long term plan to focus on quality manpower, it has been inducting fresh talent from premier Engineering and Management institutes. Priority is always given to internal resources when it comes to career and growth opportunities through job rotation, job enrichment and consequently promotion. Wherever essential, the personnel are recruited externally to bridge critical gaps in knowledge and experience. An appropriate manpower plan has been drawn up to prepare 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, 2013, total employee strength of fertilizer division was 949. The fertiliser division continues to maintain open and cordial employee relations.

INDIA STEAMSHIP-SHIPPING DIVISION

I. Industry Structure & Developments

The Shipping industry is cyclical in nature and highly dependent on the developments in global trade; therefore, any adversity in the global economic environment affects the prospects of global shipping industry. The dry bulk, containers and tankers are major segments of the Shipping Industry. World economy is passing through a difficult phase and growth plans of the major economies are under tremendous pressure. While the concerns of the US economy have not yet disappeared, the Euro Zone challenges continue to give shivers to the trade across the globe. A tender recovery in the global economy has been visible lately, but many issues, mostly fiscal, could impact growth in either direction over the coming months.

The tanker freight and asset rates have touched historical lows and are hovering around the same level. The high uncertainty and absence of a definitive trend are not allowing the players in the Industry to take long term decisions. They are following a 'wait and watch' policy.

II. Opportunities and Threats

Demand in the large capacity vessels is expected to drive overall demand in the year ahead. Long-haul routes from the Middle East Gulf to the Far East as well as Intra-Far East routes are projected to enjoy firm trade volume growth in the year ahead, generating significant demand for the 70,000- 100,000 DWT sized product vessels. The crude tanker fleet is projected to expand by 3.3% year-over-year in 2013. Thus, the supply-demand balance is projected to narrow in 2013, though the cumulative fleet growth of recent years is likely to cause difficulties for owners in the year ahead.

For 2013, world oil demand growth remains steady from the previous assessment. The large part of this growth is seen coming from China, followed by the Middle East and Latin America. In contrast, demand from OECD countries is expected to fall further. However, the current forecast indicates a number of potential downward risks. The recent downward trend in crude prices is making it difficult to forecast how the tanker market is going to pan out in the near future.

III. Risk and Concerns:

The economic imbalances have prolonged across the developed nations over last few years and can impact the sea-borne trading volumes to remain subdued during the year's 2013-2014. In addition, the factors such as orders in hand with the global shipyards resulting in constant flow of vessel deliveries is expected to further worsen the over- supply position of global fleet and thereby adversely affecting the vessel freight rates.

The usual perils of the sea, volatile bunker prices and currency rate fluctuation are other causes of concern to the shipping industry.

IV. Outlook

The crude tanker demand is projected to increase by 2.6% year-on-year in 2013 as against fleet expansion of 3.3%. Oil demand growth in the economies of non-OECD Asia, particularly China, is likely to underscore demand growth in the VLCC (Very Large Crude Carrier) sector, which is projected to increase by 4.9% year-on-year in the year 2013. The charterers are choosing to fix larger Suezmaxes at the expense of Aframaxes, which is likely to enable Suezmax owners to increase their market share. These factors, coupled with significant exposure to fragile European oil demand, are projected to lead to Aframax demand declining by 4.4% year-over-year.

V. Financial and Operational Performance

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

Particulars	2012-13	2011-12
Sales (Rs. in crore)	309.67	390.41
EBIDTA (Rs. in crore)	94.39	77.63

VI. Material Developments in Human Resources development/ Industrial Relation

The relation between the employees and the management remained cordial during the year 2012-13. The committed shore based staff provides its prompt and efficient support and guidance to the floating staff on a continuous basis, which helps to maintain effective performance and operational efficiency at all times. The Shipping Division continues to focus & emphasize on safety, quality, environment and training, while reviewing and improving the skill sets of its employees. The Shipping Division continues to conduct training programmes for its marine officers which help it to buildup an efficient and well qualified cadre of experienced seafarers for its fleet. The Shipping Division had 62 employees in its shore office and 121 floating staff onboard as on March 31, 2013.

BIRLA TEXTILE MILLS - SPINNING DIVISION

I. Industry Structure and Developments

The Indian Textile Industry plays a vital role through its contribution to industrial output, employment generation and the export earnings of the country apart from providing one of the basic necessities of life.

The sector contributes about 14% to industrial production, 4% to the Gross Domestic Product (GDP) and 17% to the country's export earnings. It provides direct employment to over 35 million people, being the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

II. Opportunities & Threats

India is the second biggest textile manufacturer worldwide, after China. Similar trend is demonstrated in the cotton production and consumption trend where India ranks just after China and USA.

Demand remained sluggish across the textile value chain in the year 2012-13. Order sizes reduced for apparel exporters resulting in a fall in volumes. However, rupee realisations increased partially due to rupee depreciation against the USD and Euro which resulted in moderate growth in revenues. The year was also marked by stability and restoration of operating margins for textile players across the value chain led by steady cotton prices. Investment activity slowed down across the value chain due to uncertain demand and volatile raw material prices.

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. Abundant availability of raw materials such as cotton, wool, silk and jute and skilled workforce has made India a sourcing hub. India has successfully placed its innovating range of Man Made Fiber textiles in almost all the countries across the globe.

The Government of India has promoted a number of export promotion policies for the Textile sector in the Union Budget 2012-13 and the Foreign Trade Policy 2009-14. In the annual supplement 2013-14, it has also allowed 100% Foreign Direct Investment in textiles under the automatic route. The industry which was growing at 3-4% during the last six decades has now accelerated to an annual growth rate of 8-9% in value terms.

III. Risk & Concerns

The cotton and cotton yarn prices are expected to remain stable in the year 2013-14. However, any unexpected volatility could adversely impact textile companies. Fabric processing and garmenting are highly labour-intensive and labour costs are rising in India. Therefore, setting up units overseas or outsourcing work to low-labour-cost countries such as Bangladesh could be instrumental in protecting margins. Power is an important cost component, particularly for spinning mills and fabric units, which are more mechanised than garment units. Companies with coal-based captive power generation facilities are viewed favourably as they are self-sustained and more cost effective. High interest costs continue to impact net profitability and interest coverage.

IV. Outlook

Cotton yarn's outlook is stable with the pick-up in demand from China and stable cotton prices. Synthetic yarn has a negative outlook as lower demand and rising cost of inputs are squeezing their margins. Production of man-made filament yarn decreased by 0.2% year-on-year and production of blended and 100% non-cotton yarn grew at 0.1% year-on-year.

The outlook of Fabric is negative to stable as fabric manufacturers' margins are on slower revival due to increased input cost such as labour, power and fuel costs thus off setting input price decrease.

V. Operational & Financial Performance

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

Particulars	2012-13	2011-12
Yarn Production (MT)	18701.27	17883.00
Sales (Rs. in crore)	379.52	328.33
EBIDTA (Rs. in crore)	37.25	5.79

The average spindle utilization for the year 2012-13 was 93.19% against 86.38% in the year 2011-12. The sales of yarn during the year were 19163 MT against 18054 MT during the previous year.

VI. Material Development in Human Resources/ Industrial Relations

Being a labour intensive industry, training and development of human resources is of paramount importance. Well structured in-house training programmes conducted by experienced and competent faculty have improved the employee skill levels and their commitment. As on March 31, 2013, the manpower deployment in the Textile Division comprises of 1477 workers, 259 staff members (including subordinate staff) and 292Trainees.

The industrial relations remained 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, which provide that all transactions are authorized, recorded and reported correctly and compliance with policies and statutes are ensured.

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

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 of the Board of Directors. The internal audit programme is aligned to the previous years' observations, suggestions from the operating managers and statutory auditors, existing systems and procedures, financial limits of authority and also the risk areas, which are identified and reviewed.

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.

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 31 March 2013, 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 the accounting principles generally accepted in India, including accounting standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956 (''the Act''). 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 misstatement, 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 misstatement.

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 judgement, 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. 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 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 31 March, 2013

(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 the 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 Shipping Division not visited by us. The Branch Auditor's Report of the Shipping Division have been forwarded to us and have been appropriately dealt with.
   (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 audited returns from the Shipping Division.
   (d) In our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the accounting standards referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956.
   (e) We did not audit total assets of Rs. 1,53,223.45 lacs as at March 31, 2013, total revenues of Rs. 30,966.70 lacs and net cash outflows amounting to Rs. 173.21 lacs for the year then ended, included in the accompanying financial statements in respect of Shipping Division not visited by us, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such division is based solely on the report of other auditors.
   (f) On the basis of written representations received from the directors as on 31 march 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956.

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

per ANIL GUPTA
Partner
Membership No.: 87921

Place : Gurgaon
Date : April 30, 2013

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. 5000 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.	74.94	2007-08 to 2011-12	Income Tax Officer (TDS), Kota
	Demand raised on disallowances of expenses during Assessment.	5284.23	2004-05, 2005-06 and 2009-10	Commissioner of Income Tax (Appeals), Kota
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	160.36	March 2011, 2011-12 and 2012-13	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 nidhi/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 shares, securities, debentures and other investments have been held by the Company in its own name. The Company did not have any such shares, securities, debentures and other investments at the close of the year.

(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 prejudical 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 information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds pending utilization of Rs. 6000 lacs have been invested in fixed deposits with bank. The maximum amount and year-end balance of such idle/surplus funds invested during the year was Rs. 6000 lacs.

(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 301 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 : April 30, 2013

BALANCE SHEET AS AT MARCH 31, 2013

(Rs. in Lacs)

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	41620.79	41620.79
Reserves and surplus	4	157559.03	136249.80
		199179.82	177870.59
Non-Current liabilities			
Long-term borrowings	5	112710.57	118460.89
Deferred tax liabilities (net)	6	41609.79	38605.20
Other long term liabilities	7	366.33	317.39
Long-term provisions	8	3588.34	4456.62
		158275.03	161840.10
Current liabilities			
Short-term borrowings	9	375140.95	218178.93
Trade payables	10	48354.11	26798.46
Other current liabilities	11	46043.88	28715.08
Short-term provisions	12	17071.35	18643.57
		486610.29	292336.04
Total		844065.14	632046.73
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	13	259800.43	263439.49
Intangible assets	14	119.12	138.12
Capital work-in-progress		4422.57	5433.18
Non-current investments	15	54440.42	49225.19
Long term loans and advances	16	3421.09	6433.63
Other non-current assets	17	1461.56	1094.80
		323665.19	325764.41
Current assets			
Inventories	18	122677.99	51778.86
Trade receivables	19	343362.71	202165.30
Cash and bank balances	20	22471.47	27349.76
Short-term loans and advances	21	24901.57	19717.82
Other current assets	22	6986.21	5270.58
		520399.95	306282.32
Total		844065.14	632046.73
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 S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E

per Anil Gupta
Partner
Membership No - 87921

Place : Gurgaon
Date : April 30, 2013

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
Vice President - Finance

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

Place : New Delhi
Date : April 30, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(Rs.in Lacs)

Particulars	Note No.	Year Ended March 31, 2013	Year Ended March 31, 2012
Income			
Revenue from operations (gross)		736177.95	647608.28
Less: Excise Duty		2095.99	1443.29
Revenue from operations (net)	23	734081.96	646164.99
Other income	24	7828.79	15520.20
Total Revenue (I)		741910.75	661685.19
Expenses:			
Cost of materials consumed	25	188263.85	146144.00
Purchase of traded goods	26	314691.46	252366.43
(Increase) in inventories of finished goods, work-in-progress and traded goods	26	(66604.81)	(12952.23)
Employee benefits expense	27	14058.47	13239.13
Depreciation / Amortization expense	13 & 14	22204.34	26207.99
Finance costs	28	12983.33	11771.08
Freight to charter-in ship		4208.76	5433.42
Other expenses	29	207628.03	163512.03
Exceptional item	30	(1195.73)	-
Total Expenses (II)		696237.70	605721.85
Profit before tax (I - II)		45673.05	55963.34
Tax expenses:			
Current tax		12137.89	17207.13
Tax related to earlier years		(30.68)	(4458.54)
Deferred tax charge		3004.59	65.39
Exceptional deferred tax charge	49	-	18420.67
Total tax expense		15111.80	31234.65
Profit for the year		30561.25	24728.69
Earnings per equity share {nominal value of share Rs.10 (Previous year Rs.10)}			
Basic and Diluted (in Rs.)	31	7.34	5.94
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 Registration No. 301003E

Anil Kapoor
Managing Director

S.K. Poddar
Chairman

per Anil Gupta
Partner
Membership No - 87921

Abhay Baijal
Vice President - Finance

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

Place : Gurgaon
Date : April 30, 2013

Place : New Delhi
Date : April 30, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(Rs.in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
A. Cash flow from operating activities :		
Profit before tax	45673.05	55963.34
Adjustments for :		
Depreciation/ Amortisation	22204.34	26207.99
(Profit) on sale of Current Investments	(1819.43)	(134.91)
Exceptional Item	(1195.73)	-
Unrealised foreign exchange fluctutaion	813.71	3196.77
Premium on forward contracts amortised	14022.30	6174.99
Provision for loss/ (gain) on derivative transaction	(687.10)	1835.21
(Profit)/ Loss on disposal of fixed assets (net)	(727.83)	917.39
Provision for doubtful advances and debts	644.22	179.93
Liabilities no longer required written back	(99.98)	(576.54)
Catalyst charges written off	440.43	310.73
Irrecoverable debts/ advances written off	10.84	63.17
Interest expense	11929.46	10700.41
Interest income	(1977.78)	(1768.46)
Dividend income on non trade current investments	-	(62.99)
Dividend income on investment in Joint Venture	-	(10033.23)
Operating profit before working capital changes	89230.50	92973.80
Movement in working capital :		
(Increase) in trade receivables	(141197.41)	(143650.53)
(Increase) in inventories	(71714.99)	(12919.31)
(Increase)/ Decrease in other current assets	(156.95)	16207.57
(Increase) in loans and advances	(81.94)	(2265.54)
Increase in trade payables, other liabilities and provisions	18339.34	10916.41
Cash generated (used in) operations	(105581.45)	(38737.60)
Direct taxes paid (net of refunds)	(18424.74)	(19594.16)
Net cash flows (used in) operating activities	(124006.19)	(58331.76)
B. Cash flow from investing activities		
Purchase of fixed assets	(7575.87)	(8862.86)
Proceeds from sale of fixed assets	3060.10	349.57
Purchase of investments	(465015.24)	(125743.46)
Proceeds from sale of non trade investments	461619.43	121434.91
Inter Corporate deposits given- repaid	14600.00	7175.00
Inter Corporate deposits given	(13650.00)	(8275.00)
Deposits (with original maturity more than three months)	(6590.23)	(541.88)
Advance given against purchase of shares of subsidiary company	(142.00)	-
Proceeds of deposits matured (with original maturity more than three months)	541.88	3046.19
Interest received	1971.88	2072.44
Dividend received	-	10096.22
Net cash flow from / (used in) investing activities	(11180.05)	751.13
C. Cash flow from financing activities		
Proceeds from long term borrowings	10297.77	-
Repayment of long term borrowings	(20274.22)	(23495.35)
Availment of buyers credit	232462.34	192712.02
Repayment of buyers credit	(223837.63)	(81382.81)
Net proceeds from short term borrowings	147180.60	(9218.41)
Interest paid	(12387.97)	(8234.07)
Dividend paid	(7878.10)	(7834.39)
Tax on dividend paid	(1282.88)	(1282.87)
Net cash flow from financing activities	124279.91	61264.12
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(10906.33)	3683.49
Cash and cash equivalents at the beginning of the year	26821.05	23137.56
Cash and cash equivalents at the end of the year	15914.72	26821.05
Components of cash and cash equivalents as at		
Cash / cheque / draft on hand	6.44	7.60
Balances with banks :		
- on unpaid dividend / debenture / fixed deposit accounts	944.56	914.67
- on current accounts	265.92	1284.95
- on cash credit accounts	14641.35	24533.95
- on saving account	26.66	79.40
- on deposits accounts	6590.23	541.88
Cash and bank balances	22475.16	27362.45
Less: Fixed deposits not considered as cash equivalents	6590.23	541.88
Cash and cash equivalents as per note no.20	15884.93	26820.57
Add: Foreign Exchange fluctuation on overseas account	29.79	0.48
Net cash and cash equivalents	15914.72	26821.05

Note: Bank balances of Rs. 944.56 lacs (Previous year Rs. 914.67 lacs) is earmarked for payment of unpaid dividend/ debenture / 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 and on behalf of the Board of Directors of Chambal Fertilisers and Chemicals Limited

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

Anil Kapoor
Managing Director

S.K. Poddar
Chairman

per Anil Gupta
Partner
Membership No - 87921

Abhay Baijal
Vice President - Finance

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

Place : Gurgaon
Date : April 30, 2013

Place : New Delhi
Date : April 30, 2013

1. Corporate Information

   The Company is 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. 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 policy explained below:

2. (a) Summary of significant Accounting Policies

(i) Change in Accounting Policy

In pursuance of clarification dated August 9, 2012 issued by Ministry of Corporate Affairs, Government of India, the Company has 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". Earlier the Company has accounted part of the exchange differences as interest cost in accordance with para 4(e) of Accounting Standard 16 and the balance exchange difference was adjusted to the cost of fixed assets. Had the Company continued the earlier accounting policy, profit of the Company would have been lower by Rs.1289.92 lacs (net of tax of Rs.619.52 lacs) and net block of fixed assets would have been lower by Rs.1909.44 lacs (net of depreciation of Rs.197.90 lacs).

Consequent to above, out of Rs.2107.34 lacs, the Company had charged Rs.1195.73 lacs in the financial year 2011-12 as borrowing cost. This amount has now been reversed and shown as exceptional income in note no. 30 of the financial statement.

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 09 August 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.

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 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, 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 covering 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 of continuing operations, 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. Cosis 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, 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 is passed 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 rate, including freight, as notified under the New Pricing Scheme, Uniform Freight Policy and New Investment Policy further adjusted for input price escalation / de-escalation as estimated by the management based on the prescribed norms.

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 & 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 Exemption Pass Book Scheme, Duty Drawback Scheme and Focus Market 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) as 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 and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

(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 Company's Scheme and contributed to Life Insurance Corporation of India (LIC) / ICICI Prudential Life Insurance Company Limited (ICICI) every year. The contributions to the funds are charged to the Statement of Profit and Loss of the year. The Company does not have any other obligation to the fund other than the contribution payable to LIC / ICICI.

(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 Company has taken policies from LIC, ICICI and Birla Sunlife Insurance (BSLI) and for Shipping and Textiles Division, 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 & BSLI is provided for as liability in the books.

(d) 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.

(e) 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 & 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.

(Rs. in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
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
	41620.79	41620.79

a) **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.

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

Name	March 31, 2013		March 31, 2012	
	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	50,081,715	12.03	50,061,715	12.03
SIL Investments Limited	31,813,455	7.64	32,153,455	7.73
Life Insurance Corporation of India	27,910,373	6.71	23,810,373	5.72

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Particulars	As at March 31, 2013	As at March 31, 2012
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	24695.36	19695.36
Add: Transferred from Statement of Profit and Loss	5000.00	5000.00
	29695.36	24695.36
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
Surplus in the statement of profit & loss		
Balance as per the last financial statements	106591.90	96054.08
Add : Profit for the year	30561.25	24728.69
Appropriations:		
Transfer to General Reserve	5000.00	5000.00
Proposed Equity Dividend (amount Rs.1.90 per share) (Previous year Rs.1.90 per share)	7908.05	7907.99
Tax on Proposed Equity Dividend	1343.97	1282.88
	122901.13	106591.90
	157559.03	136249.80

(Rs. in Lacs)

Particulars	As at March 31, 2013		As at March 31, 2012	
	Non Current	Current Maturities	Non Current	Current Maturities
NOTE 5: LONG-TERM BORROWINGS				
Secured Loans:				
Term loans from banks				
- Rupee term loans	3932.00	1517.00	5449.00	1517.00
- Foreign currency term loans	108544.96	22081.27	112754.28	17514.33
Finance lease obligation	233.61	24.00	257.61	18.31
	112710.57	23622.27	118460.89	19049.64
Less : Current maturities shown under other current liability	-	23622.27	-	19049.64
(refer note no.11)	112710.57	-	118460.89	-

Notes:

i Rupee term loans of Rs.5449.00 lacs (including current maturities of Rs.1517.00 lacs) (Previous year Rs.6966 lacs and Rs.1517 lacs respectively) carries interest rate in the range of 11.65%-13.00% p.a. Out of these, one term loan amounting to Rs.2585.00 lacs is repayable in 4 quarterly installments of Rs.176.25 lacs each starting from June 30, 2013 and balance in last 8 quarterly installments of Rs.235 lacs each. Another term loan amounting to Rs.2744 lacs is repayable in 4 quarterly installments of Rs.188 lacs each starting from June 30, 2013 and thereafter 7 quarterly installments of Rs.250 lacs each and last installment of Rs.242 lacs. Another term loan amounting to Rs.120 lacs is repayable in 24 monthly installment of Rs.5 lacs each starting from April 30, 2013. 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 709.07 lacs (Rs.38495.28 lacs including current maturities of Rs.10882.94 lacs) (Previous year Rs.33429.53 lacs and Rs.7019.38 lacs respectively) carries 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 187.50 lacs (Rs.10179.38 lacs) is repayable in 6 equal quarterly installments starting from June 09, 2013. Another term loan amounting to USD 267.57 lacs (Rs.14526.25 lacs) is repayable in 18 equal quarterly installments starting from June 20, 2013. Another term loan amounting to USD 64 lacs (Rs. 3474.56 lacs) is repayable in 16 equal quarterly installments starting from May 27, 2013. Another term loan amounting to USD 190 lacs (Rs.10315.10 lacs) carries 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 Foreign currency term loan of USD 320 lacs (Rs.17372.80 lacs including current maturities of Rs. 2171.60 lacs) (Previous year Rs. 18316.80 lacs and Rs.2035.20 lacs respectively) carries interest @ 3 months LIBOR plus 1.125% p.a. The loan is repayable in 12 quarterly installments of USD 10.00 lacs each (Rs.542.90 lacs) starting from June 08, 2013 and the last installment of USD 200.00 lacs (Rs.10858.00 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.

iv Foreign currency term loan of USD 450 lacs (Rs.24430.50 lacs including current maturities of Rs.2171.60 lacs) (Previous year Rs.24931.20 lacs and Rs.2035.20 lacs respectively) carries interest @ 3 months LIBOR plus 0.875% p.a. The loan is repayable in 27 quarterly installments of USD 10.00 lacs each (Rs. 542.90 lacs) starting from June 09, 2013 and the last installment of USD 180.00 lacs (Rs. 9772.20 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.

v Foreign currency term loans of USD 927.02 lacs (Rs.50327.65 lacs including current maturities of Rs.6855.13 lacs) (Previous year Rs.53591.08 lacs and Rs.6424.55 lacs respectively) carries interest @ 3 months LIBOR plus 0.40% p.a. One tranch of the aforesaid term loan amounting to USD 290 lacs (Rs.15744.10 lacs) is repayable in 29 equal quarterly installment starting from April 22, 2013. Another tranche of the aforesaid term loan amounting to USD 290 lacs (Rs.15744.10 lacs) is repayable in 29 equal quarterly installment starting from June 03, 2013. Another tranche of the aforesaid term loan amounting to USD 347.02 lacs (Rs.18839.45 lacs) is repayable in 30 equal quarterly installment starting from April 15, 2013.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.257.61 lacs (including current maturities of Rs.24.00 lacs) (Previous year Rs.275.92 lacs and Rs.18.31 lacs respectively) is repayable in 65 monthly installments of Rs.6.77 lacs each starting from April, 2013 carries interest rate of around 28% p.a. This is secured by assets acquired under the facility.

(Rs. in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
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	44210.66	40089.04
Gross Deferred Tax Liabilities	44210.66	40089.04
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	297.19	267.99
Provision for gratuity	60.09	106.47
Provision for leave encashment	707.57	475.89
Provision for doubtful debts and advances	145.83	-
Provision for Mark to Market (MTM) on derivative contract	1390.19	633.49
Gross Deferred Tax Assets	2600.87	1483.84
Net Deferred Tax Liabilities	41609.79	38605.20

NOTE 7 : OTHER LONG TERM LIABILITIES		
Trade Payable (other than Micro and Small Enterprises)	366.33	316.99
Earnest money / security deposits	-	0.40
	366.33	317.39

NOTE 8 : LONG TERM PROVISIONS		
Provision for gratuity (refer note no.36)	96.40	277.64
Provision for loss on derivative contract	3491.94	4178.98
	3588.34	4456.62

NOTE 9 :SHORT-TERM BORROWINGS		
Secured Loans:		
From Banks:		
- Rupee loans	61053.05	-
- Cash credit facilities	4984.90	10046.31
Unsecured Loans:		
Commercial Papers (Short term)	30000.00	-
From Banks:		
- Rupee loans	65500.00	4500.00
- Foreign currency loans	212574.86	202797.25
- Packing credit foreign currency loan	1028.14	835.37
	375140.95	218178.93

i Rupee loans include Rs.33053.05 lacs from consortium of Banks under Special Banking Arrangement against the subsidy on Urea receivable from the Government of India. The Banks have charged interest @ 10.25% p.a. (including 8% paid by Government of India directly to bank). Accordingly, Rs.30.63 lacs (at the rate of 2.25%) have been charged as interest expenses. These loans are secured by hypothecation of subsidy receivable upto Rs.33600.00 lacs from Government of India.

ii Rupee loans other than above and Cash credit facilities 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. Cash credit facilities, Commercial Paper, Rupee loans, Foreign currency loans and Packing credit foreign currency loans carry interest in the range of 10.20% - 14.75% p.a., 9.10% - 10.05% p.a., 9.85% - 10.25% p.a., 1.13% - 3.66% p.a.and 2.33% - 3.49% p.a. respectively.

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

NOTE 10 : TRADE PAYABLES		
Trade payables		
Outstanding dues to Micro and Small Enterprises (Refer note no.43)	46.57	19.34
Outstanding dues to creditors other than Micro and Small Enterprises	48307.54	26779.12
	48354.11	26798.46

(Rs. in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE 11 : OTHER CURRENT LIABILITIES		
Current Maturity of long term borrowings (refer note no.5)	23622.27	19049.64
Interest accrued but not due on loans	1131.51	1717.12
Advance from customers	822.76	687.42
Earnest money / security deposits	4716.31	3954.19
Unclaimed statutory liabilities (as referred in Section 205C of the Companies Act, 1956):*		
- Unpaid dividend	941.61	911.72
- Unpaid preference share capital	2.95	2.95
- Unpaid matured deposit	7.46	11.27
- Unpaid interest on above	1.71	3.23
Payable for Capital goods	1708.30	417.20
Forward contract	11081.69	-
Book overdraft	124.07	-
Statutory Obligation Payable	1604.26	1854.91
Other liabilities	278.98	105.43
	46043.88	28715.08

* Amount payable to Investor Education and Protection Fund is Rs.1.10 lacs (previous year Rs.0.14 lac), since paid on due date.

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE 12 : SHORT-TERM PROVISIONS		
Provision for employees benefits		
Provision for gratuity (Refer note no.36)	31.16	148.65
Provision for leave encashment	2099.85	1815.05
Others Provisions		
Provision for taxation (net of advance tax payments)	5075.80	6873.94
Provision for wealth tax	14.47	16.95
Provision for loss on derivative contract	598.05	598.11
Proposed dividend on equity shares	7908.05	7907.99
Tax on proposed dividend	1343.97	1282.88
	17071.35	18643.57

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	Vehicles (on Finance Lease)	Ships	Total
Gross Block														
At 1 April 2011	325.59	587.28	18303.36	248.66	302.26	2205.11	298871.91	1670.91	1,991.49	702.17	653.63	171.66	169729.43	495763.46
Additions	-	-	67.52	477.98	-	-	7119.08	114.13	199.06	42.97	198.65	-	6.51	8225.90
Deletions	-	-	(1,211.02)	(75.56)	-	-	(6808.68)	(28.20)	(151.99)	(104.27)	(55.83)	(64.16)	-	(8,499.71)
Adjustment	-	-	-	-	-	-	697.59	-	-	-	107.50	(107.50)	14447.82	15145.41
At 31 March 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**
Depreciation														
At 1 April 2011	-	126.31	5545.89	210.72	45.43	1492.20	189805.94	960.73	1059.17	483.33	167.77	155.88	28130.03	228183.40
Charge for the year	-	5.93	380.52	65.37	34.54	104.74	15236.53	79.63	193.10	35.40	170.09	-	9724.97	26030.82
Deletions	-	-	(1150.47)	(75.56)	-	-	(5471.42)	(19.70)	(127.40)	(77.32)	(37.30)	(59.48)	-	(7018.65)
Adjustment	-	-	-	-	-	-	-	-	-	-	96.40	(96.40)	-	-
At 31 March 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**
Net Block														
At 31 March 2012	**325.59**	**455.04**	**12383.92**	**450.55**	**222.29**	**608.17**	**100308.85**	**736.18**	**913.69**	**199.46**	**506.99**	**-**	**146328.76**	**263439.49**
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**

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. Leasehold Land includes Rs. 344.52 lacs taken on lease from Gujarat Industrial Development Corporation, in respect of which lease deed is pending to be executed.
3. Gross Block and Accumulated Depreciation of Buildings includes Rs.0.71 lac (Previous year Rs.0.71 lac) and Rs.0.57 lac (Previous year Rs.0.56 lac) respectively represent undivided share in assets jointly owned with others.
4. Adjustment to Plant & Machinery includes additions of Rs.1073.72 lacs (out of this, Rs.857.20 lacs relates to adjustment as per para 46A of AS 11 and Rs.216.52 lacs as per note no.30) (Previous year additions of Rs.1353.48 lacs) and adjustment to ships includes additions of Rs.8911.39 lacs (out of this, Rs.7932.18 lacs relates to adjustment as per para 46A of AS 11 and Rs.979.21 lacs as per note no.30) (Previous year additions of Rs.14447.82 lacs) being variations in rupee liability in respect of foreign currency.
5. Adjustment to Plant & Machinery in the last year includes Cenvat Credit of Rs.655.89 related to earlier years but availed during the last year.
6. Capital work in progress (CWIP) includes preoperative expenses amounting Rs.1463.70 lacs (Previous year Rs.54.72) (Refer note no.34). Further, CWIP includes Rs.9.35 lacs (Previous year Nil) being variations in rupee liability in respect of foreign currency.

(Rs. in Lacs)

Particulars	Software	Total
NOTE 14 : INTANGIBLE ASSETS		
Gross Block		
At 1 April, 2011	**940.89**	**940.89**
Purchase	61.01	61.01
Deduction	-	-
Adjustment	4.57	4.57
At 31 March, 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**
Amortisation		
At 1 April, 2011	**689.34**	**689.34**
Charge for the year	177.17	177.17
Deduction	-	-
Adjustment	1.84	1.84
At 31 March, 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**
Net Block		
At 31 March, 2012	**138.12**	**138.12**
At 31 March, 2013	**119.12**	**119.12**

(Rs. in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE 15 : NON-CURRENT INVESTMENTS		
Long Term Investments (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 Company		
- 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
- 50,000 (Previous year 50,000) equity shares of Rs.10 each fully paid up & 41,000,000 (Previous year 41,000,000) equity shares of Rs.10 each (Re.0.50 per equity share paid) in India Steamship Limited**	415.00	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		
- 10,000,000 (Previous year 10,000,000) non-cumulative redeemable preference shares of Rs.10 each (Rs.1 per preference share paid) in India Steamship Limited**	100.00	100.00

	Non Trade (Unquoted), fully paid up		
	Subsidiary Company		
	- 98,689,447 (Previous year 89,129,510) non cumulative preference shares of US$ 1.00 each fully paid up in CFCL Overseas Limited* $	44611.77	39396.53
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)**		
	- 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
	- Nil (Previous year 14) 8% Non Convertible Debentures of Indian Chamber of Commerce of Rs.12.50 each fully paid up	-	0.01
		54440.42	49225.19
	Aggregate amount of unquoted investments	54440.42	49225.19

* The Company has made further investment of Rs.5215.24 lacs (Previous year Rs.8304.18 lacs) in its wholly owned subsidiary CFCL Overseas Limited, Cayman Islands.

$ The Company has investments of Rs.44633.55 lacs (Previous year Rs.39418.31 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.11943.80 lacs (Previous year Rs.11193.60 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 and Series G 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 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.

** India Steamship Limited has not called up so far the remaining amount of Rs.32390.00 lacs (including premium of Rs.28495.00 lacs) on partly paid equity shares and Rs.900.00 lacs on partly paid Preference Shares. The shareholders of India Steamship Limited 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. India Steamship Limited has also filed a petition before the Hon'ble Rajasthan High Court, Jaipur bench for reduction of capital as mentioned above.

(Rs. in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE 16 : LONG TERM LOANS AND ADVANCES		
(Unsecured, except to the extent stated and considered good)		
Advances and loans to subsidiaries (refer note no. 37)	303.16	442.31
Capital advances	726.32	1693.39
Balances with statutory/ government authorities	20.09	297.95
Loans to employees		
a) Secured, considered good	320.97	345.09
b) Unsecured, considered good	23.43	54.57
Advance to CFCL Employees Welfare Trust (refer note no. 45)	-	1610.10
Advance against purchase of shares of subsidiary company (refer note no. 37)	142.00	-
Prepaid expenses	1189.51	1285.59
Deposits - others	695.61	704.63
	3421.09	6433.63
Included in Loans to employees		
i. Dues from directors of the Company	2.54	-
ii. Dues from officers of the Company	3.72	6.95
NOTE 17 : OTHER NON-CURRENT ASSETS		
Catalysts in use (valued based on life technically assessed)	1457.45	1082.02
Non current bank balance (refer note no. 20)	3.69	12.69
Interest accrued on fixed deposits	0.42	0.09
	1461.56	1094.80

Particulars	As at March 31, 2013	As at March 31, 2012
		(Rs. in Lacs)
NOTE 18 : INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)		
Stores and spares {Including in transit Rs.33.21 lacs (Previous year Rs.10.74 lacs)}	11044.70	9676.50
Catalysts in use (valued based on life technically assessed)	381.66	318.40
Naphtha	741.55	905.90
Raw materials {Including in transit Rs.60.01 lacs (Previous year Rs.139.52 lacs)}	7068.87	4029.37
Loose tools	18.70	12.81
Packing materials	347.04	365.22
Waste (at net realisable value)	47.33	6.44
Work-in-process	2588.36	1100.58
Finished goods {Including in transit Rs.4489.66 lacs (Previous year Rs.2688.06 lacs)}	33358.95	19386.42
Traded goods {Including in transit Rs.8252.45 lacs (Previous year Rs.6046.28 lacs)}	67080.83	15977.22
	122677.99	51778.86
NOTE 19 : TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good*	1.60	13.15
Unsecured, considered good (Including subsidy receivable from Government of India Rs.33801.48 lacs (Previous year Rs.7698.30 lacs)	34452.43	7931.28
Unsecured, considered doubtful	10.67	28.46
Less: Provision for doubtful receivables	10.67	28.46
	34454.03	7944.43
Other receivables		
Secured, considered good*	3715.37	3243.40
Unsecured, considered good (Including subsidy receivable from Government	305193.31	190977.47
of India Rs.224869.28 lacs (Previous year Rs.144645.17 lacs)	308908.68	194220.87
	343362.71	202165.30

*Secured trade receivables includes Rs.251.29 lacs (Previous year Rs.381.59 lacs) secured against letter of credit.

Particulars	As at March 31, 2013	As at March 31, 2012
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 / debenture / fixed deposit accounts	944.56	914.67
On current accounts	265.92	1284.95
On cash credit accounts	14641.35	24533.95
On saving accounts	26.66	79.40
Cash on hand	5.51	7.60
	15884.93	26820.57
Other bank balances :		
Deposit with original maturity for more than 12 months	12.69	13.73
Deposit with original maturity for more than 3 months but less than 12 months	6577.54	528.15
	6590.23	541.88
	22475.16	27362.45
Amount disclosed under non current assets (refer note no.17)	(3.69)	(12.69)
	22471.47	27349.76

(Rs. in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE 21 : SHORT-TERM LOANS AND ADVANCES		
(unsecured, except to the extent stated and considered good, except to the extent stated)		
Advances and loans to subsidiaries (refer note no. 37)	0.46	0.60
Advances recoverable in cash or in kind or for value to be received	2746.71	2581.50
(Considered doubtful Rs.95.37 lacs, Previous year Rs.93.05 lacs)		
Balances with statutory/ government authorities	1526.04	1588.09
(Considered doubtful Rs.296.85 lacs, Previous year Rs.275.09 lacs)		
Loans to employees		
a) Secured, considered good	66.62	61.12
b) Unsecured, considered good	19.94	28.11
Advance to CFCL Employees Welfare Trust (Refer note no.45)	1710.10	-
(Considered doubtful Rs.573.98 lacs, Previous year Nil)		
Deposits - others	86.42	59.67
(Considered doubtful Rs.26.14 lacs Previous Year Rs.26.14 lacs)		
Inter - corporate deposits	4050.00	5000.00
Prepaid Expenses	1388.29	1013.07
Advance fringe benefit tax (Net of Provision for fringe benefit tax)	3.70	3.70
Advance Income Tax (Net of Provision for taxation)	14295.63	9776.24
	25893.91	20112.10
Less: Provision for doubtful advances	992.34	394.28
	24901.57	19717.82
Included in Loans to employees		
i. Dues from directors of the Company	1.60	4.15
ii. Dues from officers of the Company	3.23	3.05
NOTE 22 : OTHER CURRENT ASSETS		
(Unsecured, except to the extent stated and considered good)		
Interest receivable on loans, deposits and others	236.30	359.01
Export benefits receivable	86.41	56.79
Insurance and other claims receivable	796.61	670.78
Unamortised premium on forward contracts	5601.22	3824.01
Forward contract	-	56.08
Receivable from subsidiary companies (refer note no. 37)	73.57	72.40
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)	192.00	231.41
	6986.21	5270.58

NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(Rs. in Lacs)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
NOTE 23 : REVENUE FROM OPERATIONS		
Sale of Products:		
Sale of own manufactured products (including subsidy on fertilisers)	400515.72	335004.16
Sale of traded products (including subsidy on fertilisers)	304361.54	272922.26
Sale of Services:		
Income from operations of shipping business	30966.70	39041.21
{Including Rs.6508.06 lacs from charter in ship (Previous year Rs.6339.38 lacs)}		
Other Opertating Revenues		
Export benefits	300.01	566.02
Others	33.98	74.63
Revenue from operations (gross)	736177.95	647608.28
Less : Excise duty #	2095.99	1443.29
Revenue from operations (net)	734081.96	646164.99

Excise duty on sales amounting to Rs.2095.99 lacs (Previous year Rs.1443.29 lacs) has been reduced from sales in statement of profit and loss and excise duty on increase in stock amounting to Rs.35.53 lacs (Previous year Rs.14.61 lacs) has been considered as expense in note 29 of the financial statements.

(Rs. in Lacs)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Details of products sold		
Manufactured goods sold		
Urea	349750.05	298802.03
Ammonia	9656.17	3369.57
Single Super Phosphate (SSP)	3157.47	-
Synthetic Man-made Fibers Yarn	19373.24	15235.66
Synthetic Fiber Yarn Waste	79.23	76.18
Cotton Yarn	17222.45	16512.23
Cotton Waste	1277.11	1008.49
	400515.72	335004.16
Traded products sold		
Diammonium Phosphate (DAP)	229388.81	191282.58
Muriate of Potash (MOP)	18845.60	13725.79
Pesticides	23906.77	22008.04
Seeds	3990.50	5281.00
SSP	9886.50	4003.02
Zinc	3432.04	3419.73
Micro Nutrients	4406.56	3837.13
Gypsum	1016.47	688.69
Complex (NPK Fertilisers)	8049.28	28374.47
Complex (Water soluble Fertilisers)	556.76	301.81
Rock Phosphate	882.25	
	304361.54	272922.26

NOTE 24 : OTHER INCOME

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Interest on		
- Fertilisers bonds	0.01	396.55
- Employees loans	18.37	13.94
- Loans to subsidiaries (refer note no.37)	57.33	40.23
- Income Tax refunds	675.00	189.89
- Deposits (Gross)	876.30	831.44
- Payment from customers	325.96	280.66
- Others	24.81	15.75
Dividend income		
- on non trade current investments	-	62.99
- on investment in Joint venture - trade, long term (refer note no.37)	-	10033.23
Rent received	9.83	4.28
Mark to Market gain on derivative transactions	687.10	
Insurance claims received	817.94	279.59
Liabilities no longer required written back	99.98	576.54
Compensation of loss on sale of fertilisers bonds	-	891.23
Profit on sale of non trade current investments	1819.43	134.91
Profit on disposal of fixed assets (Net)	727.83	-
Sale of scrap	390.55	405.22
Miscellaneous income	1298.35	1363.75
	7828.79	15520.20

NOTE 25 : COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Opening inventories	4029.37	6062.90
Add: Purchases	191303.35	144110.47
Less: Closing inventories	7068.87	4029.37
	188263.85	146144.00
Details of materials consumed		
Natural Gas	160551.93	121099.42
Neem Oil	483.60	396.65
Staple fibre	11905.61	11362.56
Cotton	12010.15	12994.07
Dyes and Chemicals	259.54	291.30
Rock Phosphate	2508.83	-
Sulphuric Acid	528.58	-
Gypsum	15.61	-
	188263.85	146144.00

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

Particulars	Year ended March 31, 2013	Year ended March 31, 2012	(Increase) / Decrease
Closing 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)
Opening inventories			
- Work-in-process	1100.58	1103.75	3.18
- Finished goods	19386.42	15,462.05	(3924.38)
- Traded goods	15977.22	6878.14	(9099.08)
- Waste	6.44	74.49	68.05
	36470.66	23518.43	(12952.23)
	(66604.81)	(12952.23)	
Details of purchase of traded goods			
DAP	258264.86	174446.90	
MOP	10509.00	15159.31	
Pesticides	18166.75	20274.54	
Seeds	3417.12	4377.31	
SSP	9147.21	3540.61	
Zinc	2983.54	2927.08	
Micro Nutrients	3009.67	3665.82	
Gypsum	453.05	288.33	
Complex (NPK Fertilisers)	7083.42	27311.32	
Complex (Water soluble Fertilisers)	795.53	375.21	
Rock Phosphate	861.31	-	
	314691.46	252366.43	
Details of inventory			
Work in progress			
Ammonia	659.27	292.02	
SSP	1215.02	-	
Synthetic Fiber	353.73	419.64	
Synthetic Yarn	92.86	99.99	
Cotton Fiber	189.90	212.03	
Cotton Yarn	75.62	69.29	
Other	1.96	7.61	
	2588.36	1100.58	
Finished goods			
Urea	30628.15	16015.48	
SSP	3.64	-	
Synthetic Man-made Fibers Yarn	2123.81	2896.20	
Cotton Yarn	603.35	474.74	
	33358.95	19386.42	
Traded goods			
DAP	58742.41	762.03	
MOP	6.11	5872.76	
Pesticides	4315.85	5882.11	
Seeds	73.57	76.66	
SSP	0.63		
Zinc	61.65	5.25	
Micro Nutrients	1759.32	1690.87	
Complex (NPK Fertilisers)	1635.78	1539.77	
Complex (Water soluble Fertilisers)	485.51	147.77	
	67080.83	15977.22	
Waste			
Synthetic Fiber Yarn Waste	-	0.26	
Cotton Waste	47.33	6.18	
	47.33	6.44	

(Rs. in Lacs)

Particulars	Year ended March 31, 2013	Year ended March 31,2012
NOTE 27 : EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus*	12306.18	11440.37
Contribution to provident and other funds	776.40	694.87
Gratuity expenses (refer note no.36)	243.68	502.34
Workmen and staff welfare expenses	732.21	601.55
	14058.47	13239.13
*Refer note no. 34		
NOTE 28 : FINANCE COSTS		
Interest (Including interest on Income Tax Rs.20.19 lacs (previous year Rs.23.02 lacs))	11929.46	9504.68
Bank charges and guarantee commission*	1053.87	1070.67
Net Loss on Foreign currency transaction and translation	-	1195.73
	12983.33	11771.08
* Refer note no. 34		
NOTE 29 : OTHER EXPENSES		
Consumption of stores and spares (refer note no. 46 (b))*	4082.58	4276.44
Consumption of packing materials	8009.89	7339.46
Bagging and other services	797.69	700.40
Power and fuel*	110462.80	79280.75
Catalyst charges written off	440.43	310.73
Rent (refer note no.41)	2365.28	1392.35
Rates and taxes	267.20	193.34
Insurance	2339.62	2136.11
Repairs and maintenance :		
- Plant & Machinery	1738.63	1245.22
- Ships	561.03	901.32
- Buildings	488.98	524.50
- Others	846.21	771.98
Ships bunker cost	8522.28	12264.21
Ships port dues	2635.70	2961.46
Ships special survey expenses	734.04	-
Directors' sitting fees	11.98	13.75
Travelling and conveyance*	1323.34	1273.40
Communication costs	146.22	160.17
Printing and stationery	59.66	64.17
Legal and professional fees*	524.18	525.20
Auditor's remuneration (including Branch Auditors')		
As auditor:		
- Audit fee	44.61	41.01
- Tax audit fee	8.15	8.02
- Limited review fee	24.78	22.34
- Out of pocket expenses	5.14	3.64
In other manner:		
- Certification and other services	32.50	30.19
Excise duty on increase in inventories	35.53	14.61
Freight and forwarding charges	40862.76	31829.75
Other selling expenses	935.62	874.33
Cash rebate to customers	419.79	110.15
Commission and brokerage to other than sole selling agents	1123.87	1477.24
Donations and contribution to Charitable institutions	15.38	0.20
Depletion of loose tools	15.22	9.94
Green belt development/ horticulture expenses	293.55	251.00
Provision for loss on derivative transaction	-	1835.21
Provision for doubtful advances and debts	644.22	179.93
Loss on foreign exchange variation (net)	176.95	318.17
Premium on forward contracts amortised	14022.30	6174.99
Loss on disposal of fixed assets (net)	-	917.39
Bank charges and guarantee commission (other than financing)	177.11	315.92
Irrecoverable debts and advances written off	10.84	63.17
Miscellaneous expenses*	2421.97	2699.87
	207628.03	163512.03
*Refer note no. 34		

(Rs. in Lacs)

Particulars	Year ended March 31, 2013	Year ended March 31,2012
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 has 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 has been reversed and shown as exceptional income during the year.

Particulars	Year ended March 31, 2013	Year ended March 31,2012
NOTE 31 : EARNINGS PER SHARE (EPS)		
Net profit as per Statement of profit and loss	30561.25	24728.69
Calculation of weighted average number of equity shares		
- Number of share at the beginning of the year	416207852	416207852
- Total equity shares outstanding at the end of the year	416207852	416207852
- Weighted average number of equity shares outstanding during the year	416207852	416207852
Basic and Diluted Earnings Per Share (In Rs.)	7.34	5.94
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	2012-13	2011-12
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)	11943.80	11193.60
ii)	Bills discounted with bank and remaining outstanding as on date.	153.06	529.65
iii)	Demand raised by Customs, Sales Tax and Income Tax (IT) authorities being disputed by the Company.*	582.74	595.98
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.	343.75	322.42

* Brief description of liabilities for (iii) above :

(Rs. in Lacs)

S.No.	Particulars	2012-13	2011-12
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.	-	9.55
	Demand raised by IT authorities on account of various disallowances for AY 2009-10.	90.00	446.99
	Demand raised by IT authorities on account of various disallowances for AY 2010-11.	323.96	-
	Demand raised by IT authorities on account of short deduction of TDS and interest thereon for AY 2008-09 to 2012-13	74.94	38.30

(Rs. in Lacs)

S.No.	Particulars	2012-13	2011-12
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	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
	Show cause notice dated 16.03.2011 related to non payment of service tax on 'Renting Income' received during FY 2009-10.	-	1.99
	Show cause notice dated 19.01.12 related to non payment of excise duty of Rs. 12.00 lacs on sale of scrap during FY 2009-10	-	12.00
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	6.69
	Total	582.74	595.98

(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 COMMITMENT

(Rs. in Lacs)

Particulars	2012-13	2011-12
Estimated amount of contracts remaining to be executed on capital account (net of advances)	11441.51	4878.12

34 PRE-OPERATIVE EXPENDITURE

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

(Rs. in Lacs)

Particulars	2012-13	2011-12
Opening Balance	54.72	-
Add : Expenditure during the year		
Salaries, wages and bonus	115.09	40.84
Consumption of stores and spares	12.49	
Travelling and conveyance	5.34	1.07
Power and fuel	7.95	9.87
Legal and professional fees	807.30	2.79
Bank charges and guarantee commission	0.04	0.13
Miscellaneous expenses	653.65	0.02
Total	1656.58	54.72
Less : Allocated to fixed assets on commencement of production in SSP Plant	192.88	-
Net pre-operative expenditure (pending for allocation)*	1463.70	54.72

*Related to upcoming urea manufacturing plant.

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, 2013 (Rs. In lacs)

Particulars	Own Manufactured Fertilisers		Trading		Shipping		Textile		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Revenue										
External Sales	360478.21	300742.72	304385.02	272947.40	30966.70	39076.30	38252.03	33398.57	734081.96	646164.99
Inter Segment Sales	-	-	-	-	-	-	-	-	-	-
Total Sales	360478.21	300742.72	304385.02	272947.40	30966.70	39076.30	38252.03	33398.57	734081.96	646164.99
Results										
Segment Results	47699.81	50301.20	22548.17	16682.82	(2205.67)	(2048.48)	2012.77	(1200.78)	70055.08	63734.76
Unallocated Expenses (net)	-	-	-	-	-	-	-	-	15626.08	8935.69
Operating Profit before Exceptional Items	-	-	-	-	-	-	-	-	54429.00	54799.07
Exceptional Item	-	-	-	-	-	-	-	-	(1195.73)	-
Interest Expense	-	-	-	-	-	-	-	-	11929.46	10700.41
Interest Income	-	-	-	-	-	-	-	-	1977.78	1768.46
Dividend Income	-	-	-	-	-	-	-	-	-	10096.22
Income Tax	-	-	-	-	-	-	-	-	15111.80	31234.65
Net Profit after Exceptional Item	-	-	-	-	-	-	-	-	30561.25	24728.69
Other Information										
Segment Assets	343564.74	231249.89	221108.16	125447.40	152989.55	153899.74	21102.84	22425.11	738765.29	533022.14
Unallocated Assets	-	-	-	-	-	-	-	-	105299.85	99024.59
Total Assets	-	-	-	-	-	-	-	-	844065.14	632046.73
Segment Liabilites	21597.74	17492.52	27053.05	9843.32	3965.94	2842.62	2308.63	1925.73	54925.36	32104.19
Unallocated Liabilites	-	-	-	-	-	-	-	-	589959.96	422071.95
Total Liabilites	-	-	-	-	-	-	-	-	644885.32	454176.14
Capital Expenditure	8496.67	8434.35	-	-	138.53	216.54	152.76	147.77	8787.96	8798.66
Unallocated Capital Expenditure	-	-	-	-	-	-	-	-	88.37	31.83
Depreciation/ Amortisation	10570.27	14670.25	-	-	9912.64	9799.47	1567.56	1638.15	22050.47	26107.87
Unallocated Depreciation/ Amortisation	-	-	-	-	-	-	-	-	153.87	100.12
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	2012-13	2011-12
Revenue from Domestic Market	709965.33	619712.89
Revenue from Overseas Markets	24116.63	26452.10
Total	734081.96	646164.99

Geographical segment wise receivables :

Particulars	2012-13	2011-12
Trade Receivables from Domestic Market	340587.86	200133.04
Trade Receivables from Overseas Markets	2774.85	2032.26
Total	343362.71	202165.30

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 policy 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 Actuary Society and provided the shortfall of Provident Fund liability in the books of accounts.

The following tables summarises 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	
	2012-13	2011-12	2012-13	2011-12
Current service cost	325.62	343.58	170.54	147.16
Interest cost on benefit obligation	-	-	136.61	101.58
Expected return on plan assets	-	-	(121.29)	(94.10)
Net actuarial (gain) / loss recognised in the year	-	-	57.82	304.17
Past service cost*	-	-	-	43.53
Net (benefit) / expense	325.62	343.58	243.68	502.34
Actual return on plan assets	-	-	138.01	71.07

Balance Sheet

Funding status and amount recognised in Balance Sheet

(Rs. in Lacs)

Particulars	Trust Managed Provident Fund		Gratuity	
	2012-13	2011-12	2012-13	2011-12
Defined benefit obligation	6192.65	5860.76	1928.71	1728.27
Fair value of plan assets	6365.66	5937.41	1801.15	1301.98
Plan asset/ (liability)*/ **	173.01	76.65	(127.56)	(426.29)

* Plan asset of Rs.173.01 lacs (Previous year Rs.76.65 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.

** Plan liability of Rs 127.56 lacs is net of plan asset of Rs.22.60 lacs and Rs.8.84 lacs in respect of fertiliser and textile division of the Company respectively.

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

(Rs. in Lacs)

Particulars	Trust Managed Provident Fund		Gratuity	
	2012-13	2011-12	**2012-13**	2011-12
Opening defined benefit obligation	5860.76	5723.25	1728.27	1279.74
Interest cost	552.64	486.48	136.61	101.58
Current service cost	325.62	343.58	170.54	147.16
Past service cost	-	-	-	43.53
Benefits paid out of funds	(496.97)	(580.32)	(128.47)	(92.36)
Benefits paid by Company	-	(66.60)	(52.78)	(32.52)
Actuarial (gains) / losses on obligation	(49.40)	(45.63)	74.54	281.14
Closing defined benefit obligation	6192.65	5860.76	1928.71	1728.27

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

(Rs. in Lacs)

Particulars	Trust Managed Provident Fund		Gratuity	
	2012-13	2011-12	**2012-13**	2011-12
Opening fair value of plan assets	5937.41	5725.36	1301.98	1003.79
Expected return	552.64	486.65	121.29	94.10
Contribution by employer	325.62	343.58	489.63	319.48
Benefits paid	(496.97)	(646.92)	(128.47)	(92.36)
Actuarial (gains) / losses on plan assets	46.96	28.74	16.72	(23.03)
Closing fair value of plan assets	6365.66	5937.41	1801.15	1301.98

The Company expects to contribute Rs.319.75 lacs (approx.) and Rs.350 lacs (approx.) to gratuity trust fund and provident fund trust respectively in the financial year 2013-14.

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

Particulars	2012-13	2011-12
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	
	2012-13	2011-12	**2012-13**	2011-12
Discount rate (%)	8.50	8.50	8.00	8.00
Expected rate of return (%)	8.50	8.50	7.75 to 9.25	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				
	2012-13	2011-12	**2012-13**	2011-12	2010-11	2009-10	2008-09
Defined Benefit Obligation	6192.65	5860.76	1928.71	1728.27	1279.74	1065.09	1051.60
Plan assets	6365.66	5937.41	1801.15	1301.98	1003.79	249.33	87.06
Surplus / (deficit)	173.01	76.65	(127.56)	(426.29)	(275.95)	(815.76)	(964.54)
Experience adjustment on plan assets - gain / (loss)	-*	-*	16.72	(19.78)	24.13	1.92	(1.69)
Experience adjustment on plan liabilities - gain / (loss)	-*	-*	(69.79)	(102.06)	(24.50)	(0.68)	(105.47)

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

Contribution to Defined Contribution Plans :

(Rs. in Lacs)

Particulars	2012-13	2011-12
Provident Fund / Pension Fund*	147.26	126.00
Superannuation Fund	118.11	90.07

*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 entered into transactions with the related parties. Those transactions along with related balances as at March 31, 2013 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)

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

Subsidiaries of India Steamship Pte. Limited, Singapore

India Steamship International FZE, UAE

(Rs. in Lacs)

Particulars	2012-13		2011-12	
Service Expenses		-		600.68
- India Steamship Pte Limited, Singapore	-		600.68	
Other Operating Revenues			-	3.68
- India Steamship Pte Limited, Singapore	-		3.68	
Interest Income		57.33		40.23
- ISG Novasoft Technologies Limited	57.33		21.85	
- CFCL Overseas Limited	-		18.38	
Investments purchased		5215.24		9,169.18
- India Steamship Limited	-		515.00	
- Chambal Infrastructure Ventures Limited	-		350.00	
- CFCL Overseas Limited	5215.24		8304.18	
Advances towards share application money		142.00		-
- Chambal Infrastructure Ventures Limited	142.00		-	
Loan Given		1000.00		1,000.00
- ISG Novasoft Technologies Limited	1000.00		1000.00	
Loan Repaid		1000.00		6,387.31
- CFCL Overseas Limited	-		4480.92	
- ISG Novasoft Technologies Limited	1000.00		1906.39	

(Rs. in Lacs)

Particulars	2012-13		2011-12	
Reimbursement of expenses		17.35		19.41
- Chambal Infrastructure Ventures Limited	1.60		17.39	
- Chambal Energy (Chhattisgarh) Limited	0.16		1.01	
- Chambal Energy (Orissa) Limited	0.16		1.01	
- India Steamship Limited	14.53		-	
- CFCL Overseas Limited	0.90		-	
Advances Repaid		156.65		0.00
- Chambal Energy (Chhattisgarh) Limited	115.22		-	
- Chambal Energy (Orissa) Limited	25.86		-	
- CFCL Overseas Limited	0.90		-	
- India Steamship Limited	14.67		-	
Corporate Guarantees Outstanding		11943.80		11193.60
- ISGN Corporation, USA	11943.80		11193.60	
Guarantee Commission Income		637.09		229.39
- ISGN Corporation, USA	637.09		229.39	
Outstanding balances as at the year end				
Advances receivable		303.62		442.91
- Chambal Infrastructure Ventures Limited	303.16		301.56	
- Chambal Energy (Chhattisgarh) Limited	-		115.06	
- Chambal Energy (Orissa) Limited	-		25.69	
- India Steamship Limited	0.01		0.16	
- CFCL Overseas Limited	0.45		0.44	
Guarantee Commission receivable		73.57		72.40
-ISGN Corporation, USA	73.57		72.40	
Trade Receivable		-		3.68
- India Steamship Pte Limited, Singapore	-		3.68	

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

(Rs. in Lacs)

Particulars	2012-13		2011-12	
Dividend Income	-	-	10033.23	10033.23
Reimbursement of expenses	65.30	65.30	44.72	44.72
Purchase of traded goods	8158.21	8158.21	-	-
Outstanding balances as at the year end - Advances receivable	40.59	40.59	24.94	24.94

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

(Rs. in Lacs)

Nature of Transactions	2012-13		2011-12	
Remuneration paid to Managing Director*		255.88		201.18
Mr. Anil Kapoor	255.88		201.18	
Interest income on loan given to Managing Director		0.23		0.38
Mr. Anil Kapoor	0.23		0.38	
Outstanding balances as at the year end		4.15		4.15
Loan receivable				
Mr. Anil Kapoor	4.15		4.15	

*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	
	31.03.2013	31.03.2012	2012-13	2011-12
Loans and advances to firms / companies in which directors are interested				
- The Oudh Sugar Mills Limited	2000	3000	3000	3000
- Upper Ganges Sugar & Industries Limited	2000	2000	2000	2000
- Zuari Investments Limited	50	-	125	1000
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
- Zuari Investments Limited	40.30	40.30	40.30	40.30

*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 of the jointly controlled entity are as follows :

(Rs. in Lacs)

S.No.	Particulars	2012-13	2011-12
1.	Country of Incorporation or Registration	Morocco	Morocco
2.	Accounting Period ended	31.12.2012	31.12.2011
3.	Assets	29989.89	46729.67
4.	Liabilities	10311.44	17837.37
5.	Income	46895.58	65609.61
6.	Expense	46465.95	56429.15
7.	Contingent Liabilities	-	-
8.	Capital Commitments	-	-

40. Government Grants and Subsidies

(a) Nitrogenous Fertilizers are under the Concession Scheme as per New Pricing Scheme (NPS-Stage III) implemented w.e.f. 1st April, 2003. The concession price and freight has been accounted for on the basis of notified prices, further adjusted for input price escalation/ de-escalation, as per known policy parameters of NPS - Stage III, applicable for the period from October 1, 2006 to March 31, 2010, 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.4964.36 lacs (Previous year Rs.4442.38 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.477.52 lacs (Previous year Rs.0.62 lac) 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. “Current year's subsidy income is inclusive of Rs.Nil (Previous year Rs.0.31 lac) being the subsidy income, pertaining to earlier years but, determined during the year.

(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.318.23 lacs (Previous year Rs.380.97 lacs) during the year and reduced the same from interest expenses.

41. Leases

(a) The lease payment made during the year amounts to Rs.92.23 lacs (Previous year Rs.103.55 lacs), out of which Rs.18.31 lacs (Previous year Rs.22.07 lacs) has been adjusted against Principal and Rs.73.92 lacs (Previous year Rs 81.84 lacs) has been shown as Interest expenses. The interest rate on finance leases is around 28%. There is no renewal and escalation clause as well as restriction imposed in the lease agreement. There are no subleases.

The break up of minimum lease payment outstanding as at March 31, 2013 is as follows:

(Rs. in Lacs)

Period	2012-13			2011-12		
	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	84.67	24.00	60.67	92.23	18.31	73.92
Payable after one year but before 5 years	348.84	197.44	151.40	368.05	150.67	217.38
Payable after 5 years	38.40	36.17	2.22	130.32	106.94	23.38

(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.944.85 lacs (Previous year Rs. 901.85 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 subleases. The break up of minimum lease payment outstanding as at March 31, 2013 is as follows:

(Rs. in Lacs)

Period	Minimum Lease Payments	
	2012-13	2011-12
Payable within one year	872.96	828.99
Payable after one year but within five years	3287.77	3187.03
Payable after five years	826.88	1474.42

(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.1420.43 lacs (Previous year Rs.490.50 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. During the year, the Company has revised the estimated useful life of software and other assets based on technical estimates made by the management. Accordingly, additional depreciation of Rs.108.39 lacs has been accounted for in the financial statements.

Had the Company continued to use the earlier basis of providing depreciation, the charge to the Statement of Profit and Loss for the current year would have been lower by Rs.73.22 lacs (net of tax of Rs.35.17 lacs) and the net block of fixed assets would correspondingly have been higher by Rs.108.39 lacs.

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

(Rs. in Lacs)

Particulars	2012-13	2011-12
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	46.57	19.34
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.	-	-

44. Derivative Instruments

(a) Derivative outstanding as on March 31, 2013

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		To hedge foreign currency loan from bank
			391,554,362.34 (398,579,497.67)	212574.86 (202797.25)	
			USD 7,000,000.00 (15,000,000.00)	3800.30 (7632.00)	To hedge trade payables
2.	Interest Swaps Buy	INR USD	USD 114,950,000.00 (131,653,333.33)	-	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	Bank Balances	Nature of exposure and amount			
			Trade and other payables	Borrowings and interest accrued	Trade and other receivables	Investments
1.	USD	48,884.00 (155,805.00)	34,813,425.87 (16,667,211.56)	243,804,438.09 (260,331,449.39)	12,089,347.29 (8,622,232.96)	98,739,447.00 (89,179,510.00)
2.	SGD	-	185,986.00 (183,081.00)	- -	75,507.00 (11,025.00)	1,079,962.00 (1,079,962.00)
3.	JPY		5,077,608.00 (13,625,909.00)	-	- (85,527.00)	-
4.	GBP	- -	3,773.00 -	- -	- -	- -
5.	EURO	-	744,975.74 (41,070.19)	-	9,582.62 (22,437.57)	-
6.	AED	-	30,429.00 (268,013.00)	-	-	-
7.	MAD	-	-	-		206,667,000.00 (206,667,000.00)
8.	KW	-	- (3,840.00)	-	-	-
9.	NOK	-	607.00 (15,438.00)	-	-	-
10.	THB	-	-	-	2,750.00 (2,750.00)	-
11.	YUAN	- -	- -	-	- (69,785.00)	-
12.	AUD	-	53,277.00 -	-	-	
13.	NZD	-	14,803.00 -			
14.	DKK	- -	13.00 -	-		
Exposure Rs. in lacs		26.54 (79.27)	19574.55 (8705.83)	132361.43 (132456.64)	6603.11 (4413.04)	53432.92 (48217.67)

Notes :

(a) Unhedged Borrowings of Rs.108544.96 lacs (Previous year Rs. 112754.28 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, 2013 have been provided for.

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

45. 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 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

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 2012-13	FY 2011-12
	No. of options	No. of options
Outstanding at the beginning of the year	2,996,200	3,107,500
Granted during the year	270,000	320,000
Forfeited during the year	162,000	242,500
Exercised during the year	-	188,800
Expired during the year	-	-
Outstanding at the end of the year	3,104,200	2,996,200
Exercisable at the end of the year	734,200	270,200
Weighted average remaining contractual life (in years)	4.03	4.89
Weighted average Exercise price (in Rs.)	74.76	75.18

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	2,336,300	3.80	73.50
2.	28.84	76.85	257,900	3.80	76.85
3.	34.59	82.90	180,000	4.80	82.90
4.	41.48	101.10	100,000	4.80	101.10
5.	31.48	69.40	230,000	5.80	69.40

Stock Options granted

The weighted average fair value of stock options granted till date is Rs.28.40 (Previous year Rs.28.16). 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	3.8	3.8	4.8	4.8	5.80
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	2012-13	2011-12
Profit as reported	30561.25	24728.69
Less : Employee stock compensation under fair value method	219.95	291.74
Proforma profit	30341.30	24436.95
Earning per share		
Basic and diluted		
- as reported (In Rs.)	7.34	5.94
- proforma (In Rs.)	7.29	5.87

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.3000 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, 2013 is Rs.1710.10 lacs.(Previous year Rs.1610.10 lacs) Trust has purchased 2,442,202 equity shares (Previous year 2,242,202 equity shares) of the Company from the open market, out of interest free loan provided by the Company till March 31, 2013.

Current value of the shares outstanding as on March 31, 2013 is Rs.1125.57 lacs (Previous year Rs.1587.28 lacs) based on last closing price, whereas book value of shares outstanding in the trust books stand to Rs.1699.55 lacs (Previous year Rs.1603.53 lacs) resulting into diminution of Rs.573.98 lacs (Previous year Rs.16.25 lacs). In the current 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 has given a time limit upto June 30, 2013 to comply with the circluar. In view of the same, advance given to ESOP trust has been considered as short term and accordingly based on prudence, provision of Rs.573.98 lacs has been made in the books.

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

(Rs. in Lacs)

Particulars	2012-13	2011-12
Raw Materials	3615.88	118.72
Traded Products	248825.89	203095.16
Stores and spares	1067.17	437.08
Capital Goods	104.18	2008.50
Total*	**253613.12**	**205659.46**

*Represents procurement routed through Customs clearance.

b) Imported and indigenous raw materials and spare parts consumed

(Rs.in Lacs)

Particulars	2012-13		2011-12	
	Amount	%	Amount	%
Raw Materials				
Indigenous				
Natural Gas	160551.93	85.28	121099.42	82.86
Neem Oil	483.60	0.26	396.65	0.27
Rock Phosphate	978.89	0.52	-	-
Sulphuric Acid	528.58	0.28	-	-
Gypsum	15.61	0.01	-	-
Dyes and Chemicals	259.54	0.14	291.30	-
Staple Fiber	11905.61	6.32	11243.84	7.68
Cotton	12010.15	6.38	12994.07	8.89
Total Indigenous	186733.91	99.19	146025.28	99.92
Imported				
Rock Phosphate	1529.94	0.81	-	-
Staple Fiber	-	-	118.72	0.08
Total Imported	1529.94	0.81	118.72	0.08
Total Raw Materials	188263.85	100.00	146144.00	100.00
Spare parts*				
Indigenous	2909.55	89.98	3003.45	88.43
Imported	323.88	10.02	392.84	11.57
Total Spare parts consumed	3233.43	100.00	3396.29	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	2012-13	2011-12
Design, Engineering and Supervision fee	164.88	176.25
Travelling and conveyance	58.33	56.32
Finance cost	8319.34	7766.95
Freight paid on chartered- in ship	3692.06	5113.35
Voyage expenses	10765.69	14769.08
Salary & Other benefits	2377.79	2076.97
Repair & Maintenance	461.68	661.43
Ship special survey expenses	698.50	-
Stores & Victualling	807.18	715.45
Insurance	873.37	927.73
Others	339.98	348.50
Total*	**28558.80**	**32612.03**

d) Earnings in foreign currency (on accrual basis)

FOB value of exports	6709.29	8449.85
Dispatch money*	33.77	81.31
Dividend income	-	10033.23
Interest	0.81	18.40
Rebate on purchases related to earlier years*	450.32	400.25
Late delivery charges recovery*	-	155.90
Reimbursement of salary related expenses	65.30	44.72
Freight & Charter hire of ships	17232.41	17259.04
Management fees	-	3.68
Recovery of Bank charges	33.06	-
Others*	637.09	303.41
Total	**25162.05**	**36749.79**

*Included in other income

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

Particulars	2012-13	2011-12
Number of non resident shareholders	282	298
Number of Shares held by them	9695,750	9115,150
Dividend remitted (Rs. In Lacs)	184.22	173.19
Year to which dividend relates	2011-12	2010-11

47. Pending receipt of appeal effect orders for the assessment years 2003-04, 2004-05 and 2009-10 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.
48. The Deferred Tax charge for the current year ended March 31, 2013 includes additional charge for deferred tax liability of Rs.1891.35 lacs. Further, tax on proposed equity dividend includes additional charge of Rs.61.09 lacs. These are due to increase in rate of surcharge of income tax as proposed in the Finance Bill, 2013.
49. During the Previous year, the Shipping Division of the Company had opted out of Tonnage Tax Scheme under the Income Tax Act, 1961 and therefore was assessed under the normal tax regime w.e.f. April 01, 2011. The computation of current tax and deferred tax for the previous year was done accordingly. Consequent to the above, the Company had accounted for net deferred tax liability on the difference between the written down value of the fixed assets pertaining to the shipping division as per books of accounts and the Income Tax Act, 1961 as on April 1, 2011 amounting to Rs.18420.67 lacs and the same had been disclosed as 'Exceptional Deferred tax charge' in the statement of Profit and Loss.
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 Registration No. 301003E

per Anil Gupta
Partner
Membership No - 87921

Place : Gurgaon
Date : April 30, 2013

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
Vice President - Finance

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

Place : New Delhi
Date : April 30, 2013

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	Proviosion 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	31.03.2013	490.00	(117.19)	817.96	817.96	-	-	(1.13)	-	(1.13)	-	-	-
2.	Chambal Energy (Chhattisgarh) Limited, India	31.03.2013	5.00	(11.94)	257.58	257.58	-	-	(0.40)	-	(0.40)	-	-	-
3.	Chambal Energy (Orissa) Limited, India	31.03.2013	5.00	(23.32)	94.24	94.24	-	-	(0.40)	-	(0.40)	-	-	-
4.	India Steamship Pte. Limited, Singapore	31.03.2013	380.03	2,093.87	2,490.51	2,490.51	-	685.16	167.81	-	167.81	-	US $=Rs. 54.29	US $=Rs. 54.40
5.	India Steamship International FZE	31.03.2013	3.69	(23.99)	2.77	2.77	-	-	(10.21)	-	(10.21)	-	US $=Rs. 54.29	US $=Rs. 54.40
6.	India Steamship Limited	31.03.2013	310.00	192.64	502.80	502.80	-	-	45.79	14.07	31.72	-		
7.	CFCL Overseas Limited, Cayman Islands	31.03.2013	53,605.65	149.18	53,755.27	53,755.27	-	-	125.44	-	125.44	-	US $=Rs. 54.29	US $=Rs. 54.29
8.	CFCL Technologies Limited, Cayman Islands	31.12.2012	0.82	76,861.54	82,498.02	82,498.02	-	-	(780.80)	-	(780.80)	-	US $=Rs. 55	US $=Rs. 55
9.	ISGN Corporation, USA	31.12.2012	46.90	44,639.26	70,861.58	70,861.58	-	17,176.53	(4,424.91)	26.91	(4,451.82)	-	US $=Rs. 55	US $=Rs. 55
10.	ISGN Solutions Inc., USA	31.12.2012	40.10	29,796.42	31,006.87	31,006.87	-	6,519.26	(3,372.33)	22.15	(3,394.48)	-	US $=Rs. 55	US $=Rs. 55
11.	Richmond Investors LLC, USA	31.12.2012	1,176.12	-	1,176.12	1,176.12	-	-	-	-	-	-	US $=Rs. 55	US $=Rs. 55
12.	Richmond Title Genpar LLC, USA	31.12.2012	11.88	-	11.88	11.88	-	-	-	-	-	-	US $=Rs. 55	US $=Rs. 55
13.	Richmond Title Services LP, USA	31.12.2012	1,188.00	(797.73)	728.37	728.37	-	20.28	(264.53)	0.16	(264.69)	-	US $=Rs. 55	US $=Rs. 55
14.	CFCL Ventures Limited, Cayman Islands	31.12.2012	27.50	4,564.59	4,601.83	4,601.83	-	-	(1.32)	-	(1.32)	-	US $=Rs. 55	US $=Rs. 55
15.	ISG Novasoft Technologies Limited, India	31.12.2012	3,623.00	792.00	6,306.00	6,306.00	-	10,190.00	1,363.00	535.00	828.00	-	-	-
16.	Inuva Info Management Private Limited, India	31.12.2012	2.38	34.11	39.94	39.94	-	-	(1.78)	-	(1.78)	-	-	-
17.	ISGN Fulfillment Services, Inc., USA (Pennsylvania)	31.12.2012	-	(759.84)	7,586.98	7,586.98	7.19	28,709.75	(2,783.23)	(5.84)	(2,777.40)	-	US $=Rs. 55	US $=Rs. 55
18.	ISGN Fulfillment Services, Inc. USA (Arizona) #	31.12.2012	-	-	-	-	-	-	-	-	-	-	-	-
19.	ISGN Fulfillment Agency of Alabama LLC, USA #	31.12.2012	-	-	-	-	-	-	-	-	-	-	-	-
20.	ISGN Fulfillment Agency LLC, USA #	31.12.2012	-	-	-	-	-	-	-	-	-	-	-	-

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

Note: NITC, GmbH ("GNITC") dissolved with effect from January 3, 2013, hence not included in the above statement.

To the Board of Directors of Chambal Fertilisers and Chemicals Limited

Report on the financial statements

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, 2013, 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. 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, 2013;

(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. 234212.50 lacs as at March 31, 2013, total revenues of Rs. 117084.57 lacs and net cash outflows amounting to Rs. 3272.67 lacs for the year then ended, included in the accompanying consolidated financial statements in respect of certain subsidiaries, joint venture and shipping division 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 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 of Signature : Gurgaon
Date : April 30, 2013

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

(Rs. in Lacs)

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	41620.79	41620.79
Reserves and surplus	4	143603.10	128495.08
		185223.89	170115.87
Preference Shares (Held by other than Group)		0.21	0.18
Minority Interest		5655.62	6640.90
Non-Current Liabilities			
Long-term borrowings	5	112766.13	118601.94
Deferred tax liabilities (Net)	6	41609.79	38605.21
Other long term liabilities	7	374.13	317.39
Long term provisions	8	3860.14	4498.75
		158610.19	162023.29
Current Liabilities			
Short-term borrowings	9	387644.85	228842.59
Trade payables	10	63740.57	48791.68
Other current liabilities	11	50105.42	43135.74
Short-term provisions	12	18341.58	19880.66
		519832.42	340650.67
Total		869322.33	679430.91
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	13	265653.83	270125.69
Intangible assets	14	31297.34	31725.96
Capital work-in-progress		4796.20	6034.72
Intangible assets under development		989.04	387.48
Non-current investments	15	9.70	9.46
Deferred tax assets (net)	46	162.05	102.56
Long term loans and advances	16	3959.93	7256.02
Other non-current assets	17	1463.49	1097.71
		308331.58	316739.60
Current assets			
Inventories	18	125532.68	58732.58
Trade receivables	19	358637.11	221871.13
Cash and bank balances	20	39907.79	47957.14
Short-term loans and advances	21	28510.41	28365.64
Other current assets	22	8402.76	5764.82
		560990.75	362691.31
Total		869322.33	679430.91
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 Registration No. 301003E

Anil Kapoor
Managing Director

S.K. Poddar
Chairman

per Anil Gupta
Partner
Membership No - 87921

Abhay Baijal
Vice President - Finance

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

Place : Gurgaon
Date : April 30, 2013

Place : New Delhi
Date : April 30, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(Rs. in Lacs)

Particulars	Note No.	Year Ended March 31, 2013	Year Ended March 31, 2012
INCOME			
Revenue from operations (Gross)		822295.82	755297.10
Less : Excise duty		2095.99	1443.29
Revenue from operations (Net)	23	820199.83	753853.81
Other income	24	8101.83	8004.56
Total Revenue (I)		828301.66	761858.37
Expenses:			
Cost of materials consumed	25	219127.56	194065.73
Purchase of traded goods		311972.05	250303.33
(Increase) in inventories of finished goods, work-in-progress, traded goods and waste	26	(62916.57)	(15456.14)
Employee benefits expense	27	36995.59	33725.37
Depreciation and amortization expense	13&14	26706.31	30839.47
Finance costs	28	13825.38	12722.75
Freight to charter-in ship		4708.17	5420.91
Other expenses	29	241893.43	203884.79
Exceptional item	30	(1195.73)	-
Total Expenses (II)		791116.19	715506.21
Profit before tax		37185.47	46352.16
Tax expenses:			
Current tax		13005.70	19340.27
Current tax related to earlier years		19.73	(4332.59)
Deferred tax charge		2947.12	37.71
Exceptional Defferred tax charge	54	-	18420.67
Total tax expenses		15972.55	33466.06
Profit for the year (before adjustment for Minority Interest)		21212.92	12886.10
Share of Minority Interest in current year's losses		2638.67	2944.75
Profit for the year		23851.59	15830.85
Earnings per equity share {nominal value of share Rs.10 (Previous year Rs.10)}			
Basic and Diluted (in Rs.)	31	5.73	3.80
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 Registration No. 301003E

Anil Kapoor
Managing Director

S.K. Poddar
Chairman

per Anil Gupta
Partner
Membership No - 87921

Abhay Baijal
Vice President - Finance

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

Place : Gurgaon
Date : April 30, 2013

Place : New Delhi
Date : April 30, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

(Rs. in Lacs)

	Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
A.	**Cash flow from operating activities :**		
	Profit after exceptional items and before tax	37185.47	46352.16
	Adjustments for :		
	Depreciation/ Amortisation	26706.31	30839.47
	(Profit)/ Loss on disposal of fixed assets (net)	(752.83)	917.39
	Profit from sale of current investments	(1819.43)	(134.91)
	Premium on forward contracts amortised	14022.30	6174.99
	Unrealised foreign exchange fluctutaion	784.40	3198.22
	Provision for (gain)/ loss on derivative transaction	(687.10)	1835.21
	Provision for doubtful advances and debts	853.75	495.06
	Liabilities no longer required written back	(123.62)	(579.89)
	Catalyst charges written off	440.43	310.73
	Irrecoverable debts/ advances written off	465.67	600.37
	Employee stock option scheme	389.73	277.40
	Inventory written off (depletion of loose tools)	15.22	9.94
	Interest expense	12500.47	11549.56
	Interest income	(2358.55)	(2357.69)
	Exceptional Item	(1195.73)	-
	Dividend income on non trade current investment	-	(62.99)
	Operating profit before working capital changes	86426.49	99425.02
	Movement in working capital :		
	(Increase) in trade receivables	(137024.97)	(153506.42)
	(Increase)/ Decrease in other current assets	(1080.72)	16500.76
	Decrease/ (Increase) in loans and advances	4699.05	(8071.76)
	(Increase) in inventories	(67631.18)	(17710.96)
	Increase in trade creditors other liabilities and provisions	2954.25	27063.33
	Cash generated from operations	(111657.08)	(36300.03)
	Direct taxes paid (net of refunds)	(19989.75)	(21464.16)
	Net cash flow (used in) operating activities	(131646.83)	(57764.19)
B.	**Cash flow from investing activities**		
	Purchase of fixed assets	(10032.65)	(12418.62)
	Proceeds from sale of fixed assets	3605.73	2608.59
	Inter Corporate deposits given - repaid	14600.00	6275.00
	Inter Corporate deposits given	(13650.00)	(8275.00)
	Deposits (with original maturity more than three months)	(8317.20)	(15658.52)
	Proceed of deposits matured (with original maturity more than three months)	15658.52	17346.01
	Purchase of investments	(459800.24)	(121301.09)
	Proceed from sale of investments	461619.43	121434.91
	Interest received	2354.11	2547.91
	Dividend received	-	62.99
	Net cash flow from/ (used in) investing activities	6037.70	(7377.82)
C.	**Cash flow from financing activities**		
	Proceeds from long term borrowings	10297.77	-
	Repayment of long term borrowings	(21005.30)	(26071.58)
	Proceeds from issue of shares (including security premium)	1749.40	3191.72
	Proceeds from buyers credit	232462.34	192712.02
	Repayment of buyers credit	(223837.63)	(81382.80)
	Net proceeds of short term borrowings	149020.84	(4757.10)
	Interest paid	(12958.98)	(9083.18)
	Dividend paid	(7878.10)	(7834.39)
	Tax on dividend paid	(1282.88)	(1282.87)
	Net cash from financing activities	126567.46	65491.82
	Net increase in cash and cash equivalents (A+B+C)	958.33	349.81
	Foreign Currency Transalation difference	(1676.34)	1487.99
	Cash and cash equivalents at the beginning of the year	32314.22	30476.42
	Cash and cash equivalents at the end of the year	31596.21	32314.22
	Components of cash and cash equivalents as at		
	Cash/ cheques/ drafts on hand	8.90	8.60
	Balances with banks :		
	- on unpaid dividend / debenture / fixed deposit accounts	944.56	918.38
	- on current account	6480.22	6166.13
	- on cash credit account	14641.35	24533.95
	- on saving account	26.66	79.40
	- on deposits account	16936.99	15939.40
	- on escrow account	874.73	326.88
	Cash and bank balance	39913.41	47972.74
	Less: Fixed deposits not considered as cash equivalents	8317.20	15658.52
	Net cash and cash equivalents as per note no.20	31596.21	32314.22

Note: Bank balances of Rs.944.56 lacs (Previous Year Rs.918.38 lacs) is earmarked for payment of unpaid dividend / debenture / 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 and on behalf of the Board of Directors of Chambal Fertilisers and Chemicals Limited

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

per **Anil Gupta**
Partner
Membership No - 87921

Place : Gurgaon
Date : April 30, 2013

Anil Kapoor
Managing Director

Abhay Baijal
Vice President - Finance

Place : New Delhi
Date :April 30, 2013

S.K. Poddar
Chairman

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

1. Corporate Information

The Group is 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. 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 policy 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 & Loss Account 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, 2013) except for the following entities where the audited accounts was drawn up as at December 31, 2012:

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 Policy- Presentation and disclosure of financial statement

In pursuance of clarification dated August 9, 2012 issued by Ministry of Corporate Affairs, Government of India, the Company has 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". Earlier the Company has accounted part of the exchange differences as interest cost in accordance with para 4(e) of Accounting Standard 16 and the balance exchange difference was adjusted to the cost of fixed assets. Had the Company continued the earlier accounting policy, profit of the Company would have been lower by Rs.1289.92 lacs (net of tax of Rs.619.52 lacs) and net block of fixed assets would have been lower by Rs.1909.44 lacs (net of depreciation of Rs.197.90 lacs).

Consequent to above, out of Rs.2107.34 lacs, the Company had charged Rs.1195.73 lacs in the financial year 2011-12 as borrowing cost. This amount has now been reversed and shown as exceptional income in note no. 30 of the financial statement.

(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 09 August 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 (ix) 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 and business	Computer Equipments – 3 yearsOffice Equipments – 5 years Furniture 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

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, 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 covering 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 of continuing operations, 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.

<u>Where the Group is the lessor</u>

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 of 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, Spares and lubricants*	Lower of cost and net realizable value. Cost is determined on weighted average basis.
Naphtha, Raw materials, Packing materials, other Stores 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 and 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 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, 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 is passed to the buyer. Excise Duty deducted from turnover (gross) are 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 rate, including freight, as notified under the New Pricing Scheme, Uniform Freight Policy and New Investment Policy further adjusted for input price escalation / de-escalation as estimated by the management based on the prescribed norms.

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 Exemption Pass Book Scheme, Duty Drawback Scheme and Focus Market 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 (a) and (b).

(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 and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

(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 contributions to the funds are charged to the Statement of Profit and Loss of the year. The Group does not have any other obligation to the fund other than the contribution payable to LIC / ICICI.

(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 and for Shipping Division, Textile Division and one of the step down subsidiaries of CTL the Group 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 is provided for as liability in the books.

(d) 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.

(e) 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 & 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, 2013

(Rs. in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
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
	41620.79	41620.79

a) **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.

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

Name	March 31, 2013		March 31, 2012	
	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	50,081,715	12.03	50,061,715	12.03
SIL Investments Limited	31,813,455	7.64	32,153,455	7.73
Life Insurance Corporation of India	27,910,373	6.71	23,810,373	5.72

As per the records of the Company, including its register of shareholders/members and other declerations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

NOTE 4 : RESERVES AND SURPLUS		
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	5180.48	9351.10
Additions during the year	1749.37	3191.70
Share of Minority interest	(1578.37)	(7362.32)
	5351.48	5180.48
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	11201.58	4358.02
Additions/(Adjustments) during the year	(242.84)	6686.06
Add : Share of Minority interest	160.79	157.50
	11119.53	11201.58
Stock Options Outstanding (Refer note no. 44 (ii))	934.12	514.62
General Reserve		
Balance as per the last financial statements	25662.13	20332.46
Add: Transferred from Statement of Profit and Loss	5000.00	5191.09
Add: ESOP Option forfeited due to resignation of employees	-	145.19
Less: Share of Minority interest	-	(6.61)
	30662.13	25662.13
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	81615.32	77229.84
Add : Surplus for the year (profit)	23851.59	15830.85
Share of Minority Interest in opening losses	-	2936.59
Transfer to General Reserve	5000.00	5191.09
Proposed Dividend on Equity Shares	7908.05	7907.99
Tax on Dividend	1343.97	1282.88
	91214.89	81615.32
	143603.10	128495.08

(Rs. in Lacs)

Particulars	As at March 31, 2013		As at March 31, 2012	
	Non-Current	Current Maturities	Non-Current	Current Maturities
NOTE 5: LONG-TERM BORROWINGS				
Secured Loans:				
Term loans from banks				
- Rupee term loans	3932.00	1517.00	5449.00	1517.00
- Foreign currency term loans	108544.96	22081.27	112754.28	17514.33
Term loans from others	-	2.56	-	39.62
Finance lease obligation	289.17	120.07	398.66	125.44
Unsecured loans				
Convertible notes interest bearing	-	-	-	597.49
	112766.13	23720.90	118601.94	19793.88
Less : Current maturities shown under other current liability (Refer note no. 11)	-	23720.90	-	19793.88
	112766.13	-	118601.94	-

Notes:

i. Rupee term loans of Rs.5449.00 lacs (including current maturities of Rs.1517.00 lacs) (Previous year Rs.6966 lacs and Rs.1517 lacs respectively) carries interest rate in the range of 11.65%-13.00% p.a. Out of these, one term loan amounting to Rs.2585.00 lacs is repayable in 4 quarterly installments of Rs.176.25 lacs each starting from June 30, 2013 and balance in last 8 quarterly installments of Rs.235 lacs each. Another term loan amounting to Rs.2744 lacs is repayable in 4 quarterly installments of Rs.188 lacs each starting from June 30, 2013 and thereafter 7 quarterly installments of Rs.250 lacs each and last installment of Rs.242 lacs. Another term loan amounting to Rs.120 lacs is repayable in 24 monthly installment of Rs.5 lacs each starting from April 30, 2013. 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 709.07 lacs (Rs.38495.28 lacs including current maturities of Rs.10882.94 lacs) (Previous year Rs.33429.53 lacs and Rs.7019.38 lacs respectively) carries 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 187.50 lacs (Rs.10179.38 lacs) is repayable in 6 equal quarterly installments starting from June 09, 2013. Another term loan amounting to USD 267.57 lacs (Rs.14526.25 lacs) is repayable in 18 equal quarterly installments starting from June 20, 2013. Another term loan amounting to USD 64 lacs (Rs.3474.56 lacs) is repayable in 16 equal quarterly installments starting from May 27, 2013. Another term loan amounting to USD 190 lacs (Rs.10315.10 lacs) carries 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. Foreign currency term loan of USD 320 lacs (Rs.17372.80 lacs including current maturities of Rs.2171.60 lacs) (Previous year Rs.18316.80 lacs and Rs.2035.20 lacs respectively) carries interest @ 3 months LIBOR plus 1.125% p.a. The loan is repayable in 12 quarterly installments of USD 10.00 lacs each (Rs.542.90 lacs) starting from June 08, 2013 and the last installment of USD 200.00 lacs (Rs.10858.00 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.

iv. Foreign currency term loan of USD 450 lacs (Rs.24430.50 lacs including current maturities of Rs.2171.60 lacs) (Previous year Rs.24931.20 lacs and Rs.2035.20 lacs respectively) carries interest @ 3 months LIBOR plus 0.875% p.a. The loan is repayable in 27 quarterly installments of USD 10.00 lacs each (Rs. 542.90 lacs) starting from June 09, 2013 and the last installment of USD 180.00 lacs (Rs. 9772.20 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.

v. Foreign currency term loans of USD 927.02 lacs (Rs.50327.65 lacs including current maturities of Rs.6855.13 lacs) (Previous year Rs.53591.08 lacs and Rs.6424.55 lacs respectively) carries interest @ 3 months LIBOR plus 0.40% p.a. One tranch of the aforesaid term loan amounting to USD 290 lacs (Rs.15744.10 lacs) is repayable in 29 equal quarterly installment starting from April 22, 2013. Another tranch of the aforesaid term loan amounting to USD 290 lacs (Rs.15744.10 lacs) is repayable in 29 equal quarterly installment starting from June 03, 2013. Another tranch of the aforesaid term loan amounting to USD 347.02 lacs (Rs.18839.45 lacs) is repayable in 30 equal quarterly installment starting from April 15, 2013.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 amounting to Rs.2.56 lacs carries interest rate in the range of 8.75% and are secured by way of: (a) first priority continuing security interest in and lien upon all current assets, tangible and intangible assets including intellectual property of ISGN Solutions Inc and ISGN Corporation Inc. (b) the pledge of share certificates of ISGN Solutions, Inc and all its dividends, distributions, cash, Instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such pledge shares.

vii. Finance lease obligation of Rs.257.61 lacs (including current maturities of Rs.24.00 lacs) (Previous year Rs.275.92 lacs and Rs.18.31 lacs respectively) is repayable in 65 monthly installments of Rs.6.77 lacs each starting from April, 2013 carries interest rate of around 28% p.a. This is secured by assets acquired under the facility. In the books of subsidiary, there are various finance lease obligation amounting to Rs.151.63 lacs (including current maturities of Rs.96.07 lacs) (Previous year Rs.248.18 lacs and Rs.107.13 lacs respectively) repayable in 3 years repayment amount ranging 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 acquired under the facility.

(Rs. in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE 6 : 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	44210.66	40089.04
Effect of Deferred revenue expenditure as per tax and financial books	-	-
Gross Deferred Tax Liabilities	44210.66	40089.04
Deferred Tax Assets		
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	297.19	267.98
Provision for gratuity	60.09	106.47
Provision for leave encashment	707.57	475.89
Provision for doubtful debts and advances	145.83	
Provision for Mark to Market (MTM) on derivative contract	1390.19	633.49
Gross Deferred Tax Assets	2600.87	1483.83
Net Deferred Tax Liabilities	41609.79	38605.21

(Rs. in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE 7 : OTHER LONG TERM LIABILITIES		
Trade payable (other than Micro and Small Enterprises)	366.33	316.99
Earnest money / security deposits	7.80	0.40
	374.13	317.39
NOTE 8 : LONG TERM PROVISIONS		
Provision for gratuity (refer note no.38)	170.75	319.77
Provision for loss on derivative contract	3491.94	4178.98
Provision for onerous contracts	197.45	-
	3860.14	4498.75
NOTE 9 :SHORT-TERM BORROWINGS		
Secured Loans:		
From Banks		
- Rupee loans	61053.05	-
- Cash credit facilities	4984.90	10049.00
From Others*	12100.00	10622.00
Unsecured Loans:		
Commercial Papers (Short term)	30000.00	-
From Banks:		
- Rupee loans	65500.00	4500.00
- Cash credit facilities	403.73	-
- Foreign currency loans	212574.86	202797.25
- Packing credit foreign currency loan	1028.14	835.37
From Others:		
Fixed deposits	-	-
Other Financial Debts	0.17	38.97
	387644.85	228842.59

(i) Rupee loans include Rs.33053.05 lacs from consortium of Banks under Special Banking Arrangement against the subsidy on Urea receivable from the Government of India. The Banks have charged interest @ 10.25% p.a. (including 8% paid by Government of India directly to bank). Accordingly, Rs.30.63 lacs (at the rate of 2.25%) have been charged as interest expenses. These loans are secured by hypothecation of subsidy receivable upto Rs. 33600.00 lacs from Government of India.

(ii) Rupee loans other than above and Cash credit facilities 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/ to be secured by second charge on all the immovable properties (except assets of shipping division) of the Company.

Cash credit facilities, Commercial paper, rupee loans, foreign currency loans and packing credit foreign currency loans carry interest rate in the range of 10.20% - 14.75%, 9.10% - 10.05%, 9.85% - 10.25%, 1.13% - 3.66% and 2.33% - 3.49% respectively.

* The line of credit facility is secured by way of pledge and secured by collateral interest in all rights, title, interest in, (i) all accounts; (ii) all General Intangibles; (iii) all cash or cash equivalents; (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 , printouts 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 borrowers held for the benefit of third parties in the ordinary course of business of the borrowers. Line of credit facility carries interest rate of 3.375% along with 0.50% as monthly commitment fees on the loan amount.

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

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE 10 : TRADE PAYABLES		
Trade payable		
Outstanding dues to Micro and Small Enterprises (refer note no.51)	46.57	19.34
Outstanding dues to creditors other than Micro and Small Enterprises	63694.00	48772.34
	63740.57	48791.68

(Rs. in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE 11 : OTHER CURRENT LIABILITIES		
Current Maturity of long term borrowings (refer note no. 5)	23720.90	19793.88
Interest accrued but not due on loans	1131.51	1717.12
Advance from customers	3123.99	3901.58
Earnest money / security deposits	4733.21	3978.06
Unclaimed statutory liabilities (as referred in Section 205C of the Companies Act, 1956):*		
- Unpaid dividend	941.61	911.72
- Unpaid preference share capital	2.95	2.95
- Unpaid matured deposit	7.46	11.27
- Unpaid interest on above	1.71	3.23
Escrow liability**	874.73	323.69
Payable for Capital goods	1708.30	417.20
Forward contract	11081.69	-
Book overdraft	623.30	-
Purchase consideration payable	-	82.73
Statutory obligation payable	1624.80	2781.85
Other liabilities (refer note no.34D for Rs.8841.21 lacs in Previous year)	529.26	9210.46
	50105.42	43135.74

* Amount payable to Investor Education and Protection Fund is Rs.1.10 lacs (previous year Rs.0.14 lac), since paid on due date.

** Escrow liability represents gross amount received from lenders, pending disbursements to borrowers.

Particulars	As at March 31, 2013	As at March 31, 2012
Note 12 : SHORT-TERM PROVISIONS		
Provision for employees benefits		
Provision for gratuity (refer note no.38)	31.16	169.47
Provision for leave encashment	2456.62	2012.69
Others Provisions		
Provision for taxation (net of advance tax payments)	5093.68	7532.75
Provision for wealth tax	14.47	16.95
Provision for loss on derivative contract	598.05	598.11
Proposed dividend on equity shares	7908.05	7907.99
Tax on proposed dividend	1343.97	1282.88
Provision for onerous contracts	404.71	-
Provision for litigations	490.87	359.82
	18341.58	19880.66

Movement of Provisions as required by Accounting Standard 29 is as follows-

Onerous Contract:

Particulars		
Balance at the begining		
Provision made during the year	584.97	-
Provision utilised	-	-
Unutilised provision reversed back during the year	-	-
Foreign currency translation reserve	17.19	-
Balance at the end*	602.16	-

* Onerous contract 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:

Particulars		
Balance at the begining	359.82	-
Provision made during the year	158.15	359.82
Provision utilised	(44.55)	-
Unutilised provision reversed during the year	-	-
Foreign currency translation reserve	17.45	-
Balance at the end	490.87	359.82

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	Vehicles (on Finance Lease)	Ships	Total
Gross Block															
At April 01, 2011	325.59	587.28	21932.78	1439.38	302.26	2205.11	331917.32	1820.49	9512.98	114.80	1739.87	743.41	171.66	169729.43	542542.36
Additions	-	-	67.52	484.07	-	-	7575.97	114.13	305.13	174.83	43.51	214.54	-	6.51	8986.21
Deletions	-	-	(1211.02)	(75.56)	-	-	(7265.54)	(28.20)	(152.29)	-	(104.27)	(67.26)	(64.16)	-	(8968.30)
Adjustment	-	-	-	-	-		697.59	-	-	-	-	107.50	(107.50)	14447.82	15145.41
Forex Translation Adjustment	-	-	562.88	213.64	-	-	5124.94	-	1371.56	24.17	183.43	13.64	-	-	7494.26
At March 31, 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	-	-	8642.05	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
Depreciation															
At April 01, 2011	-	126.31	7541.87	1090.74	45.43	1492.20	218829.24	1083.59	7714.99	36.30	1384.26	237.69	155.89	28130.02	267868.53
Additions	-	5.93	571.12	137.86	34.54	104.74	15907.26	79.63	691.59	132.06	138.71	178.95	-	9724.97	27707.36
Deletions	-	-	(1150.47)	(75.56)	-	-	(5481.12)	(19.70)	(127.53)	-	(77.32)	(48.73)	(59.49)	-	(7039.92)
Adjustment	-	-	-	-	-	-	-	-	-	-	-	96.40	(96.40)	-	-
Forex Translation Adjustment	-	-	328.13	177.77	-	-	4565.66	-	1270.60	18.26	167.17	10.69	-	-	6538.28
At March 31, 2012	-	132.24	7290.65	1330.81	79.97	1596.94	233821.04	1143.52	9549.65	186.62	1612.82	475.00	(0.00)	37854.99	295074.25
Additions	-	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	(0.00)	41852.78	309584.91
Net Block															
At March 31, 2012	325.59	455.04	14061.51	730.72	222.29	608.17	104229.24	762.90	1487.73	127.18	249.72	536.83	0.00	146328.77	270125.69
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	0.00	143876.49	265653.83

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. Leasehold Land includes Rs. 344.52 lacs taken on lease from Gujarat Industrial Development Corporation, in respect of which lease deed is pending to be executed.
3. Gross Block and Accumulated Depreciation of Buildings includes Rs.0.71 lac (Previous year Rs.0.71 lac) and Rs.0.57 lac (Previous year Rs.0.56 lac) respectively represent undivided share in assets jointly owned with others.
4. Adjustment to Plant & Machinery includes additions of Rs.1073.72 lacs (out of this, Rs.857.20 lacs relates to adjustment as per para 46A of AS 11 and Rs.216.52 lacs as per note no.30) (Previous year additions of Rs.1353.48 lacs) and adjustment to ships includes additions of Rs.8911.39 lacs (out of this, Rs.7932.18 lacs relates to adjustment as per para 46A of AS 11 and Rs.979.21 lacs as per note no.30) (Previous year addition of Rs.14447.82 lacs) being variations in rupee liability in respect of foreign currency.
5. Adjustment to Plant & Machinery in the last year includes Cenvat Credit of Rs.655.89 related to earlier years but availed during the last year.
6. Capital work in progress (CWIP) includes preoperative expenses amounting Rs.1821.14 lacs (Previous year Rs.54.72) (Refer note no.36). Further, CWIP includes Rs.9.35 lacs (Previous year Nil) being variations in rupee liability 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
At April 01, 2011	8124.95	-	1952.65	13523.88	16418.37	40019.85
Purchase during the year	1525.84	100.63	-	-	-	1626.47
Adjustment	4.56	-	-	-	-	4.56
Deletion	-	-	-	(875.77)	(280.11)	(1155.88)
Forex Translation Adjustment	1465.96	13.91	366.86	2419.76	2978.53	7245.02
At March 31, 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**
Amortisation						
At April 01, 2011	5820.34	-	1952.65	2878.21	-	10651.20
Addition	1921.73	31.99	-	1178.39	-	3132.11
Adjustment	1.88	-	-	-	-	1.88
Forex Translation Adjustment	1153.93	4.42	366.86	703.66	-	2228.87
At March 31, 2012	**8897.88**	**36.41**	**2319.51**	**4760.26**	**-**	**16014.06**
Addition	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**
Net Block						
At March 31, 2012	2223.43	78.13	-	10307.61	19116.79	31725.96
At March 31, 2013	2170.98	56.64	-	9285.40	19784.32	31297.34

Note : For Goodwill on Consolidation, refer note no. 40

(Rs. in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE 15 : NON-CURRENT INVESTMENTS		
Long Term Investments (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	7.19	6.94
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)		
- 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
- Nil (Previous year 14) 8% Non Convertible Debentures of Indian Chamber of Commerce of Rs.12.50 each fully paid up	-	0.01
	9.70	9.46
Aggregate amount of unquoted investments	2.51	2.52
Aggregate amount of quoted investments (Market value: Rs. 7.00 lacs (Previous year Rs. 6.83 lacs)).	7.19	6.94

NOTE 16 : LONG TERM LOANS AND ADVANCES

Particulars	As at March 31, 2013	As at March 31, 2012
(Unsecured except to the extent stated and considered good)		
Capital advances	1134.95	2102.01
Advances recoverable in cash or in kind or for value to be received	-	4.80
Balances with statutory/ government authorities	20.09	297.95
Loans to employees		
a) Secured, considered good	320.97	345.09
b) Un Secured, considered good	160.93	320.13
Advance to CFCL Employees Welfare Trust (refer note no.44 (i))	-	1610.10
Prepaid Expenses	1189.51	1285.97
Deposits - others	1133.48	1289.97
	3959.93	7256.02
Included in Loans to employees		
i. Dues from directors of the Company	2.54	-
ii. Dues from officers of the Company	3.72	6.95

NOTE 17 : OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2013	As at March 31, 2012
Catalysts in use (value based on life technically assessed)	1457.45	1082.02
Non current bank balance (refer note no.20)	5.62	15.60
Interest accrued on fixed deposits	0.42	0.09
	1463.49	1097.71

NOTE 18 : INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	As at March 31, 2013	As at March 31, 2012
Stores and spares {Including in transit Rs.33.21 lacs (Previous year Rs.10.74 lacs)}	12021.92	10333.32
Catalysts in use (valued based on life technically assessed)	381.66	318.40
Naphtha	741.55	905.90
Raw materials {Including in transit Rs.60.01 lacs (Previous year Rs.139.52 lacs)}	8109.16	5721.72
Loose tools	18.70	12.81
Packing materials	347.04	365.22
Waste (at net realisable value)	47.33	6.44
Work-in-process	3212.09	2867.73
Finished goods {Including in transit Rs.4489.66 lacs (Previous year Rs.2688.06 lacs)}	33572.40	22223.82
Traded goods {Including in transit Rs.8252.45 lacs (Previous year Rs.6046.28 lacs)}	67080.83	15977.22
	125532.68	58732.58

(Rs. in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE 19 : TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good*	1.60	13.15
Unsecured, considered good {Including subsidy receivable from Government of India Rs.33801.48 lacs (Previous year Rs.7698.30 lacs)	35553.82	8656.89
Unsecured, considered doubtful	1750.34	1495.98
Less: Provision for doubtful receivables	1750.34	1495.98
	35555.42	8670.04
Other receivables		
Secured, considered good*	3715.37	3243.40
Unsecured, considered good {Including subsidy receivable from Government of India Rs.224869.28 lacs (Previous year Rs.144645.17 lacs)	319366.32	209957.69
Unsecured, considered doubtful	253.59	248.96
Less: Provision for doubtful receivables	253.59	248.96
	323081.69	213201.09
	358637.11	221871.13

*Secured trade receivables includes Rs.251.29 lacs (Previous year Rs.381.59 lacs) secured against letter of credit.

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE 20 : CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Cheques/ drafts in hand	1.86	-
Balances with banks:		
On unpaid dividend / preference share capital / debenture / fixed deposit accounts	944.56	914.66
On current accounts	6480.22	6169.85
On cash credit accounts	14641.35	24533.95
On saving accounts	26.66	79.40
On fixed deposit accounts	8619.79	280.88
On escrow accounts	874.73	326.88
Cash on hand	7.04	8.60
	31596.21	32314.22
Other bank balances:		
Deposit with original maturity for more than 12 months	14.62	15.60
Deposit with original maturity for more than 3 months but less than 12 months	8302.58	15642.92
	8317.20	15658.52
	39913.41	47972.74
Amount disclosed under non current assets (refer note no.17)	(5.62)	(15.60)
	39907.79	47957.14

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE 21 : SHORT-TERM LOANS AND ADVANCES		
(Unsecured except to the extent stated and considered good, except to the extent stated)		
Advances recoverable in cash or in kind or for value to be received (Considered doubtful Rs.95.37 lacs, Previous year Rs.93.05 lacs)	3229.63	6926.68
Balances with statutory/ government authorities	3929.29	5034.41
(Considered doubtful Rs.345.14 lacs, Previous year Rs.323.19 lacs)	-	
Loans to employees	-	
a) Secured, considered good	66.62	61.12
b) Unsecured, considered good	19.94	28.11
Deposits - others	307.70	357.01
(Considered doubtful Rs.26.14 lacs Previous Year Rs.26.14 lacs)		
Inter - corporate deposits	4050.00	5000.00
Advance to CFCL Employees Welfare Trust (refer note no.44 (i))	1710.10	-
(Considered doubtful Rs.573.98 lacs, Previous year Nil)		
Prepaid Expenses	1932.57	1620.75
Advance income tax (Net of provision for taxation)	14301.49	9776.24
Advance fringe benefit tax (Net of provision for fringe benefit tax)	3.70	3.70
	29551.04	28808.02
Less: Provision for doubtful advances	1040.63	442.38
	28510.41	28365.64
Included in Loans to employees :		
i Dues from directors of the Company	1.60	4.15
ii Dues from officers of the Company	3.23	3.05

(Rs. in Lacs)

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE 22 : OTHER CURRENT ASSETS		
(Unsecured, except to the extent stated and considered good)		
Interest receivable on loans, deposits and others	260.88	385.06
Export benefits receivable	86.41	56.79
Insurance and other claims receivable	1012.67	670.78
Unamortised premium on forward contracts	5601.22	3824.01
Forward contract	-	56.08
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)	192.00	231.41
Unbilled Revenue	1249.48	540.59
	8402.76	5764.82

NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

(Rs. in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31,2012
NOTE 23 : REVENUE FROM OPERATIONS		
Sales of own manufactured products (including subsidy on fertilisers)	444165.21	398674.00
Sales of traded products (including subsidy on fertilisers)	304361.54	272922.26
Income from operations of Shipping business {Including Rs.7193.22 lacs from charter in ship (Previous Year Rs.7037.99 lacs)}	31651.86	39739.82
Software development, KPO and BPO Services	37565.94	39253.55
Software licence fees	571.10	316.74
Maintenance & support services	3646.18	3750.09
Other Opertating Revenues		
Export benefits	300.01	566.02
Others	33.98	74.62
Revenue from operations (gross)	822295.82	755297.10
Less : Excise duty#	2095.99	1443.29
Revenue from operations (net)	820199.83	753853.81

Excise duty on sales amounting to Rs.2095.99 lacs (Previous year Rs.1443.29 lacs) has been reduced from sales in statement of profit and loss and excise duty on increase in stock amounting to Rs.35.53 lacs (Previous year Rs.14.61 lacs) has been considered as expense in note 29 of the financial statements.

Particulars	Year Ended March 31, 2013	Year Ended March 31,2012
NOTE 24 : OTHER INCOME		
Interest on		
- Fertilisers Bonds	0.01	396.55
- Employees loans	18.37	13.94
- Income Tax refunds	675.00	189.89
- Deposit (Gross)	1311.77	1457.78
- Payment from customers	328.59	283.78
- Others	24.81	15.75
Dividend income on non trade current investments	-	62.99
Mark to Market gain on derivative transactions	687.10	0.00
Insurance claims received	817.94	279.59
Liabilities no longer required written back	123.62	579.89
Sale of scrap	390.55	405.22
Rent received (Refer note no. 43 (ii))	150.72	249.49
Foreign exchange variation	296.40	1523.03
Compensation of loss on sale of fertilisers bond	-	891.23
Profit on sale of non trade current investments	1819.43	134.91
Profit on disposal of fixed assets (net)	752.83	-
Miscellaneous income	704.69	1520.52
	8101.83	8004.56
NOTE 25 : COST OF MATERIALS CONSUMED		
Opening inventories	5709.39	6606.47
Add: Purchases*	221527.33	193168.65
Less: Closing inventories	8109.16	5709.39
	219127.56	194065.73
* After adjustment for fluctuations in exchange rate	(11.06)	178.87

(Rs. in Lacs)

Particulars	Year Ended March 31, 2013	Year Ended March 31,2012	(Increase)/ decrease
NOTE 26 : (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS, TRADED GOODS AND WASTE			
Closing 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)
Opening inventories			
- Work-in-process	2867.73	1980.58	(887.15)
- Finished goods	22223.82	15732.40	(6491.42)
- Traded goods	15977.22	6878.14	(9099.08)
- Waste	6.44	74.49	68.05
	41075.21	24665.61	(16409.60)
	(62837.44)	(16409.60)	
Adjustment for fluctuation in exchange rate	(79.13)	953.46	
	(62916.57)	(15456.14)	
NOTE 27 : EMPLOYEE BENEFIT EXPENSE			
Salaries, wages and bonus*	31966.85	29006.38	
Contribution to provident and other funds	2005.04	1936.48	
Gratuity expenses (refer note no. 38)	319.76	521.71	
Workmen and staff welfare expenses	2314.21	2067.26	
Employee Stock Option Scheme Expenses	389.73	193.54	
	36995.59	33725.37	
*Refer note no.36			
NOTE 28 : FINANCE COST			
Interest (Including interest on Income Tax Rs.20.19 lacs (Previous year Rs.23.02 lacs))	12500.47	10353.83	
Bank charges and guarantee commission*	1324.91	1173.19	
Net Loss on Foreign currency transaction and translation	-	1195.73	
	13825.38	12722.75	
* Refer note no.36			
NOTE 29 : OTHER EXPENSES			
Consumption of stores and spares*	4641.43	4703.76	
Consumption of packing materials	8009.89	9402.56	
Sub contracting expenses	16545.42	19440.89	
Power and fuel*	111749.67	80732.12	
Catalyst charges written off	440.43	310.73	
Rent (refer note no.43(b) & (c)) (Prior period expenses Rs.584.97 lacs (Previous year Nil))	6415.92	4344.68	
Rates and taxes	832.52	531.02	
Insurance	2825.88	2652.41	
Repairs and maintenance :			
- Plant & Machinery	2415.70	1508.36	
- Ships	561.03	901.32	
- Buildings	488.98	524.50	
- Others	1721.12	1359.54	
Ships bunker cost	8522.28	12913.63	
Ships port dues	2635.63	3133.74	
Ships special survey expenses	734.04	-	
Directors' sitting fees	11.98	13.75	

(Rs. in Lacs)

Particulars	Year Ended March 31,2013	Year Ended March 31,2012
NOTE 29 : OTHER EXPENSES (Contd.)		
Travelling and conveyance*	3029.41	3060.05
Communication costs	1282.43	1456.43
Printing and stationery	195.78	155.08
Legal and professional fees*	1932.67	1827.27
Auditor's remuneration		
As auditor:		
- Audit fee	62.69	131.14
- Tax audit fee	8.15	8.02
- Limited review fee	24.78	22.34
- Out of pocket expenses	5.25	3.66
In other manner:		
- Certification and other services	38.20	39.49
Excise duty on increase in inventories	35.53	14.61
Freight and forwarding charges	45291.86	37797.67
Other selling expenses	1067.12	1022.24
Cash rebate to customers	419.79	110.15
Commission and brokerage to other than sole selling agents	1144.01	1522.32
Donations and contribution to charitable institutions	15.38	0.20
Depletion of loose tools	15.22	9.94
Green belt development/ horticulture expenses	293.55	251.00
Provision for loss on derivative transaction	-	1835.21
Provision for doubtful advances and debts	853.75	495.06
Loss on foreign exchange variation (net)	-	318.17
Premium on forward contracts amortised	14022.30	6174.99
Loss on disposal of fixed assets (net)	-	917.39
Bank charges and guarantee commission (other than financing)*	179.07	315.92
Irrecoverable debts and advances written off	465.67	600.37
Miscellaneous expenses *	2958.90	3323.06
	241893.43	203884.79

* Refer note no.36

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 has changed the accounting policy i.e. 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 has been reversed and shown as exceptional income during the year.

NOTE 31 : EARNINGS PER SHARE (EPS)		
Net profit as per Statement of Profit and Loss	23851.59	15830.85
Calculation of weighted average number of equity share of Rs.10 each		
- Number of shares at the beginning of the year	416207852	416207852
- Total equity shares outstanding at the end of the year	416207852	416207852
- Weighted average number of equity shares outstanding during the year	416207852	416207852
Basic and Diluted Earnings Per Share (in Rs.)	5.73	3.80
Nominal Value of Equity Shares (in Rs.)	10.00	10.00

32. THE GROUP COMPRISES OF THE FOLLOWING ENTITIES :

Name of the Group Company	Country of Incorporation	Percentage of Ownership as at 31.03.2013	Percentage of Ownership as at 31.03.2012
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%
NITC GmbH ("GNITC") - (Dissolved effective January 3, 2013)	Germany	-	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%	100.00%
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%

33A CONTINGENT LIABILITES (NOT PROVIDED FOR) IN RESPECT OF PARENT COMPANY:

(Rs. in Lacs)

(a)

S.No.	Particulars	2012-13	2011-12
i)	Bills discounted with bank and remaining outstanding as on date	153.06	529.65
ii)	Demand raised by Customs, Sales Tax and Income Tax (IT) authorities being disputed by the Company*	582.74	595.98
iii)	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
iv)	Penalty levied by FERA Board under appeal before the Calcutta High Court	1.30	1.30
v)	Various labour cases	Amount not ascertainable	Amount not ascertainable
vi)	Other claims against the Company not acknowledged as debts	343.75	322.42

* Brief description of liabilities for (ii) above :

(Rs. in Lacs)

S.No.	Particulars	2012-13	2011-12
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.	-	9.55
	Demand raised by IT authorities on account of various disallowances for AY 2009-10.	90.00	446.99
	Demand raised by IT authorities on account of various disallowances for AY 2010-11.	323.96	-
	Demand raised by IT authorities on account of short deduction of TDS and interest thereon for AY 2008-09 to 2012-13	74.94	38.30
2.	**Sales Tax :** -		
	Disallowance of VAT credit on raw materials used in the manufacturing of finished goods.	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	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
	Show cause notice dated 16.03.2011 related to non payment of service tax on 'Renting Income' received during FY 2009-10.	-	1.99
	Show cause notice dated 19.01.12 related to non payment of excise duty of Rs. 12.00 lacs on sale of scrap during FY 2009-10	-	12.00
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	6.69
	Total	582.74	595.98

(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:

a) ISGN Corporation

Lawsuit by former employees claiming certain benefits brought subsequent to December 31, 2012, but relating primarily to periods prior to December 31, 2012. In light of the fact that it is early in the process and there are multiple unknown variables, CFCL Technologies Limited is unable to make an estimate of the amount or range of loss that it expects to incur in connection with the resolution of this matter.

b) Richmond Title Services (RTS)

- 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. E&O carrier has accepted the claim and the Group's deductible is USD 25,000 (Rs. 13.75 lacs). Matter is currently stayed due the plaintiff and one defendant filing for bankruptcy. The Group's liability for this claim is not expected to be material.
- Lawsuit by lender to establish priority of its mortgage over another lender. RTS was improperly named as a party to the matter. No liability to the Group is expected, and a settlement between the proper parties is anticipated.
- Lawsuit alleging TILA violations and failure to disburse loan proceeds; plaintiff has a history of filing claims without merit. RTS has not been properly served in the matter. Demand amount is USD 265,000 (Rs.145.75 Lacs), but RTS is expected to prevail in the matter. The Group's liability for this claim is not expected to be material.

c) Inuva Info Management Private Limited

- Disputed sales tax and purchase tax matters under West Bengal Sales Tax Act - USD 621 (Rs.0.34 lac).

d) ISG Novasoft Technologies Limited, India

- Adjustments to taxable income approximating USD 0.17 million (Rs. 93.50 lacs) by the Deputy Commissioner of Income-tax for the financial year ended March 31, 2007 on account of differential transfer pricing margin, is contested before the Commissioner of Income-tax , New Delhi, India. ISGNTL management considers these additions to gross margin as not tenable against the Company, and therefore no provision for this tax contingency has been established.
- Adjustments to taxable income approximating USD 0.56 million (Rs. 308 lacs) by the Deputy Commissioner of Income-tax for the financial year ended March 31, 2008 on account of differential transfer pricing margin, is contested before the Commissioner of Income-tax , New Delhi, India. ISGNTL management considers these additions to gross margin as not tenable against the Company, and therefore no provision for this tax contingency has been established.

Based on favourable decisions in similar cases, legal opinion taken by the Group, discussions with the solicitors, etc., the Group believes that there is fair chance of decisions in its favour in respect of all the items listed in 33B above and hence no provision is considered necessary against the same.

34. A As the financial statements of CFCL Technologies Limited, Cayman Islands (CTL) are drawn up to December 31, 2012, adjustments have been made for significant transactions during the period from January 01, 2013 to March 31, 2013 in accordance with Accounting Standard (AS) 21, Consolidated Financial Statements as notified by the Companies (Accounting Standards) Rules, 2006 (as amended). During this period, CTL has received a bridge loan amounting to Rs. 2095.71 lacs from CFCL Overseas Limited (COL). Accordingly, above transaction has been adjusted in the consolidated financial statement by disclosing the same as Cash and Bank balance in note no. 20 of the consolidated financials statements.

B As the financial statements of Indo Maroc Phosphore S.A (IMACID) are drawn up to December 31, 2012, adjustments have been made for significant transactions during the period from January 01, 2013 to March 31, 2013 in accordance with Accounting Standard (AS) 21, Consolidated Financial Statements as notified by the Companies (Accounting Standards) Rules, 2006 (as amended). During this period, the Parent Company has paid its liability towards purchase of traded products amounting to Rs. 2801.40 lacs to IMACID. Accordingly, above transaction has been adjusted in the consolidated financial statement by disclosing the same as Cash and Bank balance in note no. 20 of the consolidated financials statements.

C As the financial statements of CFCL Technologies Limited, Cayman Islands (CTL) are drawn up to December 31, 2012, adjustments have been made for significant transactions during the period from January 01, 2013 to March 31, 2013 in accordance with Accounting Standard (AS) 21, Consolidated Financial Statements as notified by the Companies (Accounting Standards) Rules, 2006 (as amended). During this period, CTL has paid guarantee commission amounting to Rs.81.58 lacs from the Company. Accordingly, above transaction has been adjusted in the consolidated financial statement by disclosing the same as Cash and Bank balance in note no. 20 of the consolidated financials statements.

D Similarly, in the Previous year, the Parent Company had received dividend amounting to Rs.8841.21 lacs from IMACID whose financials are drawn upto December 31, 2011. Accordingly, above transaction was adjusted in the consolidated financial statement by disclosing the same as payable in note no.11 of the consolidated financials statements.

35. Capital Commitment

(Rs. in Lacs)

Particulars	2012-13	2011-12
Estimated amount of contracts remaining to be executed on capital account (net of advances)	11441.51	4878.12

36. 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. Cosequently 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	2012-13	2011-12
Opening Balance	412.16	341.14
Add : Expenditure during the year		
Salaries, wages and bonus	115.09	40.84
Consumption of stores and spares	12.49	
Travelling and conveyance	5.34	17.36
Power and fuel	7.95	9.89
Legal and professional fees	807.30	2.78
Bank charges and guarantee commission	0.04	0.13
Miscellaneous expenses	653.65	0.02
Total	**2014.02**	**412.16**
Less : Allocated to fixed assets on commencement of production in SSP plant	192.88	-
Net pre-operative expenditure (pending for allocation)*	**1821.14**	**412.16**

*Related to upcoming Urea manufacturing plant and power projects.

37. SEGMENT INFORMATION

Primary Segment : Business Segment

The Group's 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*" (P_2O_5) 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, 2013

(Rs. In lacs)

Particulars	Own Manufactured Urea		P_2O_5		Trading		Shipping		Textile		Software & others		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Revenue														
External Sales	360478.21	300742.72	43649.49	63669.84	304385.02	272947.40	31651.86	39774.91	38252.03	33398.57	41783.22	43320.37	820199.83	753853.81
Inter Segment Sales	-	-	2646.01	-	(2646.01)	-	-	-	-	-	-	-	-	-
Total Sales	360478.21	300742.72	46295.50	63669.84	301739.01	272947.40	31651.86	39774.91	38252.03	33398.57	41783.22	43320.37	820199.83	753853.81
Results														
Segment Results	47699.81	50301.20	152.19	8603.54	22548.17	16682.82	(2083.22)	(2322.71)	2012.77	(1200.78)	(7934.97)	(7375.27)	62394.75	64688.80
Unallocated Expenses (net)	-	-	-	-	-	-	-	-	-	-	-	-	16263.09	9207.76
Operating Profit before Exceptional Items	-	-	-	-	-	-	-	-	-	-	-	-	46131.66	55481.04
Exceptional Item	-	-	-	-	-	-	-	-	-	-	-	-	(1195.73)	-
Interest Expenses	-	-	-	-	-	-	-	-	-	-	-	-	12500.47	11549.56
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	2358.55	2357.69
Dividend Income	-	-	-	-	-	-	-	-	-	-	-	-	-	62.99
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	15972.55	33466.06
Net Profit after Exceptional Items	-	-	-	-	-	-	-	-	-	-	-	-	21212.92	12886.10
Share of Minority Interest in losses	-	-	-	-	-	-	-	-	-	-	-	-	2638.67	2944.75
Net Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	23851.59	15830.85
Other Information														
Segment Assets	343564.74	231249.40	21208.73	33983.37	221108.16	125447.40	153712.77	154268.01	21102.84	22425.11	47693.49	46981.65	808390.73	614354.94
Unallocated Assets	-	-	-	-	-	-	-	-	-	-	-	-	60931.60	65075.97
Total Assets	-	-	-	-	-	-	-	-	-	-	-	-	869322.33	679430.91
Segment Liabilities	21597.74	17492.52	10297.91	17864.23	27053.05	9843.32	3982.68	2912.86	2308.63	1925.73	10541.96	9490.96	75781.97	59529.62
Unallocated Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	602660.64	443144.34
Total Liabilites	-	-	-	-	-	-	-	-	-	-	-	-	678442.61	502673.96
Capital Expenditure	8496.67	8434.35	271.46	325.16	-	-	138.53	216.54	152.76	147.77	2185.33	1929.81	11244.75	11053.63
Unallocated Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	88.37	31.83
Depreciation/ Amortisation	10570.27	14670.25	1006.32	877.31	-	-	9912.64	9799.47	1567.56	1638.15	3495.65	3754.17	26552.44	30739.35
Unallocated Depreciation/ Amortisation	-	-	-	-	-	-	-	-	-	-	-	-	153.87	100.12
Non cash Expenses other than Depreciation & Amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Secondary Segment : Geographical Segments

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	2012-13	2011-12
Revenue within India	752713.68	680721.73
Revenue from outside India	67486.15	73132.08
Total	**820199.83**	**753853.81**

Geographical segment wise receivables :

(Rs.in lacs)

Particulars	2012-13	2011-12
Receivables within India	347010.99	209021.60
Receivables from outside India	11626.12	12849.53
Total	**358637.11**	**221871.13**

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.

38. **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 salary) for each completed year of service. The Scheme is funded with insurance companies in the form of a qualifying insurance policy 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 Actuary Society and provided the 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	
	2012-13	2011-12	2012-13	2011-12
Current service cost	325.62	343.58	202.51	166.28
Interest cost on benefit obligation	-	-	142.07	105.14
Expected return on plan assets	-	-	(122.63)	(94.10)
Net actuarial (gain) / loss recognised in the year	-	-	97.81	300.86
Past service cost	-	-	-	43.53
Net (benefit) / expense	325.62	343.58	319.76	521.71
Actual return on plan assets	-	-	138.01	71.07

Balance Sheet

Funded status and amount recognised in the Balance Sheet

(Rs. in Lacs)

Particulars	Trust Managed Provident Fund		Gratuity	
	2012-13	2011-12	2012-13	2011-12
Defined benefit obligation	6192.65	5860.76	2049.63	1791.22
Fair value of plan assets	6365.66	5937.41	1847.72	1301.98
Plan assets / (liability) */ **	173.01	76.65	(201.91)	(489.24)

* Plan assets of Rs.173.01 lacs (Previous year Rs.76.65 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.

** Plan liability of Rs.201.91 lacs is net of plan asset of Rs. 22.60 lacs and Rs. 8.84 lacs in respect Fertiliser and Textile Division of the Group respectively.

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

(Rs.in lacs)

Particulars	Trust Managed Provident Fund		Gratuity	
	2012-13	2011-12	2012-13	2011-12
Opening defined benefit obligation	5860.76	5723.25	1791.22	1325.49
Interest cost	552.64	486.48	142.07	105.14
Current service cost	325.62	343.58	202.51	166.28
Past service cost	-	-	-	43.53
Benefits paid out of funds	(496.97)	(580.32)	(149.53)	(93.67)
Benefits paid by the Group	-	-	(52.77)	(32.53)
Settlement / transfer in	-	(66.60)	-	-
Acturial (gains) / losses on obligation	(49.40)	(45.63)	114.24	274.88
Effect of exchange rate changes	-	-	1.90	2.10
Closing defined benefit obligation	6192.65	5860.76	2049.63	1791.22

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

(Rs.in lacs)

Particulars	Trust Managed Provident Fund		Gratuity	
	2012-13	2011-12	2012-13	2011-12
Opening fair value of plan assets	5937.41	5725.36	1301.98	1003.80
Expected return	552.64	486.65	122.63	94.10
Contribution by employer	325.62	343.58	554.21	318.99
Benefits paid	(496.97)	(646.92)	(149.53)	(93.67)
Acturial (gains) / losses on obligation	46.96	28.74	17.11	(20.08)
Effect of exchange rate changes	-	-	1.33	(1.16)
Closing fair value of benefit obligation	6365.66	5937.41	1847.72	1301.98

The Group expects to contribute Rs.319.75 lacs (approx) and Rs.350 lacs (approx) to gratuity trust fund and provident fund trust respectively in financial year 2013-14.

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 (%)	
	2012-13	2011-12	2012-13	2011-12
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	
	2012-13	2011-12	2012-13	2011-12
Discount rate (%)	8.50	8.50	8.00 to 8.01	8 to 8.65
Expected rate of return (%)	8.50	8.50	7.75 to 9.25	7.75 to 9.25
Employee turnover rate (%)	2 to 10	2 to 10	2 to 40	2 to 42

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				
	2012-13	2011-12	2012-13	2011-12	2010-11	2009-10	2008-09
Defined Benefit Obligation	6192.65	5860.76	2049.63	1791.22	1325.49	1111.04	1089.00
Plan assets	6365.66	5937.41	1847.72	1301.98	1003.80	257.89	95.67
Surplus / (deficit)	173.01	76.65	(201.91)	(489.24)	(321.69)	(853.15)	(993.33)
Experience adjustment on plan assets - gain / (loss)*	-**	-**	16.72	24.13	24.13	1.92	(1.69)
Experience adjustment on plan liabilities - gain / (loss)*	-**	-**	(69.79)	(24.50)	(24.92)	(0.68)	(105.47)

* Experience adjustment on plan assets/liability in case of gratuity does not include details of Software Division in absenses of details in certificate.

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

Provident and other funds

Contribution to Defined Contribution Plans :

(Rs.in lacs)

Particulars	2012-13	2011-12
Provident Fund / Pension Fund*	380.39	590.99
Superannuation Fund	118.11	90.07

*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 .

39. **Related Party Disclosures**

During the year, the Company entered into transactions with the related parties. Those transactions along with related balances as at March 31, 2013 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	2012-13		2011-12	
Reimbursement of expenses		43.53		29.81
	43.53		29.81	
Purchase of Traded goods		5438.81		-
	5438.81		-	
Outstanding balances as at the year end		**27.06**		**16.63**
Advance receivables	27.06		16.63	

(b) **Key Management Personnel and their relatives**

Mr.Anil Kapoor

(Rs.in lacs)

Nature of Transactions	2012-13		2011-12	
Remuneration paid to Managing Director*		255.88		201.18
Mr. Anil Kapoor	255.88		201.18	
Interest income on loan given to Managing Director		0.23		0.38
Mr. Anil Kapoor	0.23		0.38	
Outstanding balances as at the year end		4.15		4.15
Loan receivable				
Mr. Anil Kapoor	4.15		4.15	

* 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.

40. 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	2012-13	2011-12
ISGN Corporation	3244.82	3145.64
ISGN Solutions Inc.	2413.65	2330.71
Richmond entities	1901.30	1835.96
ISGN Fulfillment Services Inc. and its Subsidiaries	12224.55	11804.48
Total	**19784.32**	**19116.79**

41. **GOVERNMENT GRANTS AND SUBSIDIES**

(a) Nitrogenous Fertilizers are under the Concession Scheme as per New Pricing Scheme (NPS-Stage III) implemented w.e.f. 1st April, 2003. The concession price and freight has been accounted for on the basis of notified prices, further adjusted for input price escalation/ de-escalation, as per known policy parameters of NPS - Stage III, applicable for the period from October 1, 2006 to March 31, 2010, 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.4964.36 lacs (Previous year Rs.4442.38 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.477.52 lacs (Previous year Rs.0.62 lac) 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.

Current year's subsidy income is inclusive of Rs.Nil (Previous year Rs.0.31 lac) being the subsidy income, pertaining to earlier years but, determined during the year.

(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.318.23 lacs (Previous year Rs.380.97 lacs) during the year and reduced the same from interest expenses.

42. During the year, the Parent Company has revised the estimated useful life of software and other assets based on technical estimates made by the management. Accordingly, additional depreciation of Rs.108.39 lacs has been accounted for in the financial statements.

Had the Parent Company continued to use the earlier basis of providing depreciation, the charge to the Statement of Profit and Loss for the current year would have been lower by Rs.73.22 lacs (net of tax of Rs.35.17 lacs) and the net block of fixed assets would correspondingly have been higher by Rs.108.39 lacs.

43. **Leases**

(i) **Assets taken on lease**

(a) The Group is having certain fixed assets taken on finance lease of Rs. 745.86 lacs (Previous year Rs. 730.61 lacs). The lease payment made during the year amounts to Rs.207.06 lacs (Previous year Rs.247.47 lacs), out of which Rs.115.48 lacs (Previous year Rs.150.61 lacs) has been adjusted against Principal and Rs.91.58 lacs (Previous year Rs.96.86 lacs) has been shown as interest expense. The interest rate for various leases varies from 12.72% to 28%. There is no renewal and escalation clause as well as restriction imposed in the lease agreement. There are no subleases. The break up of minimum lease payment outstanding as at March 31, 2013 is as follows:

(Rs.in lacs)

Period	2012-13			2011-12		
	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	204.01	120.07	83.94	221.84	125.45	96.39
Payable after one year but before 5 years	421.48	253.05	168.43	523.34	289.51	233.83
Payable after 5 years	38.39	36.17	2.22	130.32	106.94	23.38

(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.2800.85 lacs (Previous year Rs.3442.18 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 subleases. The break up of minimum lease payment outstanding as at March 31, 2013 is as follows:

(Rs.in lacs)

Period	Minimum Lease Payments	
	2012-13	2011-12
Payable within one year	2347.22	3357.01
Payable after one year but within five years	5967.11	7458.18
Payable after five year	1492.07	1903.64

(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.3615.07 lacs (Previous year Rs.902.50 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 $ 263,682 (Rs.140.89 lacs) (Previous Year US $ 525,528 (Rs.245.21 lacs)).

Future minimum lease payments are as follows:

(Rs.in lacs)

Period	Minimum Lease Payments	
	2012-13	2011-12
Payable within one year	96.35	208.30
Payable after one year but within five years	386.46	428.49
Payable after five year	7.64	95.42

(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.9.83 lacs (Previous year Rs.4.28 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.

44. EMPLOYEE STOCK OPTION PLAN

(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, 41,62,000 Stock Options can be issued to managing director and other specified categories of employees of the Parent Company. The options are to be granted at market price. As per 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:

	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

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 2012-13 (Qty)	FY 2011-12 (Qty)
Outstanding at the beginning of the year	2,996,200	3,107,500
Granted during the year	270,000	320,000
Forfeited during the year	162,000	242,500
Exercised during the year	-	188,800
Expired during the year	-	-
Outstanding at the end of the year	3,104,200	2,996,200
Exercisable at the end of the year	734,200	270,200
Weighted average remaining contractual life (in years)	4.03	4.89
Weighted average Exercise price (in Rs.)	74.76	75.18

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

Tranche	Weighted	Range of exercise Price	Number of options	Weighted average remaining	Weighted average
1	27.12	73.50	2,336,300	3.80	73.50
2	28.84	76.85	257,900	3.80	76.85
3	34.59	82.90	180,000	4.80	82.90
4	41.48	101.10	100,000	4.80	101.10
5	31.48	69.40	230,000	5.80	69.40

Stock Options granted

The weighted average fair value of stock options granted till date is 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	3.8	3.8	4.8	4.8	5.80
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 Parent Company has considered the daily volatility of the stock prices of the Parent 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 Parent 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.3000 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, 2013 is Rs.1710.10 lacs (Previous year Rs.1610.10 lacs). Trust has purchased 2,442,202 equity shares (Previous year 2,242,202 equity shares) of the Parent Company from the open market, out of interest free loan provided by the Parent Company till March 31, 2013.

Current value of the shares outstanding as on March 31, 2013 is Rs.1125.57 lacs (Previous year Rs.1587.28 lacs) based on last closing price, whereas book value of shares outstanding in the trust books stand to Rs.1699.55 lacs (Previous year Rs.1603.53 lacs) resulting into diminution of Rs.573.98 lacs (Previous year Rs.16.25 lacs). In the current 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 has given a time limit upto June 30, 2013 to comply with the circluar. In view of the same advance to ESOP trust has been considered as short term and accordingly based on prudence, provision of Rs.573.98 lacs has been made in the books.

(ii) Subsidiary Company

The Board of Directors of the CFCL Tehnologies 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 3,105,000 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 would continue to be employees on the vesting date. The employee compensation cost recognised in the Statement of profit and loss is USD 729,430 (Rs.389.73 lacs), (Previous year: USD 414,795 (Rs.193.54 lacs)). The weighted average remaining useful life of the stock options is 7.81 years (Previous year: 8.30 years)

The following scheme is in operation.

Particulars	2012	2011
Date of grant	May 1, 2012 ; June 10, 2012 ; August 1, 2012 ; September 1, 2012 ; November 1, 2012	June 14,2011 and October 7, 2011
Date of Board Approval	May 1, 2012 ; June 10, 2012 ; August 1, 2012 ; September 1, 2012 ; November 1, 2012	June 14,2011 and October 7, 2011
Date of Shareholder's approval	-	—
Number of options granted	1,174,500	409,500
Options forfeited during the period	129,333	235,500
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	2012		2011	
	Number of options	Weighted Average Exercise Price (US $)	Number of options	Weighted Average Exercise Price (US $)
Outstanding at the beginning of the year	1,680,447	2.60	1,536,447	2.11
Granted during the year	1,174,500	5.19	409,500	4.91
Forfeited during the year	129,333	3.87	235,500	2.38
Exercised during the year	-	-	30,000	2.09
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,725,614	3.66	1,680,447	2.60
Exercisable at the end of the year Weighted average remaining contractual life (in year)	1,442,680 7.80	2.35	1,244,631 8.30	1.91
Weighted average fair value of options granted on the date of grant	-	2.59	-	2.15

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

Range of exercise prices	Number of options oustanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price
US $ 1.58 to 5.44	2,725,614	7.81	US $ 3.66

The weighted average fair value of stock options granted during the year was US $ 2.5854 (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	2012	2011
Weighted average share price (US $)	5.44	4.99
Exercise Price (US $)	4.99 to 5.44	4.99
Expected volatility	0.6585	0.6468 to 0.6602
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%	0.51 % to 0.59 %
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 3.38 to 3.64 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	2012	2011
Total Employee Compensation Cost pertaining to share-based payment plans	4218.00	1146.92
Compensation Cost pertaining to equity-settled employee share-based payment plan included above for previous year	2898.17	579.27
Compensation Cost pertaining to equity-settled employee share-based payment transferred to Securities Premium account	-	(140.51)
Compensation Cost pertaining to equity-settled employee share-based payment plan included above for current year	389.73	193.54
Liability for employee stock options outstanding as at year end Deferred Compensation Cost	934.12	514.62

The estimated weighted average fair value of options granted is US $ 2.5854 (Previous year US $ 2.1533) per share. This was calculated by applying the Black-Scholes option pricing model with the following inputs:

Particulars	2012	2011
Fair value per share (US $)	5.44	4.99
Exercise price (US $)	4.99 to 5.44	4.99
Average risk-free interest rate	0.36 - 0.46 %	0.51%-0.59%
Expected volatility of share price	0.6585	0.6468 to 0.6602
Expected life of options granted (in years)	3.38 to 3.64	3.25 to 3.75
Expected dividend yield	Nil	Nil
Fair value of the options (US $)	2.512 to 2.628	2.258 to 2.369

Expenses arising from the plan	US $ 729,430 (Rs.389.73 lacs) (Previous year US $ 414,795 (Rs.193.54 lacs))
Closing balance of liability for the plan	US $ 1,698,397 (Rs.934.12 lacs) (Previous year US $ 968,967(Rs.514.62 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 $ 1.58 to $ 5.44	2,725,614	7.81 years

* (includes 1,265,009 options (Previous year 486,009) 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	2012-13	2011-12
Profit as reported	23851.59	15830.85
Less : Employee stock compensation under fair value method	219.95	291.74
Proforma profit	23631.64	15539.11
Earning per share		
Basic and Diluted		
- As reported	5.73	3.80
- Proforma	5.68	3.73

45. (a) **Series G Preference Shares**

On 14 January 2013, the CTL issued Series G Preference Shares of par value USD 0.0001 each ("Series G Preference Shares"), at an issue price of USD 7.5467 per share to raise approximately USD 10 million in two tranches of USD 7.50 million and USD 2.50 million respectively. Investors for this issue are CFCL Overseas Limited (949,626 shares), NEA FDI, Ltd. (388,344 shares), NEA IUV, LLC (33,127 shares).

Investors for this issue and other details are as below:

Name of the investor	Par value per share (in US$)	Issue price per share (in US$)	No.of shares issued	Share Capital (US$)	Securities Premium (US$)	Total Value (in US$)
NEA FDI Limited	0.0001	7.5467	388,344	39 (Rs.0.0215 lacs)	2,930,677 (Rs.1611.87 lacs)	2,930,716 (Rs.1611.89 lacs)
NEA IndoUS Ventures, LLC	0.0001	7.5467	33,127	3 (Rs.0.0017 lacs)	249,996 (Rs.137.5 lacs)	249,999 (Rs.137.50 lacs)
Total			421,471	42 (Rs.0.0232 lacs)	3,180,673 Rs.1749.37 lacs)	(3,180,715 (Rs.1749.39 lacs)

(b) Series A, Series B and Series F preference shares are convertible into ordinary shares in the ratio of 1:1. Further Series C, Series D and Series E preference shares are convertible into ordinary shares in the ratio of 1.27:1. The above conversion is subject to adjustments set forth in the Articles of Association of the 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 the 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 the 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 Company 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 the Company 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 the Company 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 Company 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.

46. Deferred Tax Assets

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, 2012 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 expected to maintain a profitable trend in the ensuing future as well. Breakup of deferred tax assets is as follows :

(Rs.in lacs)

Particulars	2012-13	2011-12
On account of Section 43B items under the Income Tax Act, 1961	105.08	90.79
Depreciation	56.97	11.77
Total	**162.05**	**102.56**

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.

47. 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	
	31.03.2013	31.03.2012	2012-13	2011-12
Loans and advances to firms / Companies in which directors are interested				
- The Oudh Sugar Mills Limited	2000	3000	3000	3000
- Upper Ganges Sugar & Industries Limited	2000	2000	2000	2000
- Zuari Investments Limited	50	-	125	1000
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
- Zuari Investments Limited	40.30	40.30	40.30	40.30

* Repayable within one year

48. 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.

Particulars	2012	2011
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share capital	-	
Reserves and surplus	8519.11	21570.96
Total	**8519.11**	**21570.96**
Non-Current Liabilities		
Long-term borrowings		
Deferred tax liabilities (Net)	-	-
Other long term liabilities	-	-
Long term provisions	-	-
Total	-	-
Current Liabilities		
Short-term borrowings		2.69
Trade payables	10189.12	16777.80
Other current liabilities	108.79	9927.58
Short-term provisions		-
Total	**10297.91**	**26708.07**
Grand Total	**18817.02**	**48279.03**
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	5251.11	5666.45
Intangible assets	-	-
Capital work-in-progress	16.19	238.60
Intangible assets under development	-	-
Non-current investments	-	-
Deferred tax assets (net)	-	-
Long term loans and advances	-	-
Other non-current assets	-	-
Total	**5267.30**	**5905.05**
Current assets		
Inventories	2854.69	6953.71
Trade receivables	7550.93	10967.22
Cash and cash equivalents	11213.43	15759.14
Short-term loans and advances	2887.48	7182.37
Other current assets	216.06	
Total	24722.59	40862.44
Grand Total	**29989.89**	**46767.49**
Income		
Revenue from operations (Net) including inter transfer Rs. 2646.01 lacs (Previous year Nil)	46295.50	63669.84
Other income	600.08	1939.77
Total Revenue	**46895.58**	**65609.61**

Expenses:		
Cost of materials consumed	30863.71	47921.71
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	3688.24	(2503.91)
Employee benefit expense	1726.56	1632.39
Financial cost	2.24	33.00
Operating and other expenses	9178.89	8468.65
Depreciation / Amortization	1006.32	877.31
Total Expenses	46465.96	56429.15
Profit after exceptional items and before tax	429.62	9180.46
Tax expenses:		
Current tax	235.55	1658.97
Profit for the year	194.07	7521.49

49. 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.

50. Pending receipt of appeal effect orders for the assessment years 2003-04, 2004-05 and 2009-10 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.

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

(Rs. in Lacs)

Particulars	2012-13	2011-12
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	46.57	19.34
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.	-	-

52. Derivative Instruments

(a) Derivative outstanding as on March 31, 2013

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 391,554,362.34 (398,579,497.67)	212574.86 (202797.25)	To hedge foreign currency loans from bank.
			USD 7,000,000.00 (15,000,000.00)	3800.30 (7632.00)	To hedge trade payables
2.	**Interest Swaps** Buy	INR USD	USD 114,950,000.00 (131,653,333.33)	-	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	48,884.00 (155,805.00)	34,813,425.87 (16,667,211.56)	243,804,438.09 (260,331,449.39)	12,064,426.77 (8,622,232.96)
2	SGD	-	185,986.00 (183,081.00)		75,507.00 (11,025.00)
3	JPY		5,077,608.00 (13,625,909.00)	-	- (85,527.00)
4	GBP	-	3,773.00 -	-	-
5	EURO	-	744,975.74 (41,070.19)	-	9,582.62 (22,437.57)
6	AED	-	30,429.00 (268,013.00)	-	-
7	MAD	-	-	-	
8	KW	-	- (3,840.00)	-	-
9	NOK	-	607.00 (15,438.00)	-	-
10	THB	-	-	-	2,750.00 (2,750.00)
11	YUAN	- -	- -	-	- (69,785.00)
12	AUD	- -	53,277.00 -	-	-
13	NZD	- -	14,803.00 -		
14	DKK	- -	13.00 -	-	
Exposure Rs. in lacs		26.54 (79.27)	19574.55 (8705.83)	132361.43 (132456.64)	6589.68 (4413.04)

Notes :

(a) Unhedged Borrowings of Rs.108544.96 lacs (Previous year Rs. 112754.28 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, 2013 have been provided for.

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

53. The Deferred Tax charge for the current year ended March 31, 2013 includes additional charge for deferred tax liability of Rs.1891.35 lacs. Further, tax on proposed equity dividend includes additional charge of Rs.61.09 lacs. These are due to increase in rate of surcharge of income tax as proposed in the Finance Bill, 2013.

54. During the Previous year, the Shipping Division of the Parent Company had opted out of Tonnage Tax Scheme under the Income Tax Act, 1961 and therefore was assessed under the normal tax regime w.e.f. April 01, 2011. The computation of current tax and deferred tax for the Previous year was done accordingly. Consequent to the above, the Parent Company had accounted for net deferred tax liability on the difference between the written down value of the fixed assets pertaining to the Shipping Division as per books of accounts and the Income Tax Act, 1961 as on April 1, 2011 amounting to Rs.18420.67 lacs and the same was disclosed as 'Exceptional Deferred tax charge' in the Statement of Profit and Loss.

55. 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 and on behalf of the Board of Directors of Chambal Fertilisers and Chemicals Limited

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

per Anil Gupta
Partner
Membership No - 87921

Place : Gurgaon
Date : April 30, 2013

Anil Kapoor
Managing Director

Abhay Baijal
Vice President - Finance

Place : New Delhi
Date : April 30, 2013

S.K. Poddar
Chairman

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

CHAMBAL FERTILISERS AND CHEMICALS LIMITED

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

PROXY FORM

I/We ....of ....in the

district of ....being a member/ members of the above named

Company, hereby appoint Mr./Mrs...of .... in the district of

....or failing him/her Mr./Mrs. ....of

....in the district of ....as my/our proxy to attend and vote for me/us

and on my/our behalf at the Twenty Eighth Annual General Meeting of the Company to be held at 1030 hours on Friday, the 13th day of September, 2013 at its Regd. Office at Gadepan, Distt. Kota (Rajasthan), PIN - 325 208 and any adjournment thereof.

Signed this ....day of ....2013.

Signature .... Affix Re.1 Revenue Stamp ....

Ledger Folio / Client ID No. ....DP ID No. ....

No. of Shares held ....

Note : The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the scheduled time for holding the meeting.

CHAMBAL FERTILISERS AND CHEMICALS LIMITED

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

ATTENDANCE SLIP

(Please complete the Attendance Slip and hand it over at the entrance of the Meeting Hall).

I hereby record my attendance at the Twenty Eighth Annual General Meeting of the Company being held on September 13, 2013.

Member's/Proxy's name (In Block Letters) Signature of Shareholder/Proxy

Ledger Folio / Client Id No... DP ID No. ....

No. of Shares held..

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.______________

Signature of Shareholder(s)
(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.

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.______________

Signature of Shareholder(s)
(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